

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 8672

10485 HOUSE TRANSPORTATION

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

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

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

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

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

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

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

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

Engineering Geophysics Laboratory
Ground Based Geophysical Methods

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

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

Geological Materials Engineering Laboratory
Soil and Rock Materials Testing

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

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

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

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

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

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

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

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

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

Sincerely

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

Cc: Robert Carlson, Interim Dean
School of Mineral Engineering

Martha A. Stewart, Director
Federal Relations

Representative Jeannette James

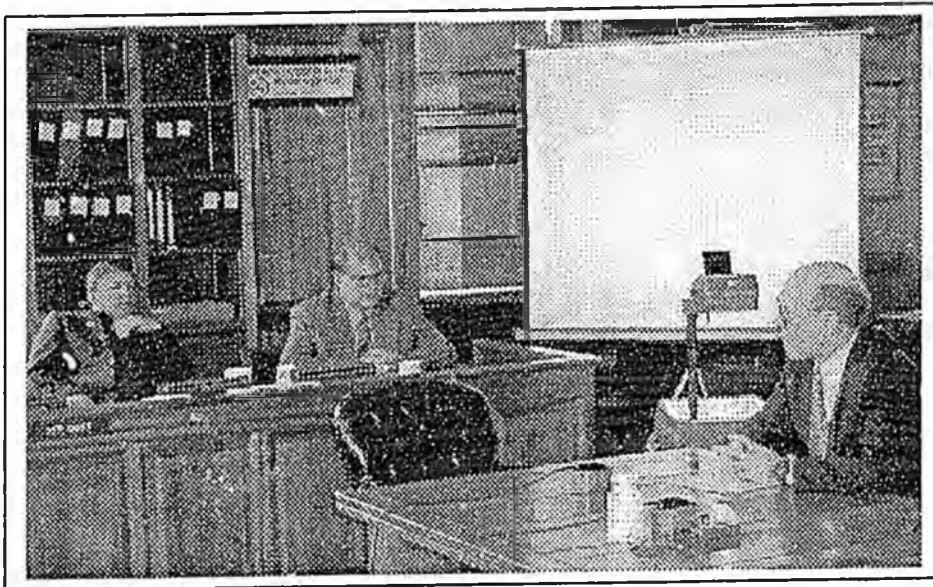
References Cited

- Dearman, W.R., 1976, Engineering geological maps: Unesco Press, Paris, 79 p.
- Dearman, W.R., 1991, Engineering geological mapping: Butterworth-Heinemann London, 387 p.
- Fitterman, D.V., 1987, Developments and applications of modern airborne electromagnetic surveys: U.S. Geol. Survey Bull. 1925, 216 p.
- Hanna, W.F., 1987, Geologic applications of modern aeromagnetic surveys: U.S. Geol. Survey Bull. 1924, 106 p.
- Pitkin, J.A., 1968, Airborne measurements of terrestrial radioactivity as an aid to geologic mapping: U.S. Geol. Survey Prof. Paper 516-F 29 p.
- Scott, W.J., Sellman, P.V., and Hunter, J.A., 1970, Geophysics in the study of permafrost: in Ward, S.H., Geotechnical and environmental geophysics, Society of Exploration Geophysicists, Investigations in Geophysics No. 5, p. 355-384.
- Ward, S.H., 1981, Gamma-ray spectrometry in geologic mapping and uranium exploration: Economic Geology 75th Ann. Volume, p 840-849.

SECTION 5:

REPORT OF

DR. MILT WILTSE



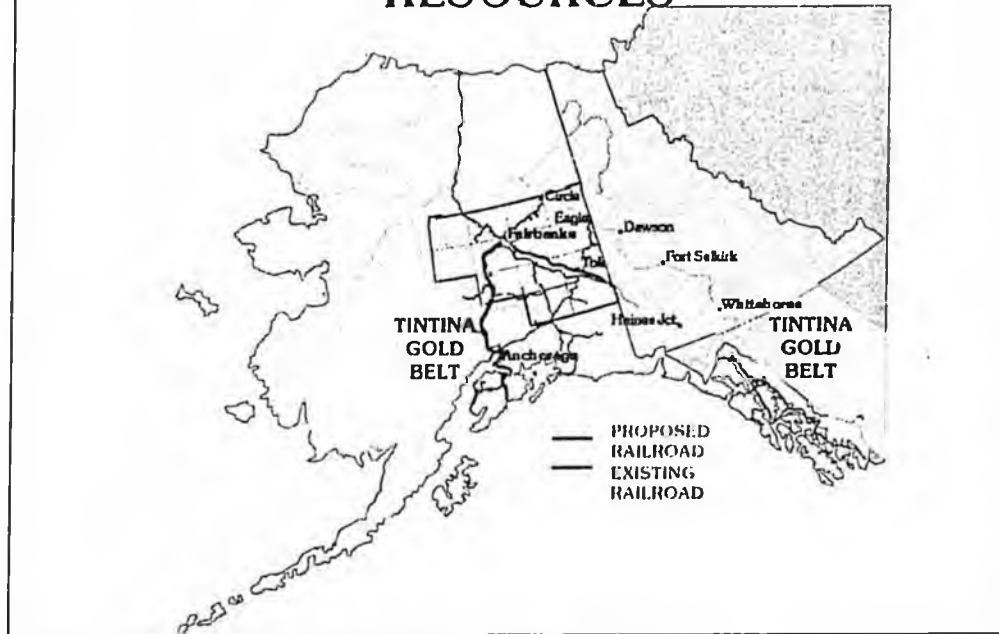
**EAST CENTRAL ALASKA GEOLOGIC
RESOURCES
AND
ACCESS CORRIDORS**

ALASKA DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

JUNEAU, ALASKA

FEBRUARY 20, 2001

EAST CENTRAL ALASKA GEOLOGIC RESOURCES



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

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

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

ACCESS



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

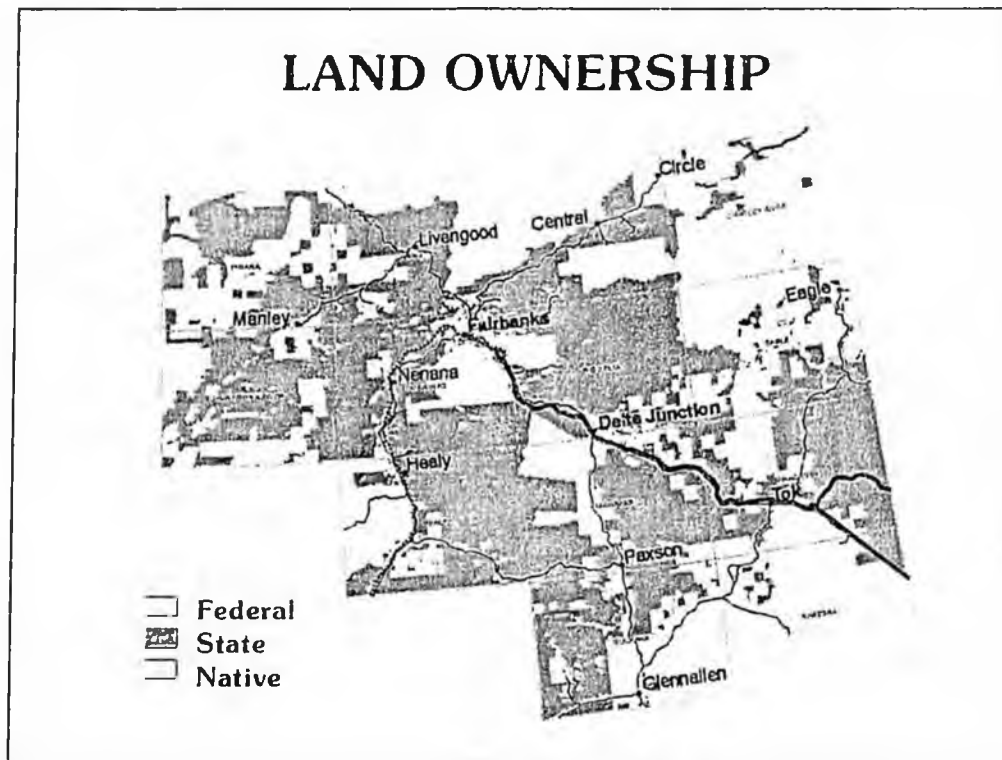
The existence of a road and railroad transportation network has been a significant positive factor in fostering mineral exploration and development in East-Central Alaska.

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

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

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

LAND OWNERSHIP

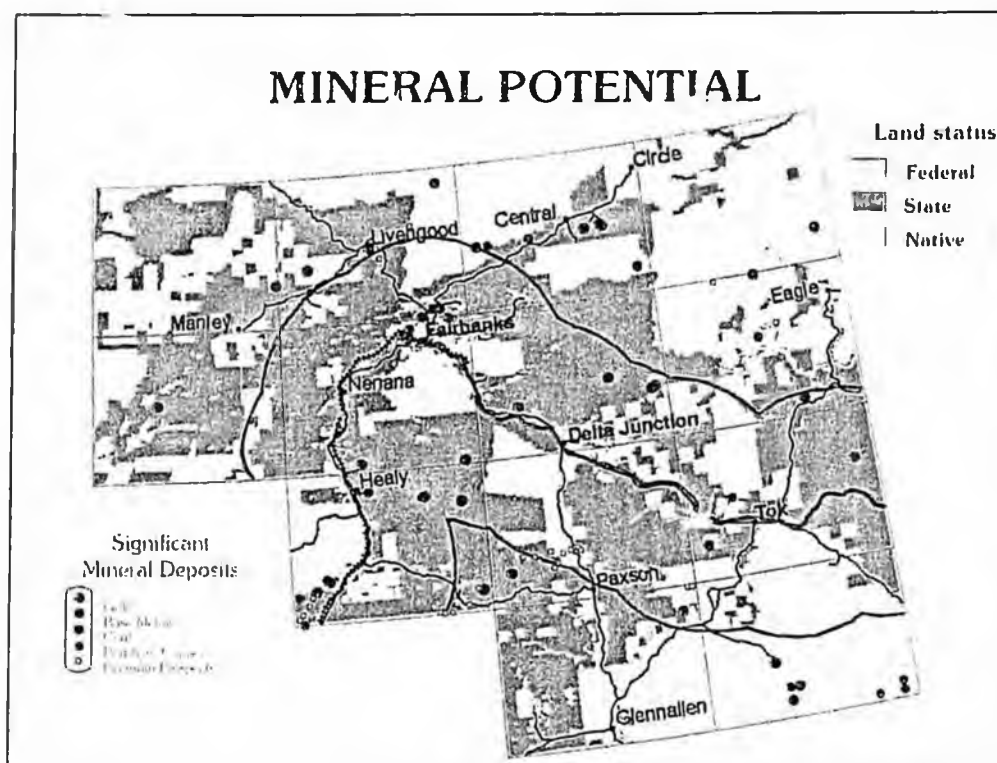


There are three major classes of land owners in Alaska: 1) the federal government; 2) the state of Alaska; and 3) Alaska Native Regional- and Village-Corporations. Other private land owners are a small minority when measured by acres in private fee-simple ownership.

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

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

MINERAL POTENTIAL



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

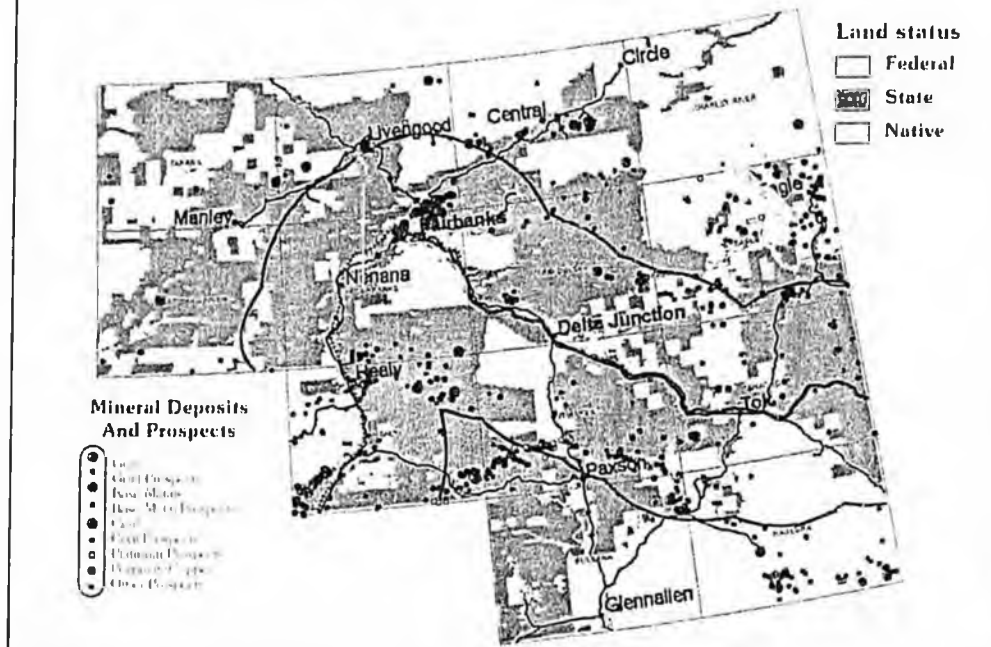
The region hosts several other significant prospects and mineral districts, e.g. the Bonifield gold and massive sulfide copper-lead-zinc district east of Healy; the copper-lead-zinc Delta District southwest of Tok; the Richardson gold district northwest of Delta Junction.

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

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

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

EXPLORATION & DEVELOPMENT



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

GEOLOGIC FRAMEWORK & MINERAL OCCURRENCES

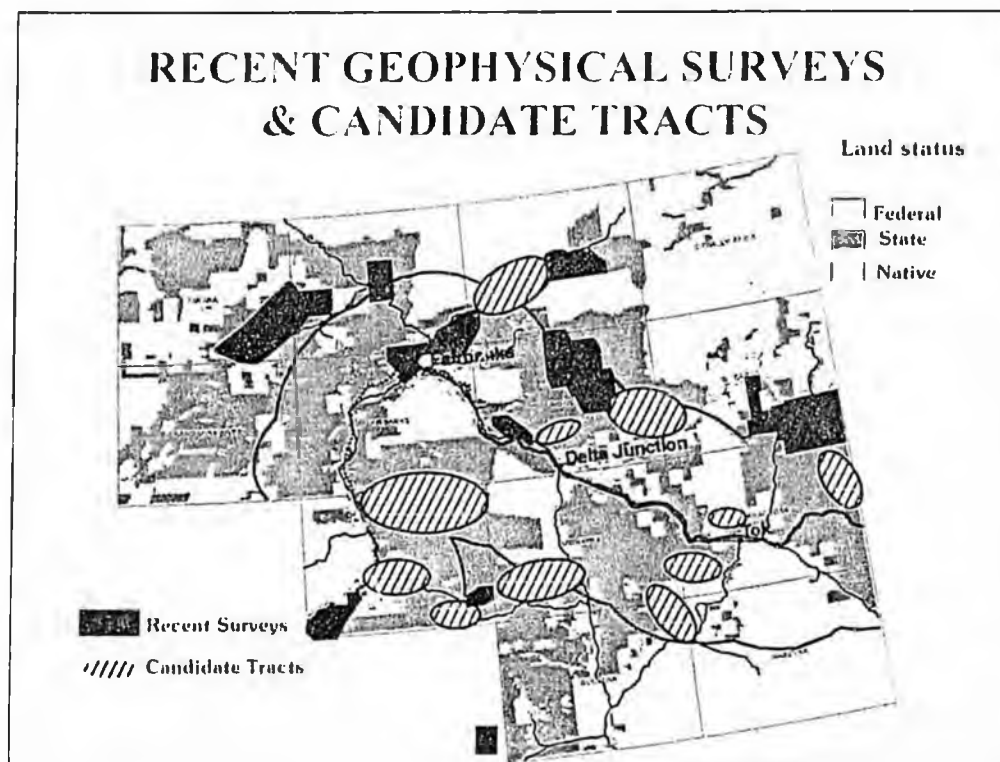


Placer gold deposits and districts have proved effective in identifying areas hosting significant lode deposits of several mineral commodities. If placer gold occurrences are added to the lode occurrences already shown, one gets a feel for just how widespread indications of mineralization are within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

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

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

RECENT GEOPHYSICAL SURVEYS & CANDIDATE TRACTS



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

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

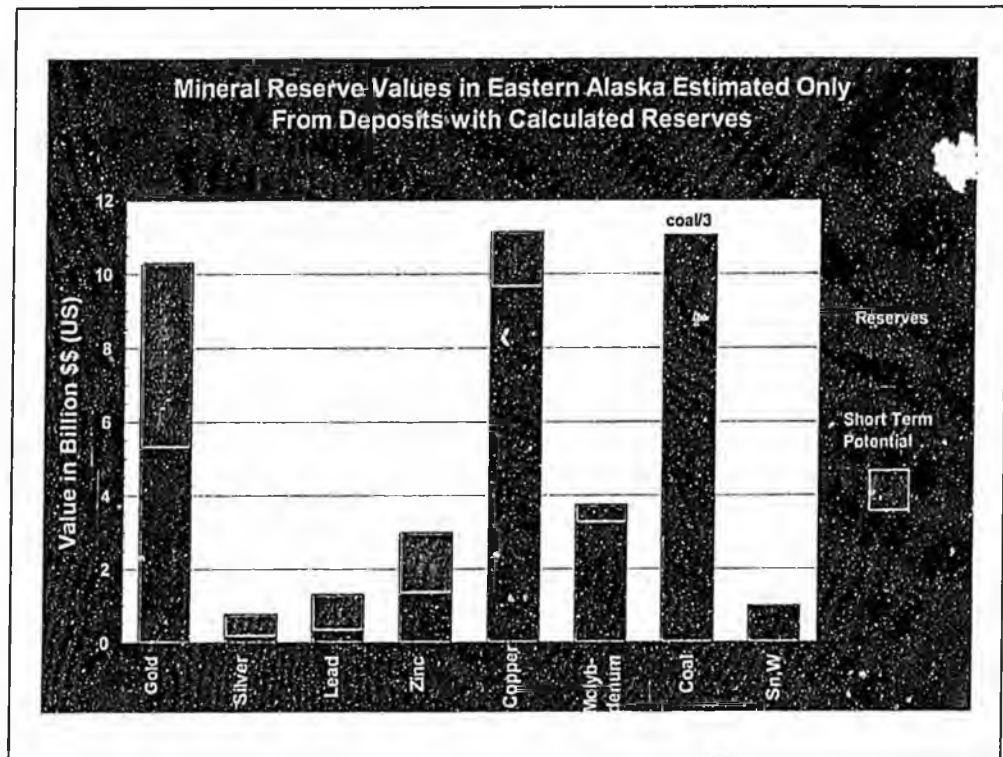
To date, nine tracts have been geophysically surveyed within East-Central Alaska. Modern ground-truth geologic maps at a scale of 1:63,360 (1 inch = 1 mile) are available for six of these tracts. The Fortymile mining district is currently being mapped.

There are 444 square miles of airborne-geophysical surveys represented by the gray polygons shown in this figure

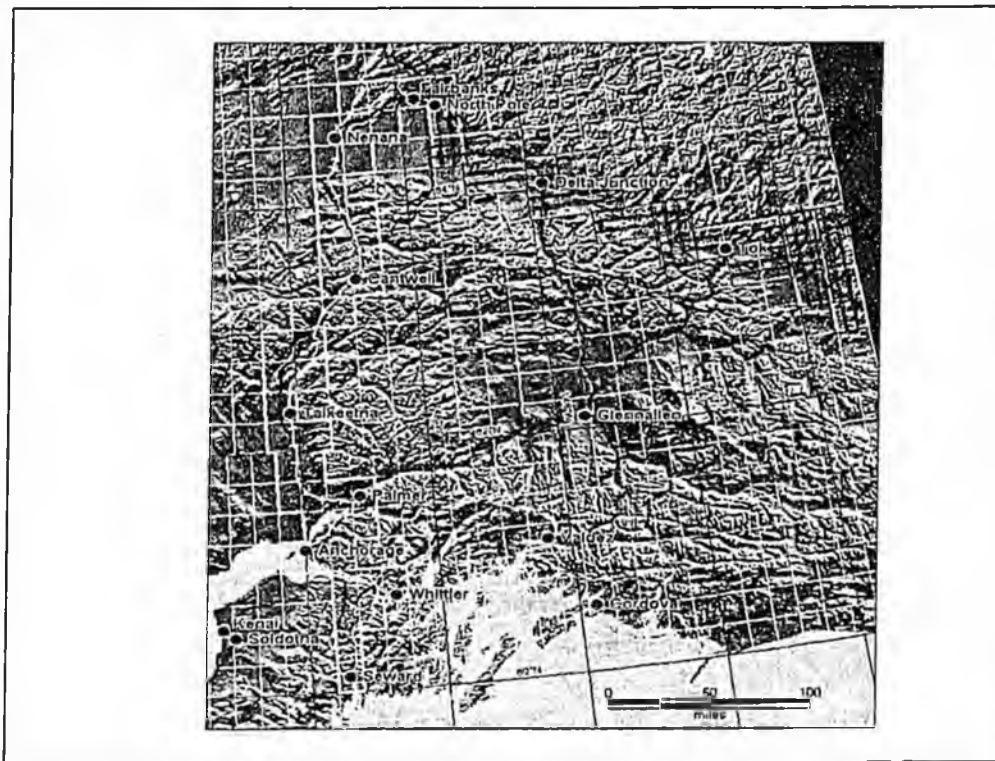
These new geophysical and geological data have catalyzed a tremendous private sector investment in mineral exploration and development within East-Central Alaska.

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

Completing the remaining surveys is contingent upon special annual appropriations.



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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 6:

REPORT OF

TOM BRIGHAM,

Planning Director,

ALASKA DEPARTMENT

OF TRANSPORTATION

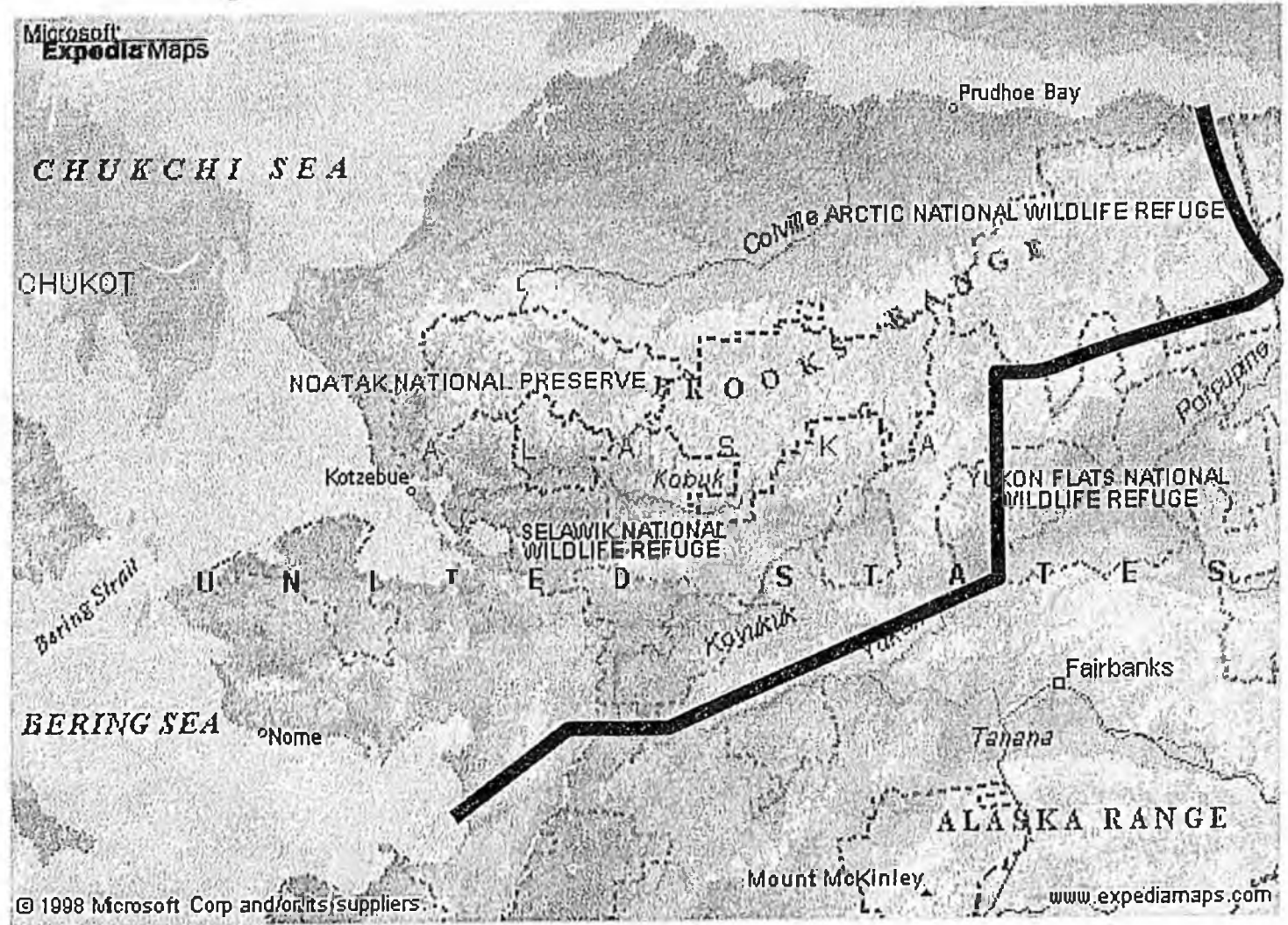
Northwest Alaska Transportation Plan

Tom Brigham
Planning Director
Alaska Department of
Transportation

Vision Statement

- ◆ Multi-modal: air, land & water
- ◆ Community/resident needs, and
- ◆ Mineral/energy needs
- ◆ 20-year horizon
- ◆ Extensive public participation
- ◆ Tied to implementation plan

Plan Boundary

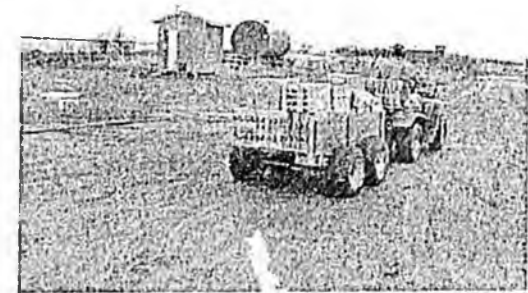


Two Related, but Different Efforts

- ◆ Part 1: Community and resident transportation
- ◆ Part 2: Resource Transportation

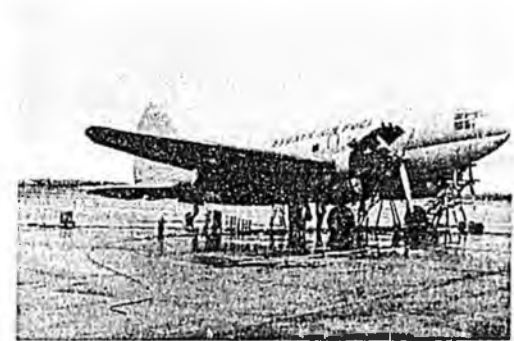
Community Transportation Analysis

- ◆ Conducted by DOT staff
- ◆ Focused on:
 - ◆ aviation
 - ◆ inter-community roads and trails
 - ◆ riverine and coastal freight



Community Transportation Analysis Update

- ◆ Public meetings in villages Nov 00-Feb 01 arranged and conducted through regional non-profit corporations
- ◆ Focused on:
 - ◆ local needs
 - ◆ local concerns with RTA



Resource Transportation Analysis

- ◆ Prepared by CH2M-Hill and subcontractors
- ◆ Focused on:
 - ◆ understanding of road/rail/marine options for accessing and transporting energy and mineral resources
 - ◆ how to make these commodities viable on world markets



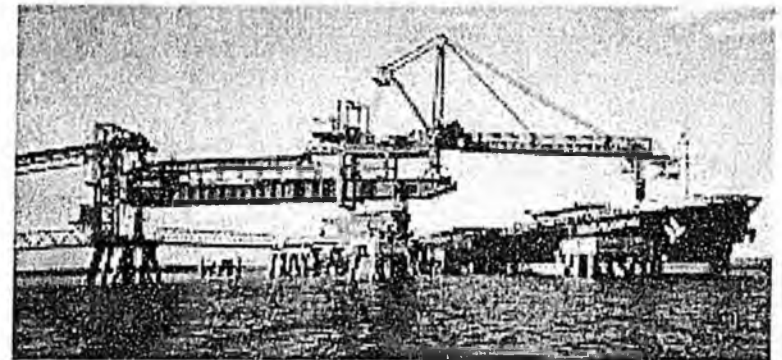
RTA Consultant Team

- ◆ CH2M-Hill - Project Consultant
 - ◆ Sandwell Inc. – international mineral/coal transport engineers
 - ◆ HDR Alaska – environmental and land status
 - ◆ Northern Economics – economics
 - ◆ Army COE and AIDEA are working closely on RTA

RTA Funding and Timelines

- ◆ Phase I - Data gathering and alternatives identification - nearing completion
- ◆ Phase II-A Alternatives Review and Shortlisting - 12 months
- ◆ Phase II-B Select Final Alternative and prepare implementation plan - 6 months

RTA Timeline



Phase I
Sep. 2000

Phase II-A
Mar. 2001

Phase II-B
Mar. 2002



✕

Data & develop
list of alternatives

✕

Detailed review
of alternatives

✕

Final alternative
refine implementation.

RTA Vision

- ◆ “Provide a long-term strategic assessment of the value of surface transportation access to concentrations of petroleum, natural gas, coal and mineral deposits in the Northwest and Arctic Region.
- ◆ Suggest a system design, routing, and partnered financing structure which would make such a system economically feasible for industry and the state, compatible with the social and environmental values of the people of Alaska.”

Resource Transportation Analysis

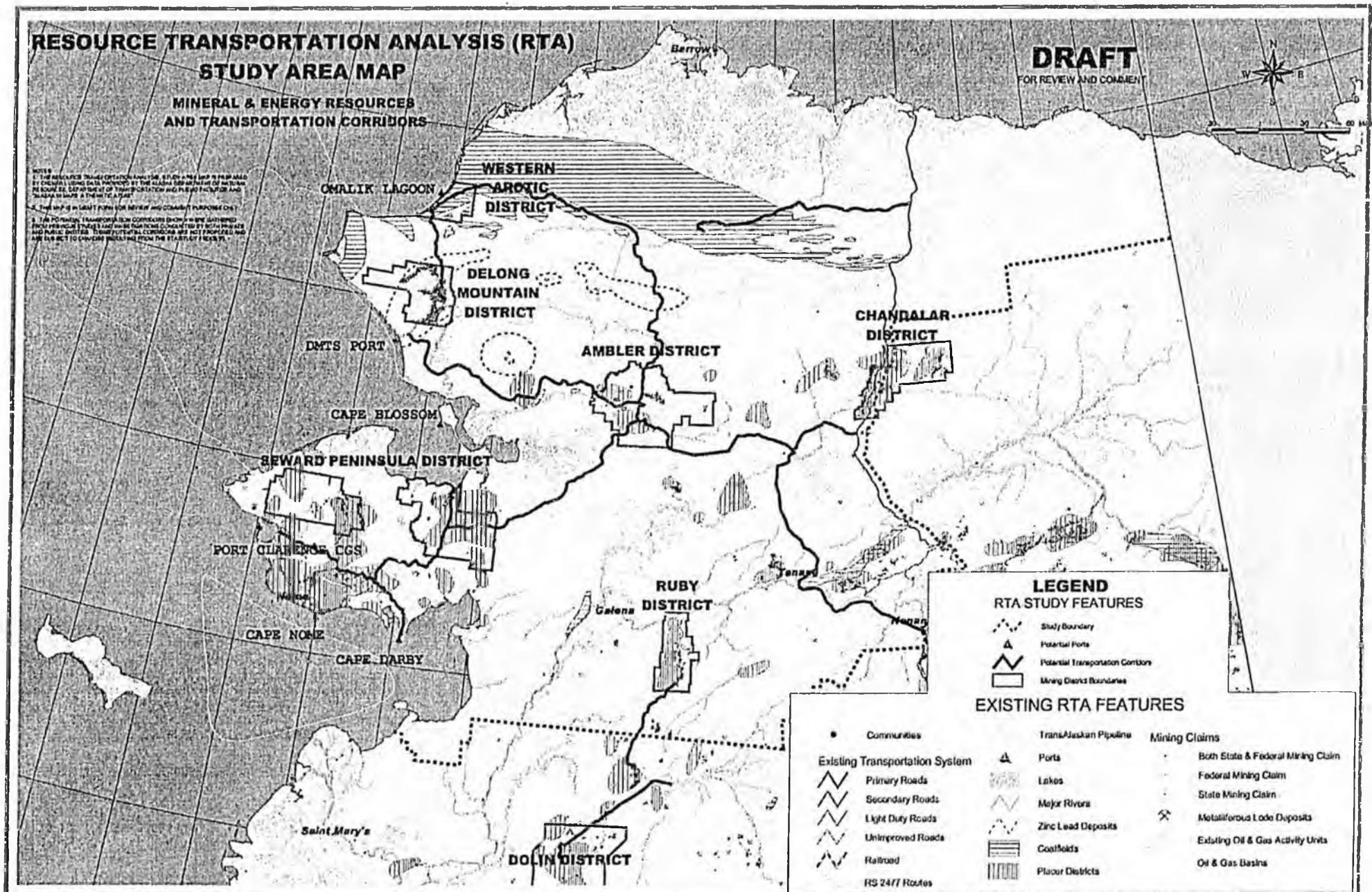
Phase I-Program Definition

- ◆ Collect existing studies,
- ◆ interview industry representatives and local leaders,
- ◆ identify potential mineral/ energy resource sites,
- ◆ identify potential transport corridors and
- ◆ identify potential port sites

Resource Transportation Analysis Phase I (continued)

- ◆ Develop preliminary program requirements,
- ◆ identify a “long-list” of alternative solutions
- ◆ define regional transportation goals and objectives to assist in evaluating options and constraints

STUDY AREA AND CORRIDORS



Resource Transportation Analysis Phase I (continued)

- ◆ Produce a Phase I RTA Report
 - ◆ Executive Summary
 - ◆ 1. Introduction
 - ◆ 2. Existing & Potential Resource Developments
 - ◆ 3. Existing & Potential Tidewater Ports
 - ◆ 4. Overland Transportation
 - ◆ 5. Existing Links
 - ◆ 6. Mapping of Potential Corridors
 - ◆ 7. Initiatives for Resource Transportation

Resource Transportation Analysis Phase I (continued)

- ◆ Produce a Phase I RTA Report (continued)
 - ◆ 8. Marine Transportation
 - ◆ 9. Development Schedules
 - ◆ 10. Project Constraints
 - ◆ 11. Selection Process
 - ◆ 12. Information Gaps
 - ◆ 13. Conclusions
 - ◆ 14. Recommendations for Next Phase

Resource Transportation Analysis

Phase IIA-Evaluation of Transportation Options

- ◆ Refine selected alternatives,
- ◆ develop preliminary cost estimates,
- ◆ identify project constraints ,
- ◆ develop a preliminary schedule,
- ◆ conduct a market evaluation and
- ◆ perform an economic feasibility analysis

Resource Transportation Analysis Phase IIB-Regional Transportation System Master Plan

- ◆ Develop regional transportation system master plan,
- ◆ estimate contribution to economic development,
- ◆ develop a financial plan ,
- ◆ define public and private sector tasks and
- ◆ produce the Resource Transportation Analysis component of the Northwest Alaska Transportation Plan

Project Funding-I

- ◆ DOT&PF will select and prioritize project needs for which it has direct responsibility.
- ◆ While all DOT&PF related projects will be identified it is important to realize that not all projects will move quickly to construction.
- ◆ Highest priority projects in each category will be constructed first.
- ◆ DOT&PF will favor joint funding opportunities for any projects identified in the plan.

Project Funding-II

- ◆ Some identified projects will not be eligible for DOT&PF funds.
- ◆ This plan will help bring them to the attention of agencies or organizations that can fund them.

How to Reach Us

- ◆ Toll Free Voice 1-888-Plan DOT
- ◆ Toll Free Fax 1-888-Plan FAX
- ◆ Internet <http://www.dot.state.ak.us>
- ◆ Email first_last@dot.state.ak.us
or
planning_comments@dot.state.ak.us

SECTION 7:

NEWS COVERAGE



URL: www.repjames.org

Representative Jeannette James

Working to establish an Alaska-
Canada rail link

By Vanessa Orr

As a child growing up in Oregon, North Pole Representative Jeannette James was fascinated by the railroad. When the trains went by her home, she used to run outside to count the traveling cars and listen to the water running through the steam engine. Her lifelong love of the industry has since become the basis for one of her dreams as an Alaskan representative: the establishment of an Alaska-Canada rail link that would provide economic benefits to both the U.S. and Canada. "I've been working on this project for eight years, and while a lot of people have been interested, sometimes it takes a long time to get things going," said James. "Now that we're getting the word out, people are starting to realize that the project is viable."

CCW: How did you become involved in the Alaska Canada rail connection issue?

Jeannette James: It's been one of my dreams since I was elected in 1992. I've always been a big supporter of the railroad, and when I came down here in 1993, the issue of continuing the railroad through Canada to Russia as an international railroad system was raised. I became a supporter, but of course, it was such a huge project at that time that when you told people about it, they would just roll their eyes. It was a real dream.

CCW: What's happened to make it more of a reality since then?

JJ: We've begun to focus on a smaller part of it; the Alaska-Canada connection. It's more doable, more understandable and has stand alone benefits. And if the railroad does go on to Russia someday, it can't do it without this connection.

CCW: You've been working with Senator Murkowski on this?

JJ: Last year, Senator Murkowski became interested in the issue of railroad access because of its ability to help us access more resources in our state. During the 1999 session I talked to him, and things have really rushed on since then. He is drafting legislation in Washington, D.C. to authorize a bilateral commission of U.S. and Canadian citizens to do a study on the feasibility of the Alaska-Canada connection.

CCW: It seems to be attracting a number of supporters.

JJ: In January of this year, I put together a meeting of business and industry leaders, chambers of commerce and government organizations from British Columbia to the Yukon to talk about the railroad issue. We met in Vancouver, BC, and it was a very successful meeting; over 120 people passed a resolution to support Senator Murkowski's efforts.

CCW: What are the advantages of having an Alaska-Canada connection?

JJ: First, look at the number of resources that would be made available that we can't utilize now because of a lack of access. It will effect the economy, especially imports and exports; think about the effect it could have on the Lower 48 and the

whole of Canada when we open up a trade route with a lower cost of transportation. You also need to look at the tourist industry; the cruise industry is already very interested in building dome cars that could run on this route. It would open up winter tourism opportunities that we can't use now because it's too dangerous to use the roads, and it would open up other areas of the country that aren't currently open.

CCW: Where will the railroad run?

JJ: Phase One would connect the Alaska Railroad, which currently ends at Eielson Air Force Base outside of Fairbanks, to the Canadian rail system at either Fort Nelson or Fort St. James. The Alaska Railroad currently ends about 270 miles from the Canadian border; the Canadian system ends at about 900 miles from the Alaskan border.

CCW: What's the estimated cost on a project this size?

JJ: It's estimated that it will cost \$2 million to \$3 million per mile. Phase One will be about 1,200 miles long.

CCW: Who will pay for it?

JJ: Well, we expect to use U.S. and Canadian federal money for the survey, but the construction of the line itself might be done by private folks; possibly a consortium of different railroad companies. We've had interest from as far away as Australia and the

"Think about the effect it could have on the Lower 48 and the whole of Canada when we open up a trade route with a lower cost of transportation."

—Representative Jeannette James

U.K.; the money folks from a lot of different communities are interested in the real opportunity to increase economic activity in this region.

CCW: Will Alaska and Canada split the cost as well as the benefits?

JJ: We'll have to work together on the project; 270 miles go through Alaska, and 900 go through Canada. But though the lion's share of the project goes through Canada, the lion's share of the benefits will actually be to Alaskans, since the population served in B.C. and the Yukon is a small percent of the total population that would be served in Alaska. I expect that the U.S. government would be a bigger money supporter than the Canadians.

CCW: But you don't think the final project will be government owned?

JJ: No, different train companies run on different ownership of rails, and I could see a consortium like Canadian National, who just merged with Burlington Northern, to possibly take charge of this rail. Alaska and Canada would keep their right-of-ways, but I don't see them keeping up the actual rail itself.

CCW: Where does the project stand now?



Photo By Vanessa Orr

JJ: Well, we've got to get the approval to do the study, but most of that information is already available, so it should be able to move quickly. Canada's already documented the resources that would be made available, as has Alaska; the information's there, but it just has to be gathered and put together in some form. We need to be able to show the potential amount of money over time that would be gained to show why we should pay for the project.

CCW: Does an Alaskan-Canadian rail compete with other transportation projects, for example, the road out of Juneau?

JJ: No; it doesn't compete with Juneau access; and like the saying goes, 'a rising tide lifts all boats.' I think building the Alaska-Canada connection will help all other industries; it will take some of the detrimental traffic off of other roads, it'll increase safety and reduce costs. Just think, the White Pass Railroad would be connected to the Lower

48, and it's likely that it wouldn't just be a passenger train but could take out and bring in freight as well.

CCW: What's the next step?

JJ: I'm going next week to the Yukon Territory; I'll be having several meetings with economic development specialists, mineral specialists and narrow gauge railway specialists. It's very important to build awareness of this project, and to get people asking questions. We need people to be aware of what this project can do, and what opportunities it can provide.

CCW: Why is that so important?

JJ: We need to build excitement because when Senator Murkowski tries to get his bill passed through the Legislature, he needs our support. I want communities and businesses to put together resolutions in support of his efforts; if you know anyone in another state, have them write to their congressman or senator as well and ask about the railroad line.

CCW: Have you been getting this kind of support already?

JJ: Yes, the Miner's Association has already done a resolution and so has the state Chamber of Commerce. I haven't asked the City and Borough for one yet.

CCW: What about the environmentalists?

JJ: Most of the conversations I've had with environmentalists show that they realize that there's going to be more access, and that the most environmentally sound way to do it is by rail. It's controlled; there are no cars getting into certain areas, no road crews; no people leaving trash behind.

CCW: This seems to have taken on a life of its own.

JJ: Before getting Senator Murkowski's ear, there were a lot of us interested in the idea, but without federal money, we couldn't do a thing. The Canadians liked the idea, but again, it has to be done by the federal governments of both nations.

CCW: Do you think this will happen in your lifetime?

JJ: Yes, I do. I don't believe the connection to the Bering Straits or to Russia will happen in my lifetime, but I do believe that in six to ten years, the Alaska-Canada rail will be completed.

CCW: Do you plan to be on that first train trip?

JJ: I'd sure love to be.

Ed. Note: For more information about the Alaska-Canada rail project, contact Richard Schmitz at 465-3743 or see Rep. James' webpage at www.rtpjames.org.

**The Doctors
are in!**

Open 7 days a week!

Adult Well Physical Special \$99 includes:
physical, uric acid analysis, cholesterol check,
glucose and CBC

P.S.A and P.A.P. available at additional cost



Juneau URGENT Care

and Family Medical Clinic

8515 Old Dairy Road 791-4111

**SPRUCE MEADOW
RV PARK**

A new recreational vehicle park on Back Loop Rd. is accepting applications for a limited number of permanent R.V. residents. Please call 789-1990 for your applications today or email juneaurver@aol.com

[Fairbanks Daily News-Miner](#)

[Alameda Times-Star](#)

[The Argus](#)

[The Daily Review](#)

[The Eureka Times-Standard](#)

New railroads key to development

March 20, 2000

By SEN. FRANK MURKOWSKI

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

Some 85 years later times have not changed.

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

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

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

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

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

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

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

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

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

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

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

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

My bill would create an 18-member commission, half being appointed by each country. The commission would be fully representative of the



residents of the area and also include scientific expertise to make sure that the difficult issues surrounding a railroad will be thoughtfully considered.

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

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

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

© 1999-2001 MediaNews Group, Inc.

From AEDC and the Editors of
Expansion Management Magazine



American
Economic
Development
Council



A Penton Publication

inside E.D.

Volume 6 • Number 8 • June 2000

Riding the **Rails** 'Back to the Future'

Looking for an engine to drive your local economic development efforts?
Another partner for your economic development team? You may not
need to look any further than the nearest rail line.

Few industry developments have been more synonymous with the territorial and economic development of our country in the latter 19th and early 20th centuries, than the U.S. railroad.

From the completion of the 13-mile Baltimore & Ohio in 1830, the nation's first railroad, to the megasystems created by mergers of major lines in the last 20 years, the U.S. freight railroad industry has undergone significant changes over its 170-year history. And there may be no better time than now to assess the role of the railroad in your development program.

"Think about marketing this rail network as one of the attributes you've got in your state or in your city the same way you market the fact that you've got low energy rates, that you've got a trained work force and you've got a community college system to update the skills of the [work force]," advises Randy Evans, vice president for real estate and industrial development, CSX Transportation Inc., Jacksonville, Fla.

"[To] everything else that's on your list, you need to add this rail network as something that can help the industries lower their costs, and lowering the costs of doing business is always a significant part of the economic development business."

So why is the railroad important now? Where has it been? What does it hold for the future?

While many of the more than 146,000 route-miles of track owned and maintained by U.S. railroads in 1998 have been around for some time, they have not always had the economic impact felt during the near-

ly half-century "Golden Age of Railroad" beginning in the late 1860s.

But the deterioration of the railroads while under federal control during World War I, followed by growing competition from other transportation modes supported by government subsidies, as well as stringent federal regulation, almost caused the collapse of the industry.

Not until the Staggers Rail Act of 1980 essentially deregulated the industry did the railroad return from the brink.

"Yes, there was a low point, and we are definitely on a resurgence, an upswing of rail development and rail usage by companies," said Michele "Mike" Keller, CED, regional manager of industrial development for Burlington Northern Santa Fe Railway Co., Minneapolis, Minn.

"State departments of economic development ... over the years [have] become much more open to rail, because they're actually getting more requests for rail-served properties."

Charlie Penner, director of industrial development for the Union Pacific Railroad Co., Omaha, Neb., agrees.

"There's a definite trend for need for more rail-served sites. I think a lot of people recognize that the economics of rail can be a big advantage to them, and some of the communities and some of the economic development groups, in an effort to reduce truck traffic, also, in some degree, try to push rail business."

Since it bottomed out in 1978, the freight railroad

(See "Riding the Rails" on page 2)

"[To] everything else that's on your list, you need to add this rail network as something that can help the industries lower their costs..."

- Randy Evans, vice president for real estate and industrial development, CSX Transportation

At a glance

Message from the new
2000-2001 chair
page 3

The president's message:
ED is HP at USM
page 4

Industry profile:
Greeting cards (SIC 277)
page 6

Career opportunities:
Your future awaits
page 7

Calendar of events:
For your planner
page 8

A conversation with:
Scott Granacher, JEA,
Jacksonville, Fla.
page 14

**EXPANSION
MANAGEMENT**

A Penton Publication
Inside E.D.

From AEDC and the Editors of
Expansion Management Magazine

2000-2001
 AEDC Officers

Chair

James W. Griffin, CED

First Vice Chair

Jay A. Garner, CED, FM

Second Vice Chair

Rick L. Weddle

Immediate Past Chair

James A. Devine, CED, FM

Secretary-Treasurer

Michele S. Keller, CED

President and CEO

Paul R. Lawler

INSIDE E.D. STAFF

Editor

Bill King

Research Editor

Les Gramkow

Research Analyst

Györgyi Surt

Managing Editor

Lance Yoder

Associate Editor

Rachael Hodgcoth

Art Director

Shelly Souders

Designers

Laura Carter

Tina Rance

Rhona Reid

Circulation

Kris Nichols

Publisher

Gorton W. Wood

Field Correspondents

Chris Cheney

Sarah Wood Harding

Mike Mooney

**Director of Marketing
 and New Business**

Nancy Price



Inside E.D.™ is a trademark of
 Penton Media, Inc.

Riding the Rails

(continued from page 1)

industry has begun to re-establish its importance as an efficient, environmentally friendly, cost-effective transportation mode.

As a result of an expanding economy and a rejuvenated business climate among the nation's railroads, industry productivity is up and rail freight rates are down.

And the upward trends aren't solely affecting the big railroads.

"The other relationship you see that has changed a lot in the last couple years is the rise of short lines because another thing that's happened with the big guys ... is that some of their less profitable lines have been abandoned but some of them they've sold, so that's created a whole different situation as well," remarked Tracy Allen, key projects manager for the Ohio Department of Development.

"We'll use short lines to expand our market reach," said Kay Bryant, director of U.S. business development for the Canadian National-Illinois Central Railway Co., Chicago, Ill. "If we don't have the site that we think best meets the customer's needs we don't hesitate to market a short line's properties for them."

What does this all mean to your development program? Partners and allies. Service. Incentives. Opportunities.

"We've got industrial development representatives in each of the states that really are part of the economic development team for each of the states in their effort to attract industry and to help existing industry expand," said Evans, whose comments are echoed by rail industrial developers up and down the lines.

"We're by no means the leader in the states or the counties but we clearly can be an important part of the team. And the reason we can be ... is that one of the things we bring to them is this rail network that

we own and operate ..."

Railroads, like their partners in state, regional, local, utility and real estate economic development organizations, bring a range of services to the table, including site selection and engineering design.

And while companies would expect economic incentives from those other partners, what the railroads might offer may come as more of a surprise.

"... In some of the cases, we'll also be part of the incentive package in the way that we either price the traffic or some of our willingness to provide rebates for capital investment that the company may make, and that may be part of the

inducement," said Evans.

"One of our publicly funded programs is the Rail Industrial Access Program where we actually spend state dollars to contribute to offset the cost of a rail facility going into an industrial site," noted Kevin Page, senior rail transportation engineer for the Virginia Department of Rail and Public Transportation.

Whatever the industry expanding or relocating, rail may offer new development opportunities.

"Many of the state and local developers do aggressively market rail because that tends to be the bigger clients that need rail service and so it may mean more jobs or more investment, so they're very aware of it ...," said Richard Parker, vice president of real estate, Norfolk Southern Corp., Norfolk, Va.

And the future? It may be found in the lessons of the past, riding the rails of the 21st century iron horses.



— Les Gramkow is the research editor of *Expansion Management Magazine*. You can contact him at lgramkow@newhope.com.



The American Economic Development Council is a high-participation organization for people committed to economic development. The largest and oldest economic development society, AEDC serves over 2,500 members and has been a home base for the profession since 1926. AEDC helps members create sustainable local economic development capabilities which are globally competitive; gives leadership in building knowledge, forming alliances and managing key issues; and serves as a career anchor for economic developers who are — or wish to become — leaders in the profession. You can contact the AEDC at 1030 Higgins Road, Suite 301, Park Ridge, IL 60068; phone (847) 692-9744; fax (847) 696-2990; Web site address: <http://www.aedc.org>

Fairbanks Daily News-Miner

Alameda Times-Star

The Argus

The Daily Review

The Eureka Times-Standard

Money for rail extension study not finalized

June 21, 2000

By SAM BISHOP
News-Miner Washington Bureau

WASHINGTON--The long-discussed proposal to connect Alaska's railroad system to Canada and the Lower 48 could soon get more scrutiny than ever.

The Senate version of the annual federal transportation bill provides \$2 million to study the railroad connection. The money was added through a floor amendment by Sen. Frank Murkowski, R-Alaska.

The Senate passed the bill a week ago. The House passed its version, without the railroad study money, on May 19. A conference committee will decide later this summer whether the money stays in the budget.

The money would pay for a joint U.S.-Canada study of the 1,150-mile rail connection's feasibility. Promoters hope a railroad would spur mining and other resource development.


Murkowski already has filed a separate bill asking the administration to form a commission with Canada to conduct the study.

"While we still have a long way to go, the feasibility study is moving forward and has enough steam to command attention by those who hold the government's purse strings," Murkowski said in a statement released after the Senate approved the money.

The Alaska Railroad's most easterly track ends at Eielson Air Force Base. Canada's system comes closest in two equally distant points--Fort Nelson and Fort St. James, both in British Columbia.

In Alaska, the railroad extension has been promoted in recent years by state Rep. Jeannette James, R-North Pole.

The state identified a railroad route from Eielson to the border in the late 1970s and early 1980s, James said. In the mid-1990s she had the state estimate the expense of buying private land on that route. The purchases could cost a few million dollars, she said.



But the route is not set in stone yet. The bulk of the study needs to be done on Canada's side, James said. She said Murkowski hopes Canada will pay some of the study's cost since about 900 miles of the corridor crosses that country.

"There will be three considerations," James said of the route selection process. "One is the geology. Second of course is the environmental and people impact. And the third one is where are the resources we're going to access, because there are just lots of them."

Scott Banks, Alaska Railroad spokesman in Anchorage, said the state-owned company appreciates the interest. "If someone doesn't look out far ahead it'll never get done," he said.

Building rail in Alaska costs between \$1 million and \$2 million a mile, Banks said, which would put the total project cost at between \$1.15 billion and \$2.3 billion.

"It sounds like a lot of money, but you've got to think about the efficiencies you get with rail," Banks said. The rail not only could carry raw resources such as gravel, coal and petroleum but also could compete with ships and trucks, he said.

James doesn't worry about the expense of building the railroad itself. Over the course of 50 to 100 years, the development unleashed by the rail will justify the expense, she said. The general route passes by deposits of coal, iron ore, gold, zinc and lead, she said.

Murkowski also said this is a good time to review a railroad extension because, if built, it would pass through Delta Junction, where the U.S. government may build an interceptor base as part of a national missile defense system.

In January James organized, at Murkowski's request, a meeting of about 120 government officials, private industry representatives and environmental groups in Vancouver, British Columbia, to discuss the railroad idea. And this next week a Murkowski aide will speak to a Pacific Northwest business group about it.

"What we're trying to do is create a buzz," James said.

© 1999-2001 MediaNews Group, Inc.

The Moscow Times.com Business / Transport

- Front Page
- Current Issue
- News
- Business**
- Stock Market
- Internet
- Opinion
- Sports
- The Beat
- Weekend
- Travel Guide
- Archive Search
- Jobs
- Classifieds
- Subscribe
- Advertising
- About Us

Friday, Jan. 12, 2001. Page 1

Building Bridges to Billion-Dollar Dreams

By Natasha Shanetskaya
Staff Writer

Viktor Razbegin has a \$50 billion building project that makes the Chunnel between England and France look like a high school science project.

He wants to build a tunnel under the Bering Strait, connecting Chukotka to Alaska, and says it is not only technically possible, but promises to be economically rewarding.

"Russia is a bridge between Asia and America," says Razbegin, director of the government Center for Regional Transport Projects, as he leans back in a stylish leather armchair in his Moscow office.

"But, frankly, we have not been doing a good job," he adds. "We need to use this chance to unite civilization."

A loud train toot interrupts his thought. He turns to a toy train on his desk and picks up its upper half — the train turns into a phone. As he calmly talks into the hybrid handset, an enormous map of Russia's railway system stares at him from the wall.

Trains and maps have been the main ingredients of Razbegin's life for the past 25 years. As a permafrost specialist, he studied the tundra and headed various transportation projects in the far northern regions during the Soviet era. He also is behind a \$20 billion scheme to build a 40-kilometer bridge between Japan and the Russian mainland via Sakhalin Island. The Railways Ministry appears to back the project.

The ministry is less committal on the tunnel to Alaska, if only because the U.S. and Russian governments have not shaken hands on the project. But ministry spokeswoman Yelena Kulakova says it would be "very profitable for the Russian railway industry because it would allow us to compete with a sea-based transportation system." Razbegin got involved with reviving the idea of building a link to Alaska in 1992 as a spirit of entrepreneurship was sweeping the country. The idea was originally contrived by Russian merchants at the end of the 19th century, shortly after Russia sold the territory to the United States. The venture in its modern form includes building a 6,000-kilometer railway system to connect the Russian and U.S. rail systems.

The project's critics argue that even if this utopian idea were to be executed, the tunnel would link two of the world's most remote, desolate and economically undeveloped areas, where the most common modes of transportation are snowmobiles and dogsleds. A spokesman for Alaska Governor Tony Knowles said the main problem with digging the tunnel is that "there is nothing on either end," The Wall Street Journal reported. Razbegin's bearded face melts in a smile as he hears the argument — it is the one he has to rebut most often.

"The crucial thing everyone misses is that this venture is not about a tunnel. It is about developing adjacent territories and creating new jobs," he says. "It can be done through building infrastructure to connect Asia with North America via Russia."

That infrastructure would include a railroad, a joint electricity system and a set of telecommunication lines, including fiber-optic cables.

The first step would be to lay 3,200 kilometers of railroad to connect Chukotka with BAM, the Baikal-Amur Railroad. More than 2,000 kilometers of track would also have to be laid on the North American side to line the tunnel to the main U.S. railway system.



Photo by Igor Tabakov / MT
Razbegin would like to build a tunnel to connect the Far East with Alaska. He also wants to bridge Sakhalin to Japan.

Other

EBRD in \$10Bn Sakhalin

By Anna Ralf

Oligarchs Back Code

By Alexei German

Consumer Spends Levels

By Roman Kutuzov Polyakova / Vedomosti

Russia's Peculiar

By Anatoly Khodor Roman Khrapachey Sudo / Vedomosti

Vimpelcom Con Negotiations

Reuters

Russian Impostor Banks

The Associated Press

AvtoVAZ May Privatization It

By Igor Semenenko

Brewers Warn It Would Cost Tax

By Oksana Yablok

Rostar Plans to Local Can Factory

By Igor Semenenko

Electricity Sales High

By Alla Startseva

Berezovsky Affili Stake in ORT

Combined Reports

Business in Brief \$3.4Bln for Gaz

LUKoil Earns \$

Williams Deal U

Steel Firms Lobby

Electricity Price

TNK-U.S. Loan

Official: No Deb

Search Site GO!

Guide To Russia



the beat

Our guide to arts and entertainment

ВЕДОМОСТИ.

Деловая газета.

The St. Petersburg Times



Special

Election Fra

The Moscow Times enough falsification election to question

The Kursk 7

Four months after 1

The tunnel itself would run much longer than the 37-kilometer Bering Strait. Razbegin's research team proposes a tunnel as long as 103 kilometers to bypass the rough terrain along the coasts.

According to Razbegin, the project has received the go-ahead from the Economic Development and Trade and Railways ministries and the Academy of Science. His interdepartmental center is affiliated with all three.

Opponents of the Chukotka-Alaska link argue it would be a financial fiasco.

"I cannot imagine, given the extreme expenses, even with China and the rest of Asia connected, that a railroad linking Siberia and North America could be economically viable for a long time to come," says Ilya Vinkovetsky, who is doing doctoral research at the University of California on Russian migration and the history of Alaska and Chukotka.

He says the history of failed expectations for the Trans-Siberian Railroad and BAM suggest that skepticism is justified. "It is difficult to imagine a proposed railway across the Bering Strait being competitive with shipping across the Pacific," Vinkovetsky says in an e-mail interview.

Razbegin objects, insisting the project has numerous potential revenue streams and a high likelihood of profitability.

For instance, he says, the railroad would shorten the shipping route across the Pacific by 10 to 14 days and could quickly become the preferred way of shipping goods between Asia and North America.



Photo by Igor Tabakov / MT

Razbegin showing the path across the Bering Strait

Razbegin estimates the Chukotka-Alaska railroad could carry 30 billion to 40 billion tons of cargo annually.

In addition, he says, building a joint Asia-Russia-North America electricity line could ring in savings of about \$15 billion a year. The United States imports electricity from Russia.

Once the U.S.-Russia railroad was complete, export transit would bring Russia about \$20 billion annually, Deputy

Railways Minister Sergei -Grishin said in September at the Baikal Economic Forum held in Irkutsk, according to the web site of a transportation sector newspaper called Gudok. But even if Razbegin succeeds in shattering his skeptics' fears about the economic unfeasibility of the project, he still has to find \$50 billion to \$60 billion in financing. "This is not a lot of money," he says. "For example, it would be possible in a framework of a joint government project between Russia, the United States, Canada, and possibly Japan and China."

According to Razbegin, many potential investors have already expressed an interest in the project, which he boasts will turn a profit for first-tier investors within the first five to seven years of operation.

He admits this is not the easiest undertaking. Ten-month-long winters feature temperatures below minus 50 degrees Celsius, while short summers bestow overflowing rivers and unrelenting insects. Yet Razbegin is confident the project is technically viable. "First of all, [thousands of years ago] Alaska and Chukotka were connected, so there are actually some technical advantages," he says, "Secondly, mankind by now has a lot of experience in building large, complex projects."

Razbegin himself is experienced in such projects, or at least in launching them. His second much-criticized brainchild is the scheme to build a 40-kilometer bridge between the Japanese island of Hokkaido and the Russian mainland via Sakhalin.

Both projects, he says, are part of the same goal — creating an enormous intercontinental railway system.

Despite the criticism, Razbegin and his team were able to secure the government's permission to start work on the Sakhalin bridge, which he says will cost roughly \$20 billion and take about 15 years to complete.

four months after it perished in a nuclear test in the Barents Sea, though continuing its investment in mourning.

Oil & Gas S

The oil industry is prospering. But is it institutional reform: long-term success?

Color

Letter From the East

By Russell Workin

The Word's Word

By Sergei Roy

Inside Russia

By Yulia Latynina

Power Play

By Yevgenia Albat

Media Watch

By Alexei Pankin

Global Eye

By Chris Floyd

The Railways Ministry spokeswoman confirmed that the project is going ahead. Railways Minister Nikolai Aksyoneko was quoted by Interfax this week as saying that by the end of next year, his ministry "really will start construction of the tunnel under the Tatarsky Strait, which will connect the mainland with Sakhalin."

Razbegin is sure the same fait awaits the Bering Strait scheme. Now that he has sent the results of a "successful" feasibility study to the U.S. and Russian governments and developed a draft of investor proposal, all Razbegin says he needs is "a decision on the highest level."

In 1995, the two governments almost signed an agreement that would give the green light to the undertaking, but the Russian government officials in charge were changed so frequently that the Americans backed down.

"I know this project will be realized," Razbegin says. "If tomorrow the two presidents signed the deal, you could start buying tickets for the train that will be ready to depart in 20 years."

Related Article

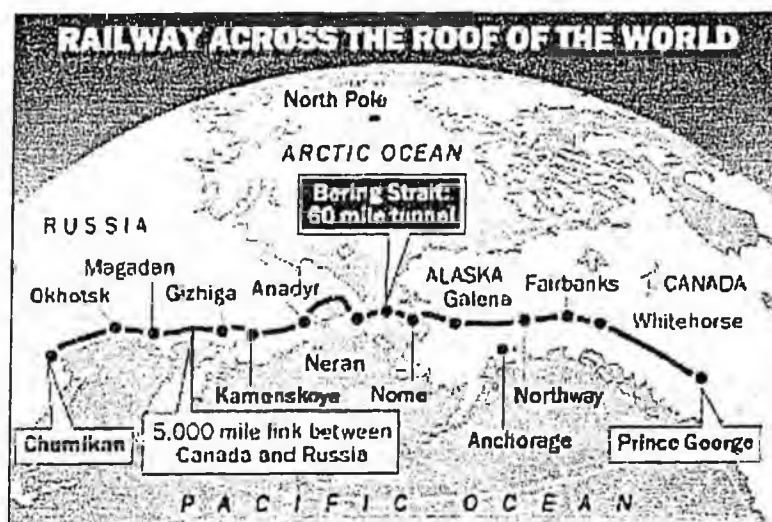
The Next Big Thing: A Tunnel to Sakhalin (Nov. 24)

Back	Email it	Next	Print	Top	Email Us
----------------------	--------------------------	----------------------	-----------------------	---------------------	--------------------------



THE TIMES e-services
 THE TIMES fantasy league News, views & weekly prizes
 PLAY THE TEST WEEKLY

THE TIMES



TUESDAY JANUARY 02 2001

Russia ready to build £40bn tunnel link to America

FROM GILES WHITTELL IN MOSCOW

IT would cost £40 billion, take 20 years to complete and even then would link only two of the world's most remote places. Yet a tunnel between Russia and America under the Bering Strait can and will be built, according to a senior Moscow official.

Emboldened by the new millennium, the man in charge of modernising Russia's vast but creaking infrastructure has said that the construction of a 60-mile tunnel under the international dateline from eastern Chukotka to western Alaska is only a matter of time. The money, he insists, is available.

The tunnel would be the biggest project of its kind. At the windswept point where they appear on most maps to kiss, the Russian and American mainlands are separated by only 23 miles of water and their furthest outposts, the Diomed Islands, by three. An international feasibility study concluded, however, that to be safe a tunnel joining them would have to be more than twice as long.

REPRESENTATIVE
 JEANNETTE JAMES
 P.O. Box 56022
 North Pole, Alaska 99705

The study is ready to go before the World Bank and the US and Russian Governments with a draft agreement on how to take the project forward, Viktor Razbegin, director of Moscow's Centre for Regional Transport Projects, said.

Mr Razbegin has been Russia's chief promoter of a Bering tunnel for the past six years, during which the economic crisis has ruled out the super-projects for which the Soviet Union was famous. There was also a little local difficulty: the nearest road to the Russian side of the Strait is 1,000 miles away at Magadan, a former transit point for prisoners en route to Stalin's harshest labour camps.

On the American side a road would have to be built from Fairbanks in the face of objections from environmentalists. For a rail tunnel, the nearest North American mainline station is at Prince George, British Columbia, 1,200 miles away. After a year of healthy oil and gas exports, however, Russia has record hard currency reserves and is keen to open up its frontiers for more mineral extraction.

Similar factors have attracted initial funding, much of it from Japan, for a shorter but still ambitious tunnel linking Hokkaido and the Russian mainland via Sakhalin. Construction of the Sakhalin tunnel is due to begin this year.

Russians have been obsessed with finding their own land routes to the New World, however long and arduous, ever since Peter the Great sent Captain Vitus Bering of the Imperial Russian Navy to discover what lay at the easternmost reaches of his continent in 1725.

From 1917 to 1991 the Diomedede Islands were home only to birds of passage and nervous frontier troops. Since then Alaskan businessmen have tried to establish links with destitute Chukotka, but have largely failed. Maybe all they need is a tunnel.

Copyright 2001 [Times Newspapers Ltd](#). This service is provided on Times Newspapers' [standard terms and conditions](#). To inquire about a licence to reproduce material from The Times, visit the [Syndication website](#).

HELP	CROSSWORD	SEARCH	CONTACT US	TERMS & CONDITIONS
 THE TIMES NEWS SPORT BUSINESS	MOBILE TIMES SMS & PDA SERVICES	THE TIMES Energy Plan		
PART 1				

Railway issue not raised yet

A **Whitehorse Star** Archive story originally published February 2, 2001

The federal government has not been contacted by the U.S. about building a railway through the Yukon to link northern B.C. with Alaska, says Premier Pat Duncan.

The premier said Tuesday the issue of a northern railway was among the many she discussed during last week's trip to Ottawa to meet with Prime Minister Jean Chretien and several federal cabinet ministers, including Transport Minister David Collenette.

"The federal government in the United States has not said anything to Canada," Duncan said during a press conference to discuss her trip.

Former U.S. president Bill Clinton signed a bill Dec. 27, on the eve of his departure, that formerly calls for the creation of a joint Canada-U.S. commission to study the railway proposal over three years. Included in the bill is \$6 million US to finance the initiative. The bill proposes to create a 24-member commission, with 12 members from each country who are to be chosen based on technical experience and past involvement with the railway industry.

Shortly after the bill was signed, it was suggested by an aide to Alaskan Senator Frank Murkowski that international discussions surrounding the joint commission wouldn't get under way until after President George Bush had settled into office. Murkowski proposed the bill.

"They have not said anything yet," the premier said.

[| Return to search page |](#)

All content ©1997-2000 The Whitehorse Star
Site development and hosting by [Pixelar Designs](#).

REPORT FROM ALASKA



Charlie Ess

Shipping to Alaska: Will it be rail versus water?

No sooner had Alaska Railbelt Marine left Seattle with a bargeload of steel pipe bound for Whittier, when President Clinton passed legislation to study the possibility of building a rail link south from Fairbanks to southern British Columbia.

The bill, sponsored earlier last year by U.S. Sen. Frank Murkowski (R-Alaska), was signed into law in December and will set up a bilateral commission of 24 members with equal representation by the United States and Canada.

With a total U.S. budget of \$6 million — \$2 million of which has been appropriated this year — the commission, during the next three years, will determine if adding a 1,200-mile railroad link between Fairbanks, Alaska and British Columbia pencils out in terms of dollars and cents. A large part of the study includes: proposing a route, environmental assessments and permitting.

"There's some hope that the study might be done sooner than that," said Chuck Kleeschulte, a spokesman for Sen. Frank Murkowski in Washington, D.C.

The push to build a natural gas pipeline from Alaska to the Lower 48 may quicken the pace of the study, especially since one option among routes calls for a pipeline that would connect production facilities on the North Slope to Fairbanks, then south through Canada along the Alaska Highway.

The new railroad would take a similar path from a site near Fairbanks and run approximately 270 miles to the Canadian Border, where it would extend another

900 miles through the Yukon to tie in with spurs at Fort Nelson or Fort St. James, British Columbia.

"The need to move large equipment and material for the pipeline could help to accelerate a rail project," according to statements from Murkowski.

The extent by which a railroad connecting Alaska to the Lower 48 would absorb volumes of pipeline supplies shipped north on waterborne carriers remains to be seen.

"I think there are some fundamental physics that give marine transportation economic advantage over rail transportation to Alaska — fuel efficiency, for one," said Jon Burdick, president of Alaska Railbelt Marine, in Seattle. "Rail also requires high volumes to pay back its huge capital infrastructure. Current rail-car volumes certainly do not justify these types of expenditures."

Presently, the Alaska Railroad terminal at Whittier serves as the link with rail marine barges hauling pipe from Seattle (Canadian National's AquaTrain also sails from Prince Rupert; Foss Maritime does the towing.)

In December, Alaska Railbelt Marine, in a special contract with the Alaska Railroad, made the first of three trips north to deliver 110 cars loaded with steel pipe. The pipe was bound for a North Slope oil-drilling project.

The reality of a rail link, should it come to fruition, could be years off.

In recent years rail-marine arrangements have been the avenue of choice when it comes to shipping pipe to Alaska. While the majority of pipe used in the construction of the 800-mile, \$8 billion trans-Alaska Pipeline came from Japan and was landed at Valdez and Seward aboard break bulk carriers, an anti-trust suit in the early 90s found that pipe sourced from Japan had been priced unfairly because of government subsidies. As an outcome of the investigation, the United States raised tariffs on Japanese pipe supplies by 44 percent. Since then, pipe shipments procured from Houston, Texas and other sources in the contiguous United States have been coming north via rail-marine barges.

Beyond construction of a new pipeline, proposed uses for the new railroad include supplying a missile defense site near Delta Junction, about 80 miles southeast of Fairbanks, and providing new transportation avenues to timber and precious metals in the Yukon and the north-

ern interior of Alaska. According to Murkowski's studies, the new link would allow for the access and subsequent development of 10 major mineral deposits in the Yukon.

Some estimates at a Murkowski-sponsored railroad conference held in Vancouver, B.C. last January suggested that annual volumes of the new line could reach 120 million tons. Many of the other applications, however, would require the construction and maintenance of additional spurs.

The cost of the new railroad section, meanwhile, has been estimated loosely at between \$1 million and \$2 million per mile, which would put the total cost of the project between \$1.2 billion and \$2.4 billion.

As such, the freight volumes would have to be sufficient to recoup the costs. Prime concerns among waterborne break-bulk and containership companies during the course of the study will be the degree by which government subsidies play a part in determining feasibility, moreover the rates.

The reality of a rail link, should it come to fruition, could be years off, cautions Leonard Shapiro, vice president of pricing with Totem Ocean Trailer Express in Seattle. Though some have hypothesized that the magnitude of the project would be enough to scare away interest from the private sector, others have theorized that a conglomeration of Alaska's Native corporations may buy both the Alaska Railroad and CN. In either case, the creation of another carrier is never a good sign.

"The effect, obviously, would not be good for us," he said. "It would generate a new competitor, and the probability is that the new competitor would be heavily subsidized."

Kleeschulte, on the other hand, says the construction of a connecting railroad would be predicated on the amount of additional freight that would need to be hauled north.

"It would certainly not be economically feasible," Kleeschulte said, "unless there is more freight to Alaska than what is moving by the existing freight and barge lines."

Indeed, waterborne transport may emerge the winner when it comes to moving containerized freight from Seattle to Anchorage, given that the proposed railroad route would likely stretch close to 2,400 miles in comparison to the sea-going distance of 1,400 miles.

The argument favors the rail link, however, when it comes to moving equipment from the U.S. Midwest, according to Laurie Gray, a sales agent with

Canadian National in Anchorage.

"Pipe and machinery would be better shipped by rail," said Gray. "You can get goods from Chicago to Anchorage in seven days," she said.

In the next several months, the newly-forming panel will begin dialogue with Canadian officials. On the American side, the commission will consist of community members, a governor-appointed representative for the State of Alaska; a representative for Alaska Natives; scholars with Alaska education institutes; an engineer with sub-Arctic expertise; representatives from environmental groups, and four representatives of commercial activities which will include the Alaska Railroad. ↴

This article appeared in **MARINE DIGEST / FEBRUARY 2001**, pages 21.

U.S. presses ahead with Arctic railway

by Jason Small

A Whitehorse Star Archive story originally published January 4, 2001

The Arctic railway is now in Ottawa's court.

The Canadian federal government has been waiting to see what the United States does with a proposed law to start a commission to look at a railway linking Alaska with the continental states – via the Yukon.

But legislation giving rise to the commission passed last week, meaning it is now up to Ottawa.

"It passed, and President Clinton signed it into law on (Dec.) 27th," Bill Woolf, the legislative assistant for Alaskan Senator Frank Murkowski, said this morning from his office in Washington, D.C.

Murkowski proposed the bill, which sets aside \$6 million US over three years for a Canada-U.S. commission to study the feasibility of a rail link starting in Alaska, passing through the Yukon and down to the lower 48 states.

Woolf said the next step, once the new presidential administration gets settled, is for the staff of president-elect George W. Bush to start work on negotiations with the Canadian government to join the commission.

"(They'll) be seeking an agreement to establish a bilateral commission," Woolf said.

The new law calls on the president to strike an agreement with Canada on the 24-person commission.

According to the law, the commission is supposed to be split evenly with 12 members from each country.

In past interviews with the Star, Transport Canada has indicated it was following the issue in the U.S. but wouldn't indicate whether the federal government is interested in participating in the commission.

Transport Canada officials did not comment on the issue this morning.

In the past, the territorial government has shown its support of a possible rail link. However, Premier Pat Duncan refused comment this morning, and no other government officials were available either.

Woolf said that while \$2 million of the \$6 million is already available, that money won't be spent until the commission is struck and begins its work.

If Canada participates, it will be up to Ottawa to decide the make up of its 12 delegates on the commission.

The new law sets out the qualifications of the 12 American representatives to the commission.

Those members include: representatives of local, community and first nation governments in Alaska; one representative of the Alaskan state government; three from Alaskan businesses including, one from the Alaskan railway Corporation; one representing large U.S. rail companies; one on behalf of rail labour unions; and three others with relevant expertise, including an engineer.

Bob King, spokesman for Alaskan Governor Tony Knowles, said the next step for the state is to see what the commission's report says.

"I think we want to see what the outcome of the commission report is," King said this morning from his office in Juneau.

"We'll wait to see what they come up with."

King said the governor isn't planning to lobby the Yukon and Canadian governments to ensure this country joins the commission.

He said it would be premature to suggest lobbying, which he said would be unnecessary unless Canada chooses not to take part.

King thinks the Canadian government will participate in the commission.

Woolf said there is also the possibility of looking at working on the railway and the proposed natural gas pipeline together.

Both the pipeline and the railway could run in the vicinity of the Alaska Highway, according to one of several proposals that picture a railway through the North.

"To me, personally, it makes sense to try to combine these projects," Woolf said.

"The construction of a gas line could encourage the construction of the rail line."

Both the Yukon and Alaskan governments are pushing for a natural gas pipeline to be built along the Alaska Highway. Gas companies are interested in somehow connecting Alaska to the Lower 48.

The other proposed route would go under the Beaufort Sea to the Northwest Territories and down through the Mackenzie Valley.

But King said the two projects should be decided on a separate basis.

"I would hate for a gas line project hinged on the economic viability of a railroad project, or vice-versa."

There has also been talk of a rail link between Alaska and Russia via a tunnel beneath the Bering Strait.

King doesn't think that link is in the commission's purview.

He said there are concerns that at least 800 kilometres of track must be laid between Fairbanks and Nome, where the tunnel would probably start.

King added even greater problems would lie on the other side of the Bering Strait in Russia, where there isn't much infrastructure.

Woolf said there may be some consideration about a Bering Strait project, but that is further down the road.

"I can't say there's no consideration but that's a much longer (term project)," he said. "I will say the Russians are moving in that direction."

Woolf said Russia has started to build a railway spur north from near its Chinese border.

According to Woolf, most of railway from there to the strait is an area that can be easily built on. He indicated the last stretch may not be as easy.

However, Woolf maintains that the Arctic railway would be built first.

"I think a North American plan would probably come first."

| [Return to search page](#) |

James: Railroad would be link to prosperity

Representative pushing for rail line running through Canada to Lower 48

By **BILL McALLISTER**
THE JUNEAU EMPIRE

Rep. Jeannette James wants to railroad a long-range fiscal plan.

No, the House majority leader from North Pole doesn't intend to overlook public opinion in figuring out new revenue sources for state government.

But the key to lasting economic prosperity and government stability in Alaska could be a rail connection through Canada to the Lower 48, James told the Alaska and Juneau chambers of commerce Thursday.

"We lack infrastructure, so much of the state's wealth is off the table," she said. "Is it just coincidence that Alaska's economic heartland is called the Railbelt?"

James has spent years touting the rail connection, which would extend 270 miles from the Alaska Railroad terminus at Eielson Air Force Base, near Fairbanks, to the Canadian border, where would it meet an extension of Canadian track up 900 miles from British Columbia.

Although once facing widespread skepticism, the project is getting increased attention.

U.S. Sen. Frank Murkowski of Alaska reminded state lawmakers this week that he has secured \$6 million for a U.S.-Canadian commission to study the project's feasibility. Diplomatic formalities in getting the commission's work under way have been delayed due to the transition in the U.S. administration, but members should be appointed soon, an aide said.

And Murkowski also noted that his fellow Alaska Republican, Congressman Don Young, now chairs the House Transportation and Infrastructure Committee, a key spot for rail issues.

A roundtable discussion at the Alaska Capitol on Tuesday concerned prospects for tying in a rail extension with a natural gas pipeline from the North Slope.

Three state House committees, along with Canadian officials and outside experts, talked about the prospect of a 500-foot utility corridor paralleling the Alaska Highway that could accommodate the railroad, the pipeline, energy transmission lines and even fiber optic cable. In addition, such a development could result in extensive mineral development along the route, speakers said.

Under this scenario, the environmental review process for all the projects might be consolidated and there would be an economy of scale, as well, James said.

"We believe the railroad feasibility study will be the first step for a transportation infrastructure that could benefit oil and gas, tourism, forestry and mining," said Scott Kent, an aide to Yukon Premier Pat Duncan.

"Alaska has this continent's richest deposits of coal and copper and other minerals, and getting those to market ... may be among the most significant things these legislatures will ever do," said Alaska Rep. Fred Dyson, an Eagle River Republican.

Once that economic activity is realized, Alaska won't be vulnerable to the boom and bust of oil prices or dependent upon a powerful congressional delegation that won't be in office forever, James said.

"To put it simply, if no wealth is created, there is no way to pay for services. ... You cannot tax your way to prosperity," she said.

But with a stable economy, "a broad-based tax where everybody pays a little" - and use of the Alaska Permanent Fund earnings reserve - would resolve the imbalance between revenue and expenditures in the state general fund, James said.

Bill McAllister can be reached at billm@juneauempire.com.

Copyright © 2001 Southeastern Newspaper Corp. February 23, 2001

Fairbanks Daily News-Miner

Alameda Times-Star

The Argus

The Daily Review

The Eureka Times-Standard

James hopeful of rail link

February 21, 2001

By SEAN COCKERHAM
News-Miner Juneau Bureau

JUNEAU--North Pole Rep. Jeannette James has long pushed for a railroad linking Alaska to the Lower 48. Now she needs the Canadian government to join the dream.

James, who serves as House majority leader, helped engineer a legislative hearing Tuesday to discuss the proposed 1,200-mile track extension from Eielson Air Force Base into Canada's railroad system.

The idea received a boost in December when President Clinton signed legislation by U.S. Sen. Frank Murkowski authorizing \$6 million over three years for a U.S.-Canada commission to study the idea.

The Canadians, however, have not signed off on the commission or the study. Over three times more track would have to be laid in Canada than Alaska to make the linkage work.

"The government of Canada doesn't have a position on this," said Larry Bagnell, who represents the Yukon Territory in the Canadian parliament. "They are waiting for (an) official approach."


Murkowski representative Bill Woolf told legislators that the senator has sent a letter to Secretary of State Colin Powell and that he hopes to discuss the matter after Powell returns from the Middle East.

Canada would be asked to appoint half of the 24-member railroad commission. Murkowski's legislation does not require the Canadians to match the \$6 million U.S. appropriation, Murkowski spokesman Chuck Kleeschulte said, but "we would certainly welcome that."

"There would undoubtedly be discussions about that at the time we start discussions with the Canadians," Kleeschulte said.

Bagnell and a representative of the Yukon premier told the Alaska legislators that they strongly favor the railroad idea.

But Bagnell warned that there are four layers of government in the



Yukon--the First Nations, the municipal governments, the territorial government, and the federal government. Getting everyone on board a project could be a challenge, he said.

James, the North Pole Republican, said after the hearing that she has heard a favorable reaction in Canada to the railroad idea. "I believe they are pretty jazzed about it," she said. "I think that they will (back it), that's my gut feeling."

A railroad linkage would not be cheap. An Alaska Railroad representative testified that a recent study of extending the railroad to Fort Greely--about 80 miles southeast of Eielson--pegged that project at about \$250 million, or \$3 million per mile.

It could be 10 to 20 years before freight profits could pay for a rail extension toward the Lower 48, said Alaska Railroad lands specialist Jim Kubitz.

But combining the track with a proposed natural gas pipeline and fiber optic corridor could make the project feasible, he said.

Two geologists, one from the University of Alaska Fairbanks and the other from the Department of Natural Resources, testified that the proposed rail would run through an area of high mineral potential.

UAF geologist Paul Metz, who is hoping to secure grant funds for better geologic mapping of the area, said the envisioned combination of rail access and cheap energy from a natural gas pipeline would make the area quite attractive for mineral exploration and development.

James maintains that a railroad would reduce freight costs, improve visitor access, encourage mineral development and reduce vehicle emissions.

"There's almost no state economic activity that wouldn't benefit from a railroad link," she said.

© 1999-2001 MediaNews Group, Inc.

says it won't take that long. (James) "The feasibility study, I think, can be done pretty quickly because it's a matter of just accumulating all of the material that's already extensively worked on by both Canadians and Alaskans both and also I think from the Lower 48." The Americans are still waiting on Canada to name its representatives to an international panel that's doing the study. James says the discussion at the trade show with the politicians should stir public interest in the project. She says it will proceed on economics but will also be attracted to those who like options in travel.

8: (6:30 a.m.) A proposed rail link through the Yukon is up for discussion today in Alaska. Politicians from the state and the Yukon will be talking about it at a big industrial trade show in Anchorage. (Leonard Linklater) Jeanette James is the state representative for North Pole. She says they're still waiting for the federal government to name Canadian representatives to a feasibility panel studying the rail link. The tracks would go through Yukon and BC connecting Alaska to the North American rail system. James says a panel discussion involving Alaska and Yukon politicians should get lots of media attention. (James) "It's going to really put the issue out there and more and more people are going to hear about it and get excited about and wonder why we aren't over there doing that." James says the rail link is strictly based on economics. She says it will allow Alaska to import more materials for things like the oil and gas industry but James has been selling it as a travel option as well. (James) "Well, in fact as I've been telling folks, you know, that you could get on the train in Fairbanks and go to New York, stopping in Edmonton to spend a few days and see the biggest mall in the world, you know, and the trip would be the destination." James says they've been given three years for the feasibility study but she doubts they'll need that. She says they've already gathered a lot of information and it will just be a matter of putting it together, however, she won't say how long it could be before we see trains going through the territory.

9. In Yukon Quest news, Yukon musher William Kleedeahn continues to lead the sled dog race and Carcross musher says he'll continue to push the pace. ...

CHON-FM 7:30 A.M. NEWS TUESDAY, FEBRUARY 13, 2001

1. Daniel Hummel told the court yesterday that the reason he fled from the RCMP when they questioned him about the death of Regina Thyronc was that he didn't want to lose his bottles and was afraid he'd be shot. (Mark Johnston) Yesterday the court continued its detailed look at the flight of Daniel Hummel from police on the 19 of April. At the time there was only a missing person investigation and there was no murder involved. RCMP had learned that Daniel Hummel had been seen with Regina Thyronc and they went to ask him what he knew. When three officers met Hummel he was drinking and during the interview asked to put his bottles back in the house. The officers agreed and Hummel subsequently ran. Eventually Constable Eric Hendricks confronted Hummel in the woods near the go cart track and made the arrest. Hendricks was on the stand yesterday and said Hummel offered no resistence and simply went down on one knee saying, "I give up." Later Hendricks said he asked Hummel if he knew why he was being arrested and Hummel said, "I don't need a lawyer, I just don't want to lose my bottles." He still had two bottles of Private Stock with him and Constable Paul Taulhoffer(?) who seized the bottles also asked Hummel why he ran. This time Hummel answered that he had been told previously by police that if he was ever arrested again he would be shot. The court is expected to be looking at DNA evidence today.

2. We need to come up with 5000 volunteers and 250 French-speaking translators and then the Canada Winter Games came be ours in the year 2007. Tom O'Hara, bid manager for the games, says draft bids have to be turned into him within the next ten days to be translated into French before the April deadline. Whitehorse could be the first community north of 60 to host the Canada Winter

HJR 51 would show State's support to study rail connection

Representative Jeannette James (R-North Pole) has introduced HJR 51, which would give the support of the Alaska Legislature to a feasibility study on connecting Alaska to the rest of North America by railroad.

HJR 51 has been assigned to the World Trade and State/Federal Relations and Transportation Committees.

The wording of HJR 51 closely follows that of a resolution adopted at the Alaska-Canada Rail Link Conference January 20 in Vancouver, British Columbia. The day-long conference was organized by Representative James, at the request of Alaska Senator Frank Murkowski, and drew 118 participants from as far as Michigan and Alberta.

Voting members of the conference unanimously approved a resolution in support of Senator Murkowski's effort to authorize a feasibility study.

"This approval shows there is strong grass roots support for the rail connection feasibility study in British Columbia and Yukon, as well as Alaska," said James.

Bill Woolf, transportation committee staff to Senator Murkowski, and former federal railroad chief Gil

Carmichael of Meridian, Mississippi, addressed the conference. Both speakers presented a clear vision of the economic benefits a rail connection would bring to Alaska and its Canadian neighbors as well as to the Lower 48 states.

Conference participants included resource development and transportation industry officials, legislators, government officials, academics, and Chamber of Commerce heads from close to a dozen communities.

Also addressing the conference were geologists from the University of Alaska and State Department of Natural Resources, the Yukon government's mining advisor, and rail development entrepreneurs from British Columbia. The conference also heard from transportation consultant Hal Cooper of Kirkland, Washington -- currently advising the national railroad of China -- and tourism expert Steve Hites of Skagway, long connected with the White Pass and Yukon Route Railroad.

"Senator Murkowski has told me he's committed to passing legislation to establish a bilateral commission to conduct

a feasibility study," said Representative James. "This resolution is important because it will put the Alaska Legislature on record as backing this effort."

Geologist Milt Wiltse described extensive mineral-rich regions within 25 miles of a proposed rail corridor south-east from Eielson Air Force Base to the Yukon-Alaska border. In addition to gold, nickel, lead and zinc deposits, there are areas rich in platinum. According to Yukon mining facilitator Jesse Duke, similar geologic formations exist on the Yukon side of the border, along designated transportation corridors.

"At present, lack of a transportation infrastructure prevents these reserves from being developed. It's just not economical to move equipment in and concentrates out by air or road -- which are the only options now," said James. "The advantage of rail is that you can move bulk goods further, cheaper. Railroads are also a more environmentally-friendly

transportation. They present a much smaller footprint than roads while allowing for more restricted access to unpopulated areas."

Approximately 1,000 miles separate the northeasternmost extension of the Alaska Railroad at Eielson from the northwesternmost reaches of the British Columbia Railroad at Fort Nelson, on the Alaska Highway, or Chipmunk, which is a little north of Fort St. James.

The conference was told it would take approximately three years to complete environmental studies on any proposed route. Geologist Paul Metz told the conference the route from Eielson to the Canadian Border was well-suited for railroad construction, with few avalanche chutes or unstable land surfaces.

Construction costs would be part of a feasibility study, but rough estimates have placed these costs at between \$1 million and \$3 million per mile.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Central Microfilm Services
Department of Education & Early Development
State of Alaska

HJR 51 would show State's support to study rail connection

Representative Jeannette James (R-North Pole) has introduced HJR 51, which would give the support of the Alaska Legislature to a feasibility study on connecting Alaska to the rest of North America by railroad.

HJR 51 has been assigned to the World Trade and State/Federal Relations and Transportation Committees.

The wording of HJR 51 closely follows that of a resolution adopted at the Alaska-Canada Rail Link Conference January 20 in Vancouver, British Columbia. The day-long conference was organized by Representative James, at the request of Alaska Senator Frank Murkowski, and drew 118 participants from as far as Michigan and Alberta.

Voting members of the conference unanimously approved a resolution in support of Senator Murkowski's effort to authorize a feasibility study.

"This approval shows there is strong grass roots support for the rail connection feasibility study in British Columbia and Yukon, as well as Alaska," said James.

Bill Woolf, transportation committee staff to Senator Murkowski, and former federal railroad chief Gil

Carmichael of Meridian, Mississippi, addressed the conference. Both speakers presented a clear vision of the economic benefits a rail connection would bring to Alaska and its Canadian neighbors as well as to the Lower 48 states.

Conference participants included resource development and transportation industry officials, legislators, government officials, academics, and Chamber of Commerce heads from close to a dozen communities.

Also addressing the conference were geologists from the University of Alaska and State Department of Natural Resources, the Yukon government's mining advisor, and rail development entrepreneurs from British Columbia. The conference also heard from transportation consultant Hal Cooper of Kirkland, Washington -- currently advising the national railroad of China -- and tourism expert Steve Hites of Skagway, long connected with the White Pass and Yukon Route Railroad.

"Senator Murkowski has told me he's committed to passing legislation to establish a bilateral commission to conduct

a feasibility study," said Representative James. "This resolution is important because it will put the Alaska Legislature on record as backing this effort."

Geologist Milt Wiltse described extensive mineral-rich regions within 25 miles of a proposed rail corridor southeast from Eielson Air Force Base to the Yukon-Alaska border. In addition to gold, nickel, lead and zinc deposits, there are areas rich in platinum. According to Yukon mining facilitator Jesse Duke, similar geologic formations exist on the Yukon side of the border, along designated transportation corridors.

"At present, lack of a transportation infrastructure prevents these reserves from being developed. It's just not economical to move equipment in and concentrates out by air or road -- which are the only options now," said James. "The advantage of rail is that you can move bulk goods further, cheaper. Railroads are also a more environmentally-friendly

transportation. They present a much smaller footprint than roads while allowing for more restricted access to unpopulated areas."

Approximately 1,000 miles separate the northeasternmost extension of the Alaska Railroad at Eielson from the northwesternmost reaches of the British Columbia Railroad at Fort Nelson, on the Alaska Highway, or Chipmunk, which is a little north of Fort St. James.

The conference was told it would take approximately three years to complete environmental studies on any proposed route. Geologist Paul Metz told the conference the route from Eielson to the Canadian Border was well-suited for railroad construction, with few avalanche chutes or unstable land surfaces.

Construction costs would be part of a feasibility study, but rough estimates have placed these costs at between \$1 million and \$3 million per mile.

"The ultimate goal is to connect North America with Asia and Europe by way of a rail tunnel under the Bering Sea"

ALASKA STATE REP. JEANNETTE JAMES

Today Alaska, Tomorrow the World

1/24/00
Traffic World

BY LINDA REID

Alaskans, Canadians push railroad linking area with south, then Asia-Europe via Bering Strait

The icy wilderness on the Alaska-Yukon border could be called "the forgotten trade route" — not much used since the last Gold Rush and without much traffic except for the occasional sled dog team. But some Alaskans and Canadians want to change that by building an arctic railway linking Alaska and Canada's Yukon Territory with southern markets.

Sound like a pipe dream? So did Alaska's oil pipeline. And the proposed rail link has gained significant support. The state House of Representatives unanimously voted to establish a right of way for the rail route last year.

Proponents of the north-south link met in Vancouver Jan. 20 to drum up support for their plans. The meeting, sponsored by Alaska State Rep. Jeannette James, a Republican from North Pole, U.S. Sen. Frank H. Murkowski, R-Alaska, and the British Columbia Chamber of Commerce, attracted interested groups from both sides of the border. Murkowski is seeking support for a resolution in Congress that would establish a bilateral commission to study the concept.

If the arctic railway were to go ahead, it would link two of North America's northernmost constituencies with rail networks covering the United States and Canada, providing an outlet for northern

resources, reducing the costs of goods and products in the north and forming the basis for a burgeoning tourism industry, its proponents claim.

The primary driving force behind the idea is James, who has championed the idea of an Alaska rail link throughout her eight years in the state legislature.

Murkowski, head of the Senate Energy and Resources Committee, also pushed the concept of an arctic railway at the Sept. 14, 1999, meeting of the Canada-U.S. Interparliamentary Group in Quebec City. At that meeting Murkowski said future growth in the Alaska and Yukon must be aided by a major transportation corridor for pipelines, railways and transmission lines. And he recommended that work should begin to find a route for such a corridor.

The proposed railway would cover a distance of approximately 1,200 miles from Eielson Air Force Base in Alaska to the northern community of St. James, British Columbia.

If there is sufficient interest in the idea, Murkowski said a joint commission would be created to study costs, potential routes, engineering and to undertake an environmental impact study.

James has estimated the cost of surveying and building the railway at \$3 billion and hopes construction can

begin within six years.

She bases these hopes on the fact that the U.S. government plans to site an antiballistic missile base near Fairbanks and a rail line would facilitate this effort. Also, she says mining companies in Alaska are backing her plan.

Finally, a route on the Canadian side of the Alaskan border already has been mapped out by Canadian Arctic Railway, a startup British Columbia company owned by David Broadbent, son of the former general manager of the Pacific Great Eastern Railway, which is now crown-owned B.C. Rail.

However, plans for an arctic railway are only part of James' grander scheme. The other part of her plan would see the construction of a Bering Strait Tunnel linking Russia to the United States and Canada.

"The ultimate goal is to connect North America with Asia and Europe by way of a rail tunnel under the Bering Sea," she said in a letter from the state legislature. "There is growing international interest in this project, first suggested in the late 1890s."

And you thought Canadian National's plans for Burlington Northern Santa Fe were ambitious.

— Reid is a freelance writer in Vancouver, British Columbia.

01/19/00

Fairbanks Daily News Miner

Rails from trails—the dream continues

Trans-Alaska route still inspires visionaries

The recent Alaska Railroad status report before the Fairbanks Chamber of Commerce drew sustained applause. The presentation was timely, informative, concise, and upbeat, a positive contribution to understanding the mission of the railroad, its current usage, its successes and limitations.

Of particular interest was the presentation of planning for the future improvement of equipment, and services, elimination of hazards, and possible extension of the rail line itself.

Planning is under way to re-route the extension from Fairbanks to the North Pole Refinery and Eielson Air Force Base. The intent is to eliminate the hazards of the existing 14 rail crossings in 22 miles or so, probably using overpasses for highway traffic at key points.

A second thrust, it was announced, will be to extend the railroad from Eielson AFB to Fort Greely/Delta Junction should the pending national missile defense site be authorized for that area.

All members of our Alaska congressional delegation have indicated this to be a likely prospect. Word released from Washington this week suggests that the president now considers the national missile defense project to be in the urgent necessity category.

Also mentioned by John Binkley, a railroad board member, was the long-held hope to extend the railway to Whitehorse and beyond ultimately to link with the Canadian rail system.



William R. Wood

For me this triggered open the gate to a train of memories. I recalled the time in the early '60s when Charles Sargent, dean of engineering at the University of Alaska, showed me a copy of a U.S. Corps of Engineers report on the Defense of Alaska: Trans-Canada and Alaska Western Railroad Survey 1942. Sargent, a professional civil engineer, and Lee Linck, well-known Fairbanks architect, both participated in doing the field work on that report. A copy is on file at the Rasmuson Library complex, according to one of its able and helpful archivists, Gretchen Lake.

When I talked by phone with Dean Sargent, now retired in Coeur d'Alene, Idaho, he told me of working on field studies for four segments of the proposed trans-Canada/trans-Alaska route: (A) Wood River to Delta; (B) Mouth of the White River to Whitehorse; (C) Stikine Pass area, British Columbia; (D) the Seward Peninsula.

The survey covered a proposed rail route from Teller, Alaska, on the Bering Sea coast to Prince George, British Columbia, and a Pacific ocean port, at Prince Rupert.

But the survey was only a part of the big dream of linking continents together by highway and rail as well as by sea and air.

I recalled Gov. Walter Hickel's North Commission (Northern

Operation: Rail Transportation and Highway) created to study Alaska's transportation needs in the mid-'60s.

I have a great recollection of coming from Anchorage to Fairbanks by train with the commission at the beginning of the Great Flood of '67. By chance my seat partner was Bill Lear, inventor and builder of the Lear Jet aircraft, main plant at Reno, Nev. Lear was a visionary with a very practical down-to-earth twist. He could dream, dare, and do. He got the good things done. I found him a most stimulating, thought-provoking conversationalist.

Gov. Hickel brought along to show the commission the silver punch bowl commemorating the Harriman Expedition to Alaska, 1899. I was told by the governor the famous memento is now in the state museum at Juneau.

While there is no mention of trans-Alaska in the expedition's report, the originator and host of the expedition, one of the turn-of-the-century world's wealthiest people, owner of some 20,000 miles the U.S. transcontinental rail system, was an early and strong advocate of the big dream of joining continents together by rail to promote development of resources and bringing diverse peoples together in peace.

The concept of a trans-continental USA system joined to a trans-Canada, including the trans-Yukon-Territory and trans-Alaska, segments to join with the trans-Siberian and on to the trans-Eurasian segment, the Orient Express route was the big dream.

Donald MacDonald of Fairbanks, head of the Alaska Road Commission and called by many "the father of the Alaska Highway," was a strong voice in advocacy of the big dream. A

splendid account of this is Kay Kennedy's article in *Alaska Life*, volume I, No. 7, August 1938. So also was the czar of Russia.

But the vision did not begin with Harriman, the czar of Russia, Donald MacDonald, Dean Sargent or Lee Linck. Its origin is credited to William Gilpin, first territorial governor of Colorado. The concept was featured in his book published in 1891, "The Cosmopolitan Railway, Compacting and Fusing Together All The Worlds Continents."

John Gilpin was not only a visionary, but a thinker with an extraordinary range of experience, a strong executive and innovator in handling public affairs. He was insightful, personable, courteous, and effective.

Terrence Cole, head of the UAF History Department and noted author, tells much more of the story of William Gilpin and his dream of an around-the-world rail system in a well illustrated article, "Bridging the Strait," appearing in the Nov. 19, 1989, issue of *Heartland*, the magazine section of the Fairbanks Daily News-Miner. "The vision William Gilpin and others, that somehow bridging the Bering Strait can be a sign and even a cause of world peace, is still alive today."

And now you have a bit of the rest of the story of a dream that does not die but runs on and on generation after generation. Bringing people and their products together not only by sea and by air but also by land.

The proposed extension of the Alaska Railroad to the east and to the west is a small but real part of a dream that persists.

William R. Wood is a retired president of the University of Alaska now volunteering his time as executive director of Festival Fairbanks. His columns appear every other Wednesday on the Opinion page.

12/99

A Rail Connection Across Canada

Building a railroad that links Alaska to the Lower 48 is a dream that just may become a reality.

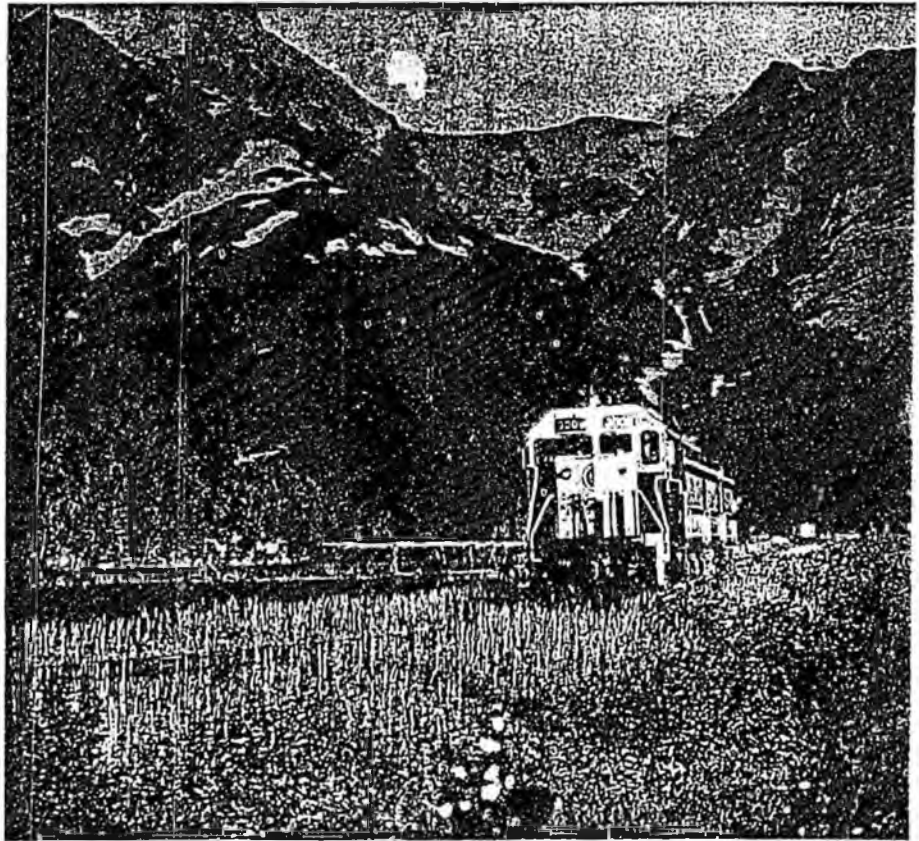
BY RICHARD F. SCHMITZ

Less than a two day's drive separates the Alaska Railroad, at its easternmost, from the British Columbia railroad, at its northwesternmost, and closing that gap has, in the past year or so, caught the attention of a number of entrepreneurs, legislators and just plain dreamers in Alaska, Yukon and British Columbia.

Foremost among supporters of connecting Alaska with the Lower 48 by rail is North Pole Republican Representative Jeannette James. During the past legislative session James introduced and passed HB 12, which allows for delineation of a rail corridor from existing Alaska Railroad tracks to the Canadian border. Last summer James worked to pass resolutions of support by the state Chamber of Commerce, as well as chambers in Fairbanks, Delta Junction and Dease Lake, B.C.

James has long backed rail development in Alaska, and sees connecting the Alaska Railroad with the rest of the North American rail network as a huge key to insuring a bright—and diverse—future for the state's economy in the new millennium.

"The very first benefit to having surface transportation from the Lower 48 to Alaska will be a reduction in the cost of living. A railroad will allow us to open up resource development that's not possible now because of the high cost of transportation," James said. "A railroad will lead to value-added industries and increased cooperation between Alaska and the northern part of Canada."



Clark James Mshler

Another Transportation Option

The Alaska Railroad estimates construction cost for new track in Alaska at \$2.5 million to \$3 million per mile. With 270 miles separating Eielson Air Force Base from the border, the cost of building that part of the railroad is about \$675 million to \$810 million. An additional 900 miles of track would be needed to connect existing tracks in Canada to new track in Alaska.

James said tourism, agriculture and mining would get an immediate lift from a rail connection to the Lower 48. Using Delta Junction's agricultural area as an example, James said fertilizer and

other supplies could be brought in to farmers while produce could be shipped directly to market—in and out of Alaska.

"I think the critical thing is that a railroad will allow Alaskan growers to supply Alaskan consumers. Alaska's economic future depends on our ability to have value-added industries, such as a freezing plant for produce," James continued. "The financial benefit a state gets from value-added industry is close to five times greater than what it gets from exporting a raw material."

One person who's convinced James is on the right track is U.S. Sen. Frank Murkowski, who's taking an active stand

How?

in support of the issue. "We think it's well worth exploring," said Murkowski aide Bill Woolf.

The first step Murkowski's office is taking is to seat an informal committee, which James will chair, to identify potential users of a railroad to the Lower 48. "A project such as this is of tremendous magnitude. We need to do, what attorneys would call, 'due diligence,'" Woolf said. "We need to look at possible users; we need to look at resources; we need to look at engineering, possible routes and environmental factors."

The goal of this panel, James explained, is to write and pass a resolution and then present it to Murkowski at a meeting with British Columbia and Yukon officials and legislators in late January in Vancouver, B.C. If there is public support for this railroad project, Sen. Murkowski said he will introduce legislation to create a bilateral commission to further study the issue, Woolf said.

Not a New Idea

Opening a rail connection to Alaska has been considered since the first ties of the Alaska Railroad were laid. "Back in the

1970s there was a cursory review," said Alaska Railroad Vice President Jim Blasingame. "It was about a 15- to 20-page report. The province of British Columbia was quite supportive of the idea.

"Rail is still the best way to move bulk matter from point A to point B. It's a basic premise," Blasingame said.

About 270 miles separates the Alaska Railroad at Eielson from the Alaska-Canada border. The British Columbia railroad has a rail bed in place as far north as Dease Lake, less than 100 miles from the southern Yukon community of Watson Lake, although it has been abandoned a little north of Fort Saint James since the 1980s.

Reopening that line is a top priority for Canadian entrepreneur David Broadbent, CEO of the Canadian Arctic Railway. The Canadian Arctic Railway has no locomotives or rolling stock now—but it is betting it will in two or three years, Broadbent said.

"The grade and bridges are there. They're just sitting out there growing weeds," Broadbent said of the 172-mile stretch into Northern B.C. "Our



Sen. Frank Murkowski

If there is public support for this railroad project, Sen. Frank Murkowski said he will introduce legislation to create a bilateral commission to further study the issue.

TRANSPORTATION

intention is to open it up and possibly run it as a short line, and then extend it to Whitehorse in six years."

Broadbent gained his railroad experience working 29 years for the British Columbia Railroad. He began as a laborer and worked his way up to engineer of standards and project manager. Later, he founded the North American Rail and Steel Tie Corp., which supplies parts and equipment to railroads, including the Alaska Railroad. Broadbent said he recently sold the company in order to devote his energies full time to the Canadian Arctic Railway.

Broadbent said he has seen a surge of interest in building a railroad to Alaska. "Too many people see railroads as a thing of the past. But that's only true in North America. Elsewhere in the world railroads are expanding. China is committed to building 1,000 kilometers (620 miles) of new track a year.

"When I talk to business people, I get a 'what, are you crazy?' look—at first. But when I explain the good economic sense railroads make, I see a quick change in their attitude," Broadbent continued. "Highways will never open up Northern

Canada or Alaska. The Alaska Highway was built 57 years ago, and very little has developed along it since."

Railroads, on the other hand, can attract development. "Traditionally, in the West, railroads would find entrepreneurs and help finance them because that development meant revenue for the railroad as raw materials were brought in and finished products shipped out," Broadbent explained.

Broadbent said two factors must be addressed before any rail connection can be made to Alaska: aboriginal land claims and environmental issues. "Native councils and corporations must be brought in as full partners from the start. I don't mean offering Natives a few jobs—I mean offering them a full and equal partnership," Broadbent said. "As for environmental concerns, railroads have a big advantage over other forms of development because access to sensitive areas can be tightly controlled."

Taking rivers as another example, Broadbent said piers and modular or pre-fab bridge spans can be put in place without ever touching the water flowing below. Railroad construction is

relatively low impact, he added. "You could build the railroad to Alaska with 300 to 400 men. You won't need camps every few miles or access roads. That keeps costs down—and it also keeps the environmental impact low."

Expanding Alaska's Reach

Rep. James conceded barge and trucking firms might be less than enthusiastic about bringing a major competitor on board. But James said, "business generates business." Having a rail connection to the rest of North America will be good for all Alaska transportation sectors.

"Goods could come to Alaska by rail and be shipped to Asia from Seward or Anchorage. Having a railroad connection to the Lower 48 will provide an excellent opportunity for Alaska to become a shipping hub to Asian nations. There's tremendous potential there."

James points out that any railroad to the Lower 48 will particularly improve Alaska's connection with Midwest and East Coast states.

"But the overall goal is to develop our own resources. The way I see it, rail is way

ahead of roads or air on this issue. There's less cost; it's more environmentally sound; and rail is just a lot more dependable in bad weather," James said. "Snow, wind, sleet just doesn't affect a train the way it does an airplane or a truck.

"Transportation costs are basically front-loaded," James said. "The more something is handled, the more it costs to ship. That's why, over the long haul, railroad has a big advantage."

"The very first benefit to having surface transportation from the Lower 48 to Alaska will be a reduction in the cost of living. A railroad will allow us to open up resource development that's not possible now because of the high cost of transportation."

Jeannette James

North Pole Republican Representative

James said the Red Dog Mine is a good example of an Alaska enterprise that could benefit from a railroad. At present, ore must be taken from the mine site to the coast where it is put on a lighter and then transferred to a freighter anchored offshore. "Sixty percent of that ore is refined in Alberta. Imagine how much easier—and more cost-effective—it would be to take that ore by rail directly to the refiner."

"If it proves out ... if we someday have that rail connection, Alaska's economy will benefit in a very different way than it did from the pipeline," said Woolf of Murkowski's office. "It will be more than construction. A rail system can go through parts of Alaska where there is no transportation option, and that could give the state a big economic boost. A mine that wasn't feasible will suddenly become feasible."

Rep. James said railroads pay for their own maintenance, while roads and airports are maintained by taxpayers. "With rail, the cost of maintenance is borne by rail users. In comparison, the public pays for maintenance for roads and airports. Rail takes care of its own."

James also points to great potential for growth in tourism that a rail

connection will bring. "A railroad will open up Alaska to a whole new group of folks, and it could also greatly increase winter tourism. It certainly will help the tourism industry in Alaska."

The military is yet another sector that could benefit from a rail connection. Of immediate interest is the new missile defense system, which if eventually approved, could be set up at Clear Air Force Station, near Healy, or at Fort Greely near Delta Junction. "Certainly if Alaska is chosen (as a missile site), rail transportation is one of the options for

moving material. Since such construction would require a great deal of material, obviously a rail component will be looked at," Woolf said.

The last time a new rail line was opened in Alaska was the 1950s when a 180-mile spur was completed from Fairbanks to Eielson. Today that spur carries out products of the North Pole refinery. If Rep. James sees her vision fulfilled, the trains rumbling past her North Pole home will be headed for points much further south than an Air Force base a few miles away. □

Monitor Site Map

WEDNESDAY, JUNE 9, 1999

 [e-mail this story to a friend](#)

USA

LAYING A SPUR TO THE LOWER 48

Alaska's monster railroad: bane or boon?

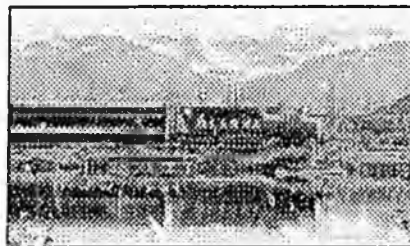
Abraham McLaughlin (mclaughlina@csds.com)
Staff writer of
The Christian Science Monitor

ANCHORAGE

There's a big idea floating around up here in Alaska - and it could forever change the face and feel of America's last great frontier.

It's something people have been dreaming about for decades. Now it's rumbling toward reality.

The plan is to build a railroad from Fairbanks - through 850 miles of icy wilderness - down to the Lower 48.



RAIL RUMBLES: Proposals are afloat for a railroad linking Alaska to the Lower 48. In Fairbanks it could meet up with the Alaska Railroad, helping to transport visitors and commercial goods. But not all Alaskans want people to have easy access to the isolated paradise.
MELANIE STETSON FREEMAN -
STAFF/FILE

Today just one highway connects Alaska to its southern siblings, so this \$3-billion-or-more project would be a big new avenue for trade and tourism.

But more than just a new set of rails, it symbolizes the think-big, can-do spirit thriving in Alaska today.

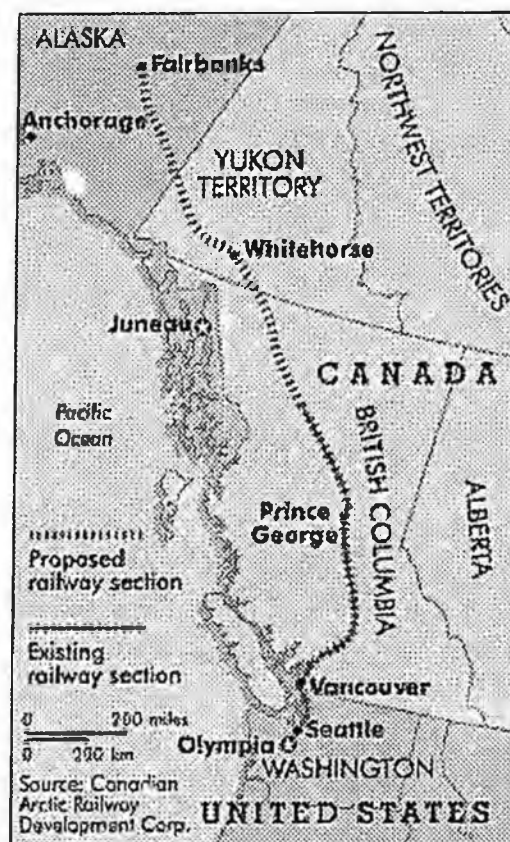
This is the state that built an 800-mile oil pipeline. It's the state that considered building a massive aquaduct to transport water from melting glaciers to thirsty California.

Yet there's another spirit that runs strong here, too. It revels in the state's natural beauty - and isolation. Minnesota may have 10,000 lakes, but Alaska has 3 million. There are more caribou here than people.

Yes, it's environmentalism. But many people came to Alaska to escape congestion. They like being disconnected from the nation - and want to keep it that way.

It's these two attitudes that largely define the state - and that any big project will have to reconcile to become reality.

And the tension between them won't end with the Lower-48 rail link.



DAVE HERRING - STAFF

To connect or not to connect

There's a plan to carve out a 55-mile rail tunnel under the Bering Strait to Russia - at a cost of at least \$15 billion. It's still a pipe dream, but with global trade growing, it's gaining momentum. Indeed, the tunnel would link much of the world by rail: Trains could run from New York to Beijing and Moscow and London.

But first things first. Last month, the state House of Representatives gave its unanimous consent to establish a right of way for the rail route down south.

Soon proponents will gather to plot the next steps.

"It's pretty revved up now," says Jeannette James, the state representative who's spearheading the idea. "We in the legislature are moving ahead. And there's lots of private money itching to do something."

She hopes construction will start within six years. Several things make that time frame seem realistic.

First, the US government is moving toward putting an antiballistic missile defense - or "star wars" - base near Fairbanks. A rail link would help in building the facility.

Second, many mining companies back the plan -and would use trains to get their products to market more efficiently.

Third, the Canadian Arctic Railway, a start-up company in British Columbia, has mapped out a route for the Canadian section. President David Broadbent says he already has several New York investors interested in funding the project.

Tourism taking off

Fourth, tourism is growing fast. The number of annual tourist visits to Alaska has doubled to more than 1 million in the past decade.

People come to see melting glaciers or bald eagles, which, in some places up here, seem as common as sparrows.

Take the waterfront town of Valdez, home of one of the nation's busiest oil-loading ports. Like the rest of Alaska, its dependence on oil is fading. Revenues from the port aren't as high as in the past.

But tourism is speeding ahead. Visitors come to fish for halibut and salmon. Or they take sea kayaks out to Prince William Sound, their paddles plying the waters once sullied by the Exxon Valdez's spilled black goo. It's a sign of the times for this town. Oil is still king, but tourism is challenging.

Unlike oil, "tourism is a renewable resource," says Joe Leahy, a kayak guide in Valdez. "The more tourists the better."

Compared with a road ...

Yet supporters of the rail-link plan are mindful of getting skeptics on board. One selling point is that with a railway - as opposed to a road - access is "controlled," meaning not just anyone with a car can jump on.

"The fewer roads we build, the better off we are," says Ms. James. Some environmentalists have given their backing to the plan.

But other Alaskans will be harder to convince. They say more links to the Lower 48 will further compromise Alaska's independence.

"We've already got highways and barges and boats and airplanes" - and too many tourists in their Winnebagos, says Paul Converse, a longtime resident.

There's an old native word, still in use today, that means "newcomer." Cheechakos is what Alaskans call the tourists - when they're being polite.

Yet, this struggle between old and new, between connection and isolation, is an age-old one in this vast, enticing wilderness. And with the idea of a rail link gaining steam Alaskans have another chance to strike a balance between them.

☛ Before bookmarking this page in your browser, click [here](#).

☛ The URL for this page is:

<http://www.csmonitor.com/durable/1999/06/09/tp3s1-csm.shtml>

[Send Editor E-mail](#) | [Go to Forums](#) | [Get Free E-mail Update](#)

[Home](#) | [Today's Paper](#) | [Archive](#) | [@csmonitor.com](#) |
[Subscriptions](#) | [About Us/Help](#) | [Feedback](#)

(c) Copyright 1999 The Christian Science Publishing Society.

All rights reserved.

Senator feels gas line could spark rail extension to Canada

November 07, 2000

By SEAN COCKERHAM
Staff Writer

The construction of a natural gas pipeline could help spur the development of a railroad linking Alaska to Canada and the Lower 48, U.S. Sen. Frank Murkowski said Monday in Fairbanks.

Murkowski, who met with the media and spoke at the University of Alaska Fairbanks Monday evening, also addressed the possible opening of the Arctic National Wildlife Refuge coastal plain to oil drilling.

The senator said that, should the North Slope natural gas deposits be commercialized, petrochemicals for uses such as plastics could be developed from gas liquids in Alaska and shipped out on the railroad. Fairbanks could be the location for such a petrochemical plant, he said.

"That potentially could affect dramatically the tonnage anticipated for a rail connection to the Canadian system," Murkowski said. "It's another consideration as you look at the economics."

The rail connection to Canada would require 1,150 miles of new track, from Eielson Air Force Base to either Fort St. John or Fort Nelson in Canada. Murkowski said a railroad would tap Alaska and Canada mineral and timber resources.

Alaska Railroad representatives have estimated the cost of building the railroad extension at \$1 million to \$2 million per mile, which could put the price tag of the project at between \$1.15 billion and \$2.3 billion.

Murkowski is pushing legislation through Congress that would set up a joint U.S.-Canada commission to study the feasibility of the rail line to Canada.

The senator also envisions future rail tracks to Northwest Alaska, which could provide access to the extremely high quality coal of Point Lay on the Bering Sea.

State Rep. Jeannette James, R-North Pole, has been working on a rail connection to Canada for several years. She spoke with Murkowski at UAF Monday in a forum sponsored by the student chapter of the American Society of Civil Engineers and the Associated General Contractors.

"A railroad is environmentally friendly, it leaves a smaller footprint (than a road)," James said. "That is the way, I believe, we should access our resources in Alaska."



Murkowski said at least one gas company is enthusiastic over the shipment of petrochemical products if the North Slope natural gas is commercialized.

The senator added that he believes North Slope natural gas will be brought to market, given high prices and growing demand in the Lower 48.

He noted that nuclear power plants are out of favor and permits have not been forthcoming in recent years for coal-fired plants. "The utility industry has no place to go but natural gas," he said.

He also spoke to the student engineers at UAF about the controversial proposed opening of a portion of ANWR to oil drilling.

That proposal could move a step closer to reality should Republican George W. Bush win the presidential election today. "We don't hear much from the engineers," Murkowski said. "We hear a lot from the environmentalists on what we can and cannot do safely.

Murkowski mentioned the recent letter signed by nearly 250 scientists, including numerous biologists from Fairbanks, urging President Clinton to prohibit development on ANWR's coastal plain.

"You folks are the engineers," Murkowski told those assembled at UAF. "You tell us if it can be done safely."

Murkowski, who said the U.S. imports 58 percent of its oil, argued that other nations are often not as sensitive to minimizing the environmental impacts of energy development.



APPENDIX A:

**STATEMENTS OF
GIL CARMICHAEL,
STEVE HITES,
HAL COOPER**

to Vancouver, B.C.
Rail-Link Conference, Jan. 2000

This paper especially prepared for

ALASKA / CANADA RAIL LINK CONFERENCE

*January 20, 2000
Gilbert E. Carmichael
2209 Highway 45 N., Suite F
Meridian, MS 39301
601-483-9712/9711 fax*