

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 86/2

10707 SENATE TRANSPORTATION

552

# Bill Text



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BILL ID: CSSB 135(FIN)

00 CS FOR SENATE BILL NO. 135(FIN)

01 "An Act making a special appropriation to the Department of Transportation and  
02 Public Facilities to determine the cost of acquiring real property within the right  
03 -of-way of the proposed extension of the Alaska Railroad from Eielson Air Force  
04 Base to the Alaska-Canada border; and providing for an effective date."

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

06 \* Section 1. The sum of \$10,000 is appropriated from the general fund to the Department  
07 of Transportation and Public Facilities for the fiscal year ending June 30, 1995, to determine  
08 the cost of acquiring private land and private interests in land within the right-of-way  
09 described in the April 1982 updated report of the Department of Transportation and Public  
10 Facilities on Route Selection for the Alaska Railroad Extension from Eielson to Canadian  
11 Border.

12 \* Sec. 2. This Act takes effect July 1, 1994.

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Bill Root:

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BASIS Last Updated 12/31/94

# Bill History/Action Display



BILL: HJR 51

SHORT TITLE: ALASKA-CANADA RAIL  
FEASIBILITY STUDY

BILL VERSION:

SPONSOR(S): REPRESENTATIVE(S) JAMES, Dyson, Harris, Whitaker,  
Foster, Masek, Kott, Coghill, Davies, Croft, Murkowski, Hudson, Therriault,  
Ogan, Austerman, Kemplen, Cowdery

CURRENT STATUS: (H) TRA

STATUS DATE: 03/01/00

TITLE: Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

[Full Text](#)

[Fiscal Notes](#)

[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
01/31/00	<u>2045</u>	(H) READ THE FIRST TIME - REFERRALS
01/31/00	<u>2045</u>	(H) WTR, TRA
02/02/00	<u>2075</u>	(H) COSPONSOR(S): WHITAKER, FOSTER, MASEK
02/04/00	<u>2103</u>	(H) COSPONSOR(S): KOTT, COGHILL, DAVIES
02/09/00	<u>2155</u>	(H) COSPONSOR(S): CROFT, MURKOWSKI, HUDSON,
02/09/00	<u>2155</u>	(H) THERRIAULT
02/18/00	<u>2238</u>	(H) COSPONSOR(S): OGAN
02/23/00	<u>2288</u>	(H) COSPONSOR(S): AUSTERMAN
02/28/00	<u>2344</u>	(H) COSPONSOR(S): KEMPLEN
03/01/00	<u>2358</u>	(H) WTR RPT 4DP 1NR
03/01/00	<u>2358</u>	(H) DP: MASEK, GREEN, BARNES, COWDERY;
03/01/00	<u>2358</u>	(H) NR: BERKOWITZ
03/01/00	<u>2358</u>	(H) ZERO FISCAL NOTE (H.WTR)
03/01/00	<u>2358</u>	(H) REFERRED TO TRANSPORTATION
03/01/00	<u>2375</u>	(H) COSPONSOR(S): COWDERY

Similar Subject Match or Exact Subject Match

INTERNATIONAL RELATIONS

RAILROAD

TRANSPORTATION

Bill Root:  [Display Bill Root](#)

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



TO REPORT PROBLEMS WITH BASIS INQUIRY

**HOUSE JOINT RESOLUTION NO. 51**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVES JAMES, Dyson, Harris, Whitaker, Foster, Masek, Kott, Coghill, Davies, Croft, Murkowski, Hudson, Therriault, Ogan, Austerman, Kemplen, Cowdery**

Introduced: 1/31/00

Referred: House Special Committee on World Trade and State/Federal Relations, Transportation

**A RESOLUTION**

1 **Expressing support for a cooperative United States-Canada feasibility study on**  
2 **extending the North American rail system through British Columbia and the**  
3 **Yukon Territory to Alaska.**

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

5 **WHEREAS** rail transportation is the most cost-effective long distance method of  
6 overland transportation; and

7 **WHEREAS** rail transportation is an essential component of the North American inter-  
8 modal transportation system; and

9 **WHEREAS** rail transportation is energy efficient, capable of moving goods three to  
10 nine times farther per unit of fuel than highway transportation; and

11 **WHEREAS** rail transportation emits lower levels of carbon monoxide, carbon dioxide,  
12 nitrogen oxides, and volatile organic compounds per ton of freight moved than other modes  
13 of freight transportation; and

14 **WHEREAS** rail transportation systems allow controlled access to and reduced overall  
15 effects on environmentally sensitive regions; and

16 **WHEREAS** rail transportation remains an important component of national and

1 continental defense planning; and

2       **WHEREAS** the North American rail transportation system will not be complete until  
3 it extends to all states, provinces, and territories on the continent; and

4       **WHEREAS** the State of Alaska recently enacted legislation to reauthorize the  
5 delineation and acquisition of a rail transportation corridor from the present terminus of the  
6 Alaska Railroad to the border between Alaska and the Yukon Territory; and

7       **WHEREAS** Alaska, the Yukon Territory, and British Columbia contain extensive oil  
8 and gas, mineral, and timber resource reserves that currently are inaccessible, and bilateral  
9 cooperation in the development of a freight transportation infrastructure would facilitate the  
10 utilization of these resources for the benefit of the United States and Canada; and

11       **WHEREAS** a northern rail system may significantly benefit the visitor industry by  
12 facilitating the comfortable movement of passengers over long distances while minimizing the  
13 effect of such movement on the surrounding environment; and

14       **WHEREAS** ongoing research and advancements in rail technology continue to  
15 increase the efficiency of rail transportation and ensure rail safety and decrease the effect of  
16 rail transportation on the environment;

17       **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the  
18 government of the United States and the government of Canada to engage in a cooperative  
19 feasibility study to examine the costs and benefits of constructing a rail connection to link  
20 Alaska and the Yukon Territory by way of northern British Columbia with the existing North  
21 American rail transportation system; and be it

22       **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the  
23 government of the United States and the government of Canada to establish a bilateral  
24 commission representing local governments, business interests, and aboriginal stakeholders to  
25 define the goals and objectives for the cooperative feasibility study and to report the results  
26 of the study to the appropriate governmental entities of the United States and Canada; and be  
27 it

28       **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests that  
29 funding for operation of the bilateral commission and for the conduct of the cooperative  
30 feasibility study be considered a priority for the governments of the United States, Canada,  
31 British Columbia, the Yukon Territory, and the State of Alaska.

1           **COPIES** of this resolution shall be sent to the Honorable Jean Chretien, Prime  
2 Minister of Canada; the Honorable David Collenette, Minister of Transport, Transport Canada;  
3 the Honorable Dan Miller, Premier of the Province of British Columbia; the Honorable Piers  
4 McDonald, Government Leader, Yukon Territory; the Honorable Bill Clinton, President of the  
5 United States; the Honorable Madeleine K. Albright, United States Secretary of State; the  
6 Honorable Rodney E. Slater, United States Secretary of Transportation; the Honorable Strom  
7 Thurmond, President Pro Tempore of the U.S. Senate; the Honorable Jesse Helms, Chair of  
8 the Committee on Foreign Relations of the U.S. Senate; the Honorable John McCain, Chair  
9 of the Committee on Commerce, Science, and Transportation of the U.S. Senate; the  
10 Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable  
11 Benjamin A. Gilman, Chair of the Committee on International Relations of the U.S. House  
12 of Representatives; the Honorable Bud Shuster, Chair of the Committee on Transportation and  
13 Infrastructure of the U.S. House of Representatives; and to the Honorable Ted Stevens and the  
14 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
15 Representative, members of the Alaska delegation in Congress.

## Bill History/Action Display



BILL: SJR 38

SHORT TITLE: ALASKA CANADA RAIL  
FEASIBILITY STUDY

BILL VERSION: SJR 38 AM H

SPONSOR(S): SENATOR(S) WILKEN, Donley, Taylor, Mackie, Phillips,  
Kelly Pete

REPRESENTATIVE(S) James, Davies, Murkowski

CURRENT STATUS: LEGIS RESOLVE 41

STATUS DATE: 04/27/00

TITLE: Expressing support for a cooperative United States-Canada feasibility study on extending the North American rail system through British Columbia and the Yukon Territory to Alaska.

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Jrn-Date	Jrn-Page	Action
02/15/00	<u>2303</u>	(S) READ THE FIRST TIME - REFERRALS
02/15/00	<u>2303</u>	(S) TRA
03/03/00	<u>2509</u>	(S) TRA RPT 3DP 1NR
03/03/00	<u>2509</u>	(S) DP: WARD, PEARCE, MILLER; NR: LINCOLN
03/03/00	<u>2509</u>	(S) ZERO FISCAL NOTE (S.TRA)
03/22/00	<u>2692</u>	(S) RULES TO CALENDAR AND 1 OR 3/22/00
03/22/00	<u>2694</u>	(S) READ THE SECOND TIME
03/22/00	<u>2694</u>	(S) ADVANCED TO THIRD READING UNAN CONSENT
03/22/00	<u>2694</u>	(S) READ THE THIRD TIME SJR 38
03/22/00	<u>2694</u>	(S) COSPONSOR(S): DONLEY, TAYLOR, MACKIE,
03/22/00	<u>2694</u>	(S) PHILLIPS, PETE KELLY
03/22/00	<u>2695</u>	(S) PASSED Y19 N- A1
03/22/00	<u>2697</u>	(S) TRANSMITTED TO (H)
03/23/00	<u>2661</u>	(H) READ THE FIRST TIME - REFERRALS
03/23/00	<u>2661</u>	(H) TRA
03/31/00	<u>2820</u>	(H) CROSS SPONSOR(S): JAMES
04/14/00	<u>3132</u>	(H) TRA RPT 6DP 1NR
04/14/00	<u>3132</u>	(H) DP: COWDERY, KEMPLER, KOOKESH, KOHRING,
04/14/00	<u>3132</u>	(H) HUDSON, HALCRO; NR: MASEK
04/14/00	<u>3132</u>	(H) SENATE ZERO FISCAL NOTE (S.TRA) 3/3/00
04/15/00	<u>3203</u>	(H) RULES TO CALENDAR 4/15/00
04/15/00	<u>3203</u>	(H) READ THE SECOND TIME
04/15/00	<u>3204</u>	(H) AM NO 1 ADOPTED UNAN CONSENT
04/15/00	<u>3204</u>	(H) ADVANCED TO THIRD READING UNAN CONSENT
04/15/00	<u>3204</u>	(H) READ THE THIRD TIME SJR 38 AM H
04/15/00	<u>3204</u>	(H) PASSED Y37 E3

- 04/15/00 [3209](#) (H) CROSS SPONSOR(S): DAVIES, MURKOWSKI
- 04/15/00 [3211](#) (H) TRANSMITTED TO (S) AS AMENDED
- 04/16/00 [3155](#) (S) CONCUR AM OF (H) Y19 N- A1
- 04/25/00 [3505](#) (S) 2:15 PM 4/25/00 TRANSMITTED TO GOVERNOR
- 04/28/00 [3566](#) (S) PERMANENTLY FILED 4/27 LEGIS RESOLVE 41

Similar Subject Match or Exact Subject Match

INTERNATIONAL RELATIONS

RAILROAD

TRANSPORTATION

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Bill Root:

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS 

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**SENATE JOINT RESOLUTION NO. 38 am H**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FIRST LEGISLATURE - SECOND SESSION**

**BY SENATORS WILKEN, Donley, Taylor, Mackie, Phillips, Pete Kelly**

**REPRESENTATIVES James, Davies, Murkowski**

**Amended: 4/15/00**

**Introduced: 2/15/00**

**A RESOLUTION**

1 **Expressing support for a cooperative United States-Canada feasibility study on**  
2 **extending the North American rail system through British Columbia and the**  
3 **Yukon Territory to Alaska.**

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

5 **WHEREAS** rail transportation is the most cost-effective long distance method of  
6 **overland transportation; and**

7 **WHEREAS** rail transportation is an essential component of the North American inter-  
8 **modal transportation system; and**

9 **WHEREAS** rail transportation is energy efficient, capable of moving goods three to  
10 **nine times farther per unit of fuel than highway transportation; and**

11 **WHEREAS** rail transportation emits lower levels of carbon monoxide, carbon dioxide,  
12 **nitrogen oxides, and volatile organic compounds per ton of freight moved than other modes**  
13 **of freight transportation; and**

14 **WHEREAS** rail transportation systems allow controlled access to and reduced overall  
15 **effects on environmentally sensitive regions; and**

16 **WHEREAS** rail transportation remains an important component of national and

1 continental defense planning; and

2       **WHEREAS** the North American rail transportation system will not be complete until  
3 it extends to all states, provinces, and territories on the continent; and

4       **WHEREAS** the State of Alaska recently enacted legislation to reauthorize the  
5 delineation and acquisition of a rail transportation corridor from the present terminus of the  
6 Alaska Railroad to the border between Alaska and the Yukon Territory; and

7       **WHEREAS** Senator Frank Murkowski, United States Senator for Alaska, has  
8 introduced S. 2253, Rails to Resources Act of 2000, to establish a joint United States-Canada  
9 commission to study the feasibility of connecting the rail system in Alaska to the continental  
10 rail system of North America; and

11       **WHEREAS** Alaska, the Yukon Territory, and British Columbia contain extensive oil  
12 and gas, mineral, and timber resource reserves that currently are inaccessible, and bilateral  
13 cooperation in the development of a freight transportation infrastructure would facilitate the  
14 utilization of these resources for the benefit of the United States and Canada; and

15       **WHEREAS** a northern rail system may significantly benefit the visitor industry by  
16 facilitating the comfortable movement of passengers over long distances while minimizing the  
17 effect of such movement on the surrounding environment; and

18       **WHEREAS** ongoing research and advancements in rail technology continue to  
19 increase the efficiency of rail transportation and ensure rail safety and decrease the effect of  
20 rail transportation on the environment;

21       **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the  
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23 feasibility study to examine the costs and benefits of constructing a rail connection to link  
24 Alaska and the Yukon Territory by way of northern British Columbia with the existing North  
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6 Minister of Canada; the Honorable David Collenette, Minister of Transport, Transport Canada;  
7 the Honorable Dan Miller, Premier of the Province of British Columbia; the Honorable Piers  
8 McDonald, Government Leader, Yukon Territory; the Honorable Bill Clinton, President of the  
9 United States; the Honorable Madeleine K. Albright, United States Secretary of State; the  
10 Honorable Rodney E. Slater, United States Secretary of Transportation; the Honorable Strom  
11 Thurmond, President Pro Tempore of the U.S. Senate; the Honorable Jesse Helms, Chair of  
12 the Committee on Foreign Relations of the U.S. Senate; the Honorable John McCain, Chair  
13 of the Committee on Commerce, Science, and Transportation of the U.S. Senate; the  
14 Honorable J. Dennis Hastert, Speaker of the U.S. House of Representatives; the Honorable  
15 Benjamin A. Gilman, Chair of the Committee on International Relations of the U.S. House  
16 of Representatives; the Honorable Bud Shuster, Chair of the Committee on Transportation and  
17 Infrastructure of the U.S. House of Representatives; and to the Honorable Ted Stevens and the  
18 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.  
19 Representative, members of the Alaska delegation in Congress.

# Bill History/Action Display



BILL: HB 12

SHORT TITLE: RAIL/UTILITY EASEMENT TO  
AK-CANADA BORDER

BILL VERSION: CSSH B 12(FIN) AM

SPONSOR(S): REPRESENTATIVE(S) JAMES, Therriault, Dyson,  
Harris, Kemplen

SENATOR(S) Wilken, Kelly Pete

CURRENT STATUS: CHAPTER 12 SLA 99

STATUS DATE: 05/06/99

TITLE: "An Act relating to a utility corridor and railroad right-of-way between the Alaska Railroad and the Alaska-Canada border."

[Full Text](#)
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Jrn-Date	Jrn-Page	Action
01/19/99	<u>0020</u>	(H) PREFILE RELEASED 1/8/99
01/19/99	<u>0020</u>	(H) READ THE FIRST TIME - REFERRAL(S)
01/19/99	<u>0021</u>	(H) TRA, RES
01/29/99	<u>0102</u>	(H) SPONSOR SUBSTITUTE INTRODUCED
01/29/99	<u>0102</u>	(H) READ THE FIRST TIME - REFERRAL(S)
01/29/99	<u>0102</u>	(H) TRA, RES, FIN
02/03/99	<u>0129</u>	(H) TRA RPT SDP 2NR
02/03/99	<u>0129</u>	(H) DP: KEMPLER, SANDERS, COWDERY, HALCRO,
02/03/99	<u>0129</u>	(H) MASEK; NR: HUDSON, KOOKESH
02/03/99	<u>0129</u>	(H) 2 ZERO FISCAL NOTES (DOT, DNR)
02/05/99	<u>0147</u>	(H) COSPONSOR(S): HARRIS
02/10/99	<u>0180</u>	(H) RES RPT 7DP 2NR
02/10/99	<u>0181</u>	(H) DP: MASEK, BARNES, MORGAN, HARRIS,
02/10/99	<u>0181</u>	(H) WHITAKER, SANDERS, OGAN; NR: KAPSNER,
02/10/99	<u>0181</u>	(H) JOULE
02/10/99	<u>0181</u>	(H) 2 ZERO FISCAL NOTES (DOT, DNR) 2/3/99
02/19/99	<u>0250</u>	(H) FIN RPT CS(FIN) 8DP 2NR
02/19/99	<u>0251</u>	(H) DP: THERRIAULT, MULDER, KOHRING,
02/19/99	<u>0251</u>	(H) AUSTERMAN, DAVIES, GRUSSENDORF, DAVIS.
02/19/99	<u>0251</u>	(H) FOSTER; NR: BUNDE, WILLIAMS
02/19/99	<u>0251</u>	(H) 2 ZERO FISCAL NOTES (DOT, DNR) 2/3/99
03/03/99	<u>0342</u>	(H) RULES TO CALENDAR 3/3/99
03/03/99	<u>0342</u>	(H) READ THE SECOND TIME
03/03/99	<u>0343</u>	(H) FIN CS ADOPTED UNAN CONSENT
03/03/99	<u>0343</u>	(H) ADVANCED TO THIRD READING UNAN CONSENT
03/03/99	<u>0343</u>	(H) HELD IN THIRD READING TO 3/5/99

- 03/03/99 0350 (H) COSPONSOR(S): KEMPLEN
- 03/05/99 0370 (H) READ THE THIRD TIME CSSSHB 12(FIN)
- 03/05/99 0370 (H) RETURN TO SECOND FOR AM 1 UNAN CONSENT
- 03/05/99 0371 (H) AM NO 1 ADOPTED UNAN CONSENT
- 03/05/99 0371 (H) AUTOMATICALLY IN THIRD READING
- 03/05/99 0371 (H) PASSED Y34 E4 A2
- 03/05/99 0378 (H) TRANSMITTED TO (S)
- 03/08/99 0440 (S) READ THE FIRST TIME - REFERRAL(S)
- 03/08/99 0441 (S) TRA, FIN
- 03/08/99 0441 (S) CROSS SPONSOR(S): WILKEN, PETE KELLY
- 03/31/99 0749 (S) TRA RPT 3DP 1NR
- 03/30/99 0749 (S) DP: WARD, HALFORD, PEARCE; NR: LINCOLN
- 03/30/99 0749 (S) HOUSE ZERO FISCAL NOTES (DNR, DOT)
- 04/12/99 0876 (S) FIN RPT 7DP 1NR
- 04/12/99 0876 (S) DP: TORGERSON, PARNELL, PHILLIPS, GREEN,
- 04/12/99 0876 (S) LEMAN, WILKEN, DONLEY; NR: ADAMS
- 04/12/99 0876 (S) HOUSE ZERO FISCAL NOTES (DOT, DNR)
- 04/15/99 0930 (S) RULES TO CALENDAR AND 1 OR 4/15/99
- 04/15/99 0934 (S) READ THE SECOND TIME
- 04/15/99 0934 (S) ADVANCED TO THIRD READING UNAN CONSENT
- 04/15/99 0934 (S) READ THE THIRD TIME CSSSHB 12(FIN) AM
- 04/15/99 0934 (S) PASSED Y17 N2 E1
- 04/15/99 0934 (S) RETURN TO (H), TRANSMIT TO GOVERNOR NEXT
- 04/20/99 0889 (H) 9:15 AM 4/20/99 TRANSMITTED TO GOVERNOR
- 05/07/99 1219 (H) SIGNED INTO LAW 5/6 CHAPTER 12 SLA 99
- 05/07/99 1219 (H) EFFECTIVE DATE OF LAW 8/4/99

Similar Subject Match or Exact Subject Match

- EASEMENTS
- PUBLIC LAND
- RAILROAD
- RESOURCES
- TRANSPORTATION
- UTILITIES

Bill Root:  Display Bill Root

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



TO REPORT PROBLEMS WITH BASIS INQUIRY

LIVE KTOO STREAMS

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CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 12(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 3/5/99

Offered: 2/19/99

Sponsor(s): REPRESENTATIVES JAMES, Therriault, Dyson, Harris, Kemplen

SENATORS Wilken, Pete Kelly

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a utility corridor and railroad right-of-way between the  
2 Alaska Railroad and the Alaska-Canada border."

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

4 \* Section 1. AS 19.05.122(a) is amended to read:

5 (a) Subject to legislative appropriation, [NOT LATER THAN APRIL 1,  
6 1982, THE INTERIOR DIVISION OF] the department shall delineate a proposed  
7 utility corridor, including a railroad right-of-way. between the right-of-way [FOR  
8 THE EXTENSION] of the Alaska Railroad and [TO] the Canadian border. The  
9 proposed utility corridor shall include a complete legal description of the proposed  
10 railroad right-of-way.

11 \* Sec. 2. AS 19.05.122(b) is amended to read:

12 (b) Within 90 days after receiving a report transmitting the work [OF THE  
13 INTERIOR DIVISION] of the department under (a) of this section, the commissioner  
14 shall, in conformity with AS 44.62 (Administrative Procedure Act), if necessary, adopt

1 a regulation approving, modifying, or rejecting the proposed utility corridor and  
2 railroad right-of-way.

3 \* Sec. 3. AS 19.05.122(c) is amended to read:

4 (c) If the commissioner approves or modifies the proposed utility corridor and  
5 railroad right-of-way,

6 (1) the Department of Natural Resources shall promptly

7 (A) classify, or reclassify, and reserve any state land within the  
8 utility corridor for use as a utility corridor and railroad right-of-way; and

9 (B) delineate the route of the utility corridor and railroad  
10 right-of-way in any system of land records maintained by the Department  
11 of Natural Resources under AS 38.05.035; and

12 (2) the department shall

13 (A) exercise its authority under AS 19.05.040 to acquire rights-  
14 of-way across land within the utility corridor which is subject to the state's  
15 power of condemnation;

16 (B) work with federal officials to secure reclassification and  
17 withdrawal of federal land in the utility corridor for reservations and rights-of-  
18 way across the federal land for use as a utility corridor and railroad right-of-  
19 way; and

20 (C) prepare a report evaluating the impact of construction of an  
21 extension of the Alaska Railroad across federal land within the railroad right-  
22 of-way; the statement shall satisfy the requirements for an "environmental  
23 impact statement" under 42 U.S.C. 4332.

24 \* Sec. 4. AS 19.05.122 is amended by adding new subsections to read:

25 (e) In performing the work required by (a) of this section, the railroad  
26 alignment and identification of a railroad right-of-way of not less than 500 feet,  
27 together with adjacent sites that can be developed for necessary construction materials,  
28 shall guide the identification and delineation of the corridor.

29 (f) To complete the work required by this section, the commissioner may  
30 accept and, subject to legislative appropriation, expend any legal gifts and grants  
31 relating to the work and may enter into agreements relating to the work with the

- 1 federal government, an agency or instrumentality of the state, a municipality, or a
- 2 private organization.

## Bill History/Action Display



BILL: HB 241

SHORT TITLE: RAIL AND UTILITY  
CORRIDOR TO CANADA

BILL VERSION: CSHB 241(RES)

SPONSOR(S): REPRESENTATIVE(S) JAMES, Dyson, McGuire, Kohring, Scalzi,  
Wilson, Foster, Whitaker, Fate, Morgan, Davies, Hayes, Harris, GreenCURRENT STATUS: (S) TRA  
THEN RES

STATUS DATE: 05/05/01

TITLE: "An Act relating to a railroad utility corridor for extension of the Alaska Railroad to Canada and to extension of the Alaska Railroad to Whitehorse, Yukon, Canada."

[Full Text](#)[Fiscal Notes](#)[Amendments](#)[Committee Action with Bill History](#)

Jrn-Date	Jrn-Page	Action
04/10/01	<a href="#">0929</a>	(H) READ THE FIRST TIME - REFERRALS
04/10/01	<a href="#">0929</a>	(H) TRA, RES
04/24/01	<a href="#">1181</a>	(H) COSPONSOR(S): MCGUIRE, KOHRING, SCALZI,
04/24/01	<a href="#">1181</a>	(H) WILSON
04/25/01	<a href="#">1197</a>	(H) TRA RPT 3DP 1NR
04/25/01	<a href="#">1198</a>	(H) DP: WILSON, SCALZI, KOHRING; NR: MASEK
04/25/01	<a href="#">1198</a>	(H) FN1: ZERO(CED)
04/26/01	<a href="#">1257</a>	(H) COSPONSOR(S): FOSTER, WHITAKER
04/28/01	<a href="#">1306</a>	(H) RES RPT CS(RES) NT 4DP 1AM
04/28/01	<a href="#">1307</a>	(H) DP: CHENAULT, MCGUIRE, FATE, SCALZI;
04/28/01	<a href="#">1307</a>	(H) AM: GREEN
04/28/01	<a href="#">1307</a>	(H) FN1: ZERO(CED)
04/28/01	<a href="#">1345</a>	(H) COSPONSOR(S): FATE
05/03/01	<a href="#">1507</a>	(H) RULES TO CALENDAR 5/3/01
05/03/01	<a href="#">1507</a>	(H) READ THE SECOND TIME
05/03/01	<a href="#">1508</a>	(H) RES CS ADOPTED UNAN CONSENT
05/03/01	<a href="#">1508</a>	(H) AM NO 1 FAILED Y13 N24 A3
05/03/01	<a href="#">1509</a>	(H) ADVANCED TO THIRD READING 5/4 CALENDAR
05/03/01	<a href="#">1520</a>	(H) COSPONSOR(S): MORGAN, DAVIES
05/04/01	<a href="#">1537</a>	(H) READ THE THIRD TIME CSHB 241(RES)
05/04/01	<a href="#">1537</a>	(H) PASSED Y35 N2 E1 A2
05/04/01	<a href="#">1546</a>	(H) COSPONSOR(S): HAYES, HARRIS, GREEN
05/04/01	<a href="#">1547</a>	(H) TRANSMITTED TO (S)
05/03/01	<a href="#">1547</a>	(H) VERSION: CSHB 241(RES)
05/05/01	<a href="#">1524</a>	(S) READ THE FIRST TIME - REFERRALS
05/05/01	<a href="#">1524</a>	(S) TRA, RES

**CS FOR HOUSE BILL NO. 241(RES)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-SECOND LEGISLATURE - FIRST SESSION**

**BY THE HOUSE RESOURCES COMMITTEE**

Offered: 4/28/01  
Referred: Rules

Sponsor(s): REPRESENTATIVES JAMES, Dyson, McGuire, Kohring, Scalzi, Wilson, Foster, Whitaker, Fate, Morgan, Davies, Hayes, Harris

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to a railroad utility corridor for extension of the Alaska Railroad to**  
2 **Canada and to extension of the Alaska Railroad to Whitehorse, Yukon, Canada."**

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

4 **\* Section 1.** AS 42.40 is amended by adding new sections to article 5 to read:

5 **Sec. 42.40.460. Extension of the Alaska Railroad.** (a) The corporation may  
6 delineate a proposed railroad utility corridor between the existing railroad utility  
7 corridor of the Alaska Railroad and the border of Alaska and Canada. The railroad  
8 utility corridor shall be at least 500 feet wide. The railroad utility corridor may be  
9 designated for a use identified under AS 42.40.350(b). The corporation may also  
10 identify land for use as rail land that can be developed for terminal, station, and  
11 maintenance facilities, switching yards, and material sites associated with the railroad  
12 utility corridor. The corporation shall prepare a complete legal description of the  
13 proposed railroad utility corridor and the rail land identified under this subsection.

14 (b) In performing the work authorized by (a) of this section, the corporation

1 shall consider the following factors:

2 (1) grade and alignment standards that are commensurate with rail and  
3 utility construction standards and that minimize the prospect of at-grade railroad and  
4 highway crossings;

5 (2) availability of construction materials;

6 (3) safety;

7 (4) effects on and service to adjacent communities and potential  
8 intermodal transportation connections;

9 (5) environmental concerns;

10 (6) use of public land to the maximum degree possible;

11 (7) minimization of probable construction costs;

12 (8) the location of and the opportunity to obtain access to identified  
13 natural resources that could contribute significantly to the state's economic  
14 development; and

15 (9) prior and established traditional uses.

16 (c) If the corporation delineates all or a portion of the proposed railroad utility  
17 corridor or the associated rail land,

18 (1) the Department of Natural Resources shall, in accordance with  
19 AS 42.40.360(b) and 42.40.370, convey state land within the railroad utility corridor  
20 and associated rail land to the corporation without cost to the corporation and delineate  
21 the route of the railroad utility corridor and the location of the associated rail land in  
22 any system of land records maintained by the Department of Natural Resources under  
23 AS 38.05.035; and

24 (2) the corporation shall

25 (A) as the corporation considers appropriate, exercise its  
26 authority under this chapter to acquire rights-of-way across land within the  
27 railroad utility corridor that is subject to the corporation's power of eminent  
28 domain;

29 (B) upon delineation of the railroad utility corridor and  
30 identification of associated rail land, expeditiously work with federal officials  
31 to secure reclassification and withdrawal of federal land for reservations and

1 rights-of-way across the federal land for use as railroad utility corridor and rail  
2 land; and

3 (C) prepare a report evaluating the effects of construction of an  
4 extension of the Alaska Railroad across federal land; the statement must satisfy  
5 the requirements for an environmental impact statement under 42 U.S.C. 4332.

6 (d) The requirements of AS 38.05 (Alaska Land Act) relating to classification  
7 and reclassification of land are inapplicable to actions taken by the Department of  
8 Natural Resources under this section.

9 (e) The Department of Natural Resources shall retain the classifications and  
10 reservations of land identified for use as a proposed utility corridor and railroad right-  
11 of-way under former AS 19.05.122 until the corporation informs the department in  
12 writing that the land is not needed by the corporation for a utility corridor. If the  
13 corporation informs the department in writing that the land is necessary for use as a  
14 utility corridor, the department shall convey the land to the corporation under (c) of  
15 this section.

16 (f) To complete the work authorized by this section, the corporation may enter  
17 into agreements relating to the work with the federal government, an agency or  
18 instrumentality of the state, a municipality, or a private organization.

19 **Sec. 42.40.465. Extension of the Alaska Railroad to Whitehorse, Yukon,**  
20 **Canada.** The corporation may investigate extension of the Alaska Railroad from the  
21 border of Alaska and Canada to Whitehorse, Yukon. The corporation may acquire  
22 land or interests in land in Canada as the corporation considers appropriate for the  
23 development, construction, and operation of an extension of the Alaska Railroad to  
24 Whitehorse, Yukon.

25 \* Sec. 2. AS 19.05.122 is repealed.

# **SECTION 7: MEDIA REPORTING**



[www.repjames.org](http://www.repjames.org)

# More Than a Pipe Dream

**Provisions are in place to construct a railroad to the Lower 48 by connecting existing Alaska infrastructure with that in Canada.**

BY RICHARD F. SCHMITZ

**T**hree years ago, when Rep. Jeannette James, R-North Pole, spoke of her vision of a railroad to connect Alaska with the Lower 48 states, the response she got was often a polite smile or, just as often, rolled eyes and a polite smile.



James

That has changed. "The same folks who rolled their eyes are now asking what they can do to get on board. There's a lot of excitement about this project," said James, majority leader of the Alaska House, and author of HB 241, which, if passed, will authorize the Alaska Railroad to seek a right-of-way for a rail and utility corridor to Whitehorse, Yukon.

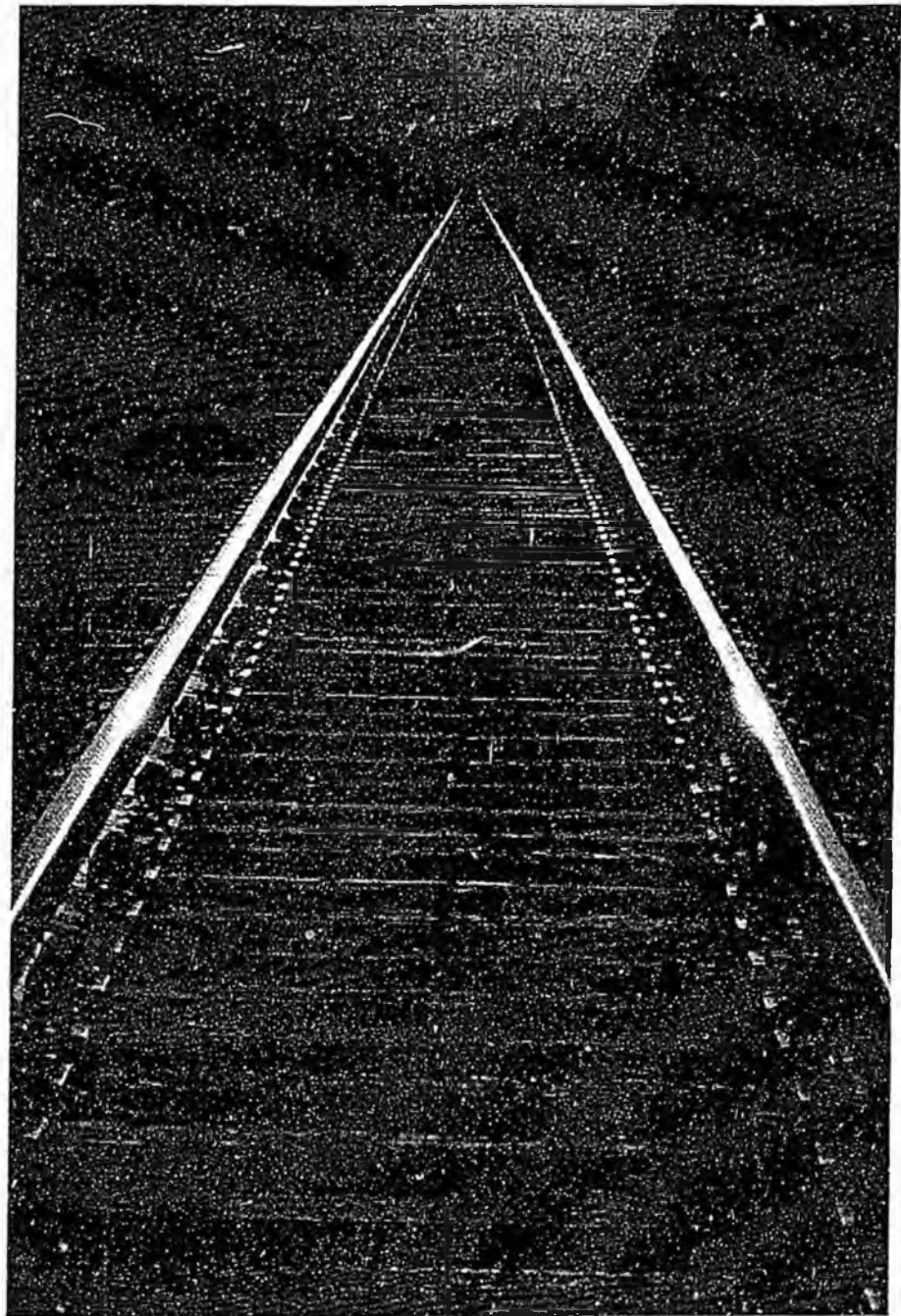
The sudden enthusiasm for the project—which has been explored in one form or another for almost a century—is largely the result of funding for a study commission secured by Sen. Frank Murkowski.

## A Unified Front



Murkowski

In May, the Alaska senator met with Canadian legislators at the 42nd annual Canadian Interparliamentary Conference, held in British Columbia. "I was heartened once again by the enthusiasm of Canadian members of parliament on the railroad proposal," Murkowski said.



"There always has been unanimous support from the conference for studying this transportation project, but the interest this year was tremendous. I'm convinced we can move forward and have this commission under way yet this year."

Legislation passed by Murkowski in 2000 approved a 24-member bilateral commission to study economic, environmental and engineering mat-

ters involved in the extension of the Alaska Railroad from Eielson Air Force Base to the northern limit of the British Columbia Railroad, closing an approximately 1,200-mile gap. The cost of constructing the rail connection has been estimated at between \$1 million and \$3 million per mile, putting the total cost at upwards of \$1.2 billion.

For the commission to be seated, however, Canadian approval is needed. Informal talks have been held, but the first formal action from Ottawa was taken in May with the hiring of a consultant to review Canadian concerns for the commission to address. The commission was informally presented to the Canadian government on May 8 in a low-level exchange at the State Department-Foreign Ministry level, and will be followed by a more formal diplomatic note, Murkowski's office reported.

The commission will be comprised of 12 Americans and 12 Canadians, and will have a paid staff. Funding will come from both sides of the border; however close to \$2 million to fund the commission was approved when Murkowski's bill was signed into law.

### Packaging With Gasline

Both Murkowski and James are stressing the logic of building a gas pipeline and railroad at the same time. "There are tremendous economies of scale," said James. "For starters, you'd need one environmental impact statement instead of two."

"The economies of scale of the two projects proceeding together are very exciting," Murkowski said, noting a gasline will have major benefits to America's economy given all the steel that a 3,600-mile, 48-inch pipeline will require. "It is vital for the state to press for railroad and pipeline planning to proceed together because of the cost benefits for both projects," Murkowski added. The railroad, if completed in time, could be used to bring construction supplies to the site of gasline construction.

Murkowski also cited Delta Junction as a possible site for a missile defense facility. "That may help with financing of at least 80 miles of the railroad," he said, referring to a separate proposal to extend the Alaska Railroad 80 miles south.

One of the questions any bilateral commission will address is: Can Alaska provide enough business to make a railroad worthwhile? James says she is certain the answer to that question will be yes.

"Relative to other forms of transportation, a railroad is inexpensive, durable and easy to build," James said. "It's true that trains are 19th century technology—but they're cutting-edge at the



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same time. There are locomotives today that use natural gas for fuel, and others that use gravity to generate power."

### A Builder of Economy

A main beneficiary of a rail connection will be the mining industries of Alaska and the Yukon. "Alaska has tremendous mineral resources, but they're stranded in the ground because it's not economical to move ore to processing facilities," said James.

Alaska itself is proof that a railroad can build an economy. "Why do they call it 'the Railbelt?'" James asked, referring to the railroad route that spans from Seward to Fairbanks. "It's no coincidence that Anchorage—and not Valdez—is the state's largest city. When visionaries decided to build the Alaska Railroad, Valdez was Alaska's main port while Anchorage was no more than a construction camp."

Aside from military and gasline construction uses, Alaska's economy will receive a long-term, stable boost from a rail connection. James points to tourism as one market, opening up stranded resources as another, agricul-

ture and value-added processing or manufacturing as a third and fourth.

**"Alaska has tremendous mineral resources, but they're stranded in the ground because it's not economical to move ore to processing facilities."**

*Rep. Jeannette James  
R-North Pole*

A particularly rich section of the so-called Tintina Gold Belt, which already includes the Fort Knox mine near Fairbanks and the soon-to-be-developed Pogo Project near Delta, includes "significant coal deposits, and copper, lead, zinc, nickel and platinum group metal prospects," said Dr. Milt Wiltse of the state division of Geological and Geophysical Surveys.

"A majority of the most valuable known mineral deposits of East-Central

Alaska are located within 50 miles of the proposed or existing Alaska Railroad," Wiltse told a special committee of the Legislature in February. Wiltse included the True North project, Ryan Lode, the Delta District (copper-lead-zinc) near Tok, and the Richardson Gold District near Delta Junction.

"There is no doubt the general corridor of the proposed extension of the Alaska Railroad passes within 50 miles of many significant mineral deposits," Wiltse told the committee. "A useful and responsible next step in developing the railroad extension would be to conduct a full technical corridor analysis. Because the corridor for the railroad closely coincides with the corridor of the proposed natural gas pipeline, one analysis could serve both projects."

### Environmentally Friendly

Another edge for rail is its relative low impact on the environment. Trains move heavy, bulk goods far more efficiently than trucks, while a railbed leaves a much smaller footprint on the land, while allowing for controlled and limited access.

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"Construction activity is less disruptive of natural surroundings," said Gil Carmichael, federal railroad administrator under the first President Bush. "Railroad design allows heavier weights to be transported with little effect upon the land surface. Trains are more fuel-efficient and emit lower levels of pollution. I am told one track of railroad has equal capacity to eight lanes of highway."

Dr. Paul Metz, a mining engineer with the University of Alaska Fairbanks, is a strong proponent of combining the gas pipeline and rail projects, and has discussed this issue with representatives of BP and Phillips Petroleum Co. Metz reported the major concern of these companies is the possible delay caused by securing federal funds (for rail construction) and a state match.

#### Bill Pushes Right-of-Way

James introduced HB 241 to help with this process. "Without appropriating funds, this bill authorizes the Alaska Railroad to delineate a transportation and utility corridor from Eielson to the Canadian border. Once this is achieved, state land would be transferred to the railroad fee-simple title," James explained. The bill also authorizes the Alaska Railroad to obtain ownership of a right-of-way through other lands—private, or federal, for example.

"This bill doesn't require the Alaska Railroad to do anything. The goal of this legislation is to allow the railroad to use federal funds, for example, if such an appropriation comes in from Washington D.C.," James added. A separate section of the bill authorizes the railroad to investigate extending the railroad as far as Whitehorse, Yukon.

Language in the legislation mandates a 500-foot-wide corridor—wide enough to include other uses such as a gas pipeline or fiber optic cable. A transportation and utility corridor could even include electric transmission lines or, sometime in the future, a water pipeline for agricultural purposes.

#### Calming Opponents' Fears

The proposed rail connection has its detractors. One is the marine transport sector. Leonard Shapiro, vice president

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of shipping for Seattle-based Totem Ocean Trailer Express, told writer Charlie Ess in the February 2001 edition of the *Marine Digest* "The effect, obviously, would not be good for us. It would generate a new competitor, and the probability is that the new competitor would be heavily subsidized."

James said she's confident the trucking, marine freight and cruise ship industries will soon come aboard in support of a rail connection. "I've said this for a long time—a rising tide floats all boats higher. A railroad will rescue Alaska's economy from its present boom-and-bust cycle, and a sustainable and stable economy will provide more business to all sectors," James said. "An example: a railroad may mean less business for long-distance trucking—but it will mean more business for short-distance runs. There will be more jobs for truck drivers—truck drivers who can be at home at night with their families."

James said there would continue to be a healthy demand for water-borne freight shipments. "Shipping to and from the West Coast would likely continue by water because a rail connection would be more toward the Midwest. Again, an improved economy would very likely increase the volume of shipping for barge carriers."

Tourism will be another major user of a rail connection, James said. "The great thing about train travel is that, like a cruise ship, the trip itself becomes part of the destination. Cruise ships will take visitors in one direction; a train can take them the other."

"Moving tourists by train permits controlled access to scenic areas, as the Alaska Railroad has proven for years," Carmichael said. "When people on tour leave a train they move in groups, which cause fewer problems than a herd of private vehicles operating independently in a sensitive area. Rail-based tourism will allow for the expansion of a jobs-producing tourist economy in an environmentally sustainable way."

In May, HB 241 passed the Alaska House 35-2. It will be taken up by the Senate in January 2002. "I was very pleased with the support this bill has received," James said. "It's just a first step—but when it comes to any vision for the future, you have to start somewhere." □

# Parallel Alaska-B.C. railway, gas line backed

Railway executive says the proposal has support from Alaska Senator Frank Murkowski  
By ALAN DANIELS

Backers of a railway linking Alaska with British Columbia say the possibility of twinning it with a natural-gas pipeline has given new momentum to the multibillion-dollar project.

Dave Broadbent, president and CEO of Vancouver-based Canadian Arctic Railway, said Friday the twinning proposal now has the backing of Alaska Senator Frank Murkowski, a powerful proponent of both a pipeline and a railway linking Alaska to the lower 48 states.

Canadian Arctic Railway was incorporated federally three years ago to promote the rail link, with the intention of becoming a railway operating company.

"Senator Murkowski definitely wants the railway and he knows the pipeline project is coming," Broadbent said.

"He's grabbed the twinning proposal, which we first suggested to the pipeline companies,

and has run with it. This has added a lot of momentum to the project."

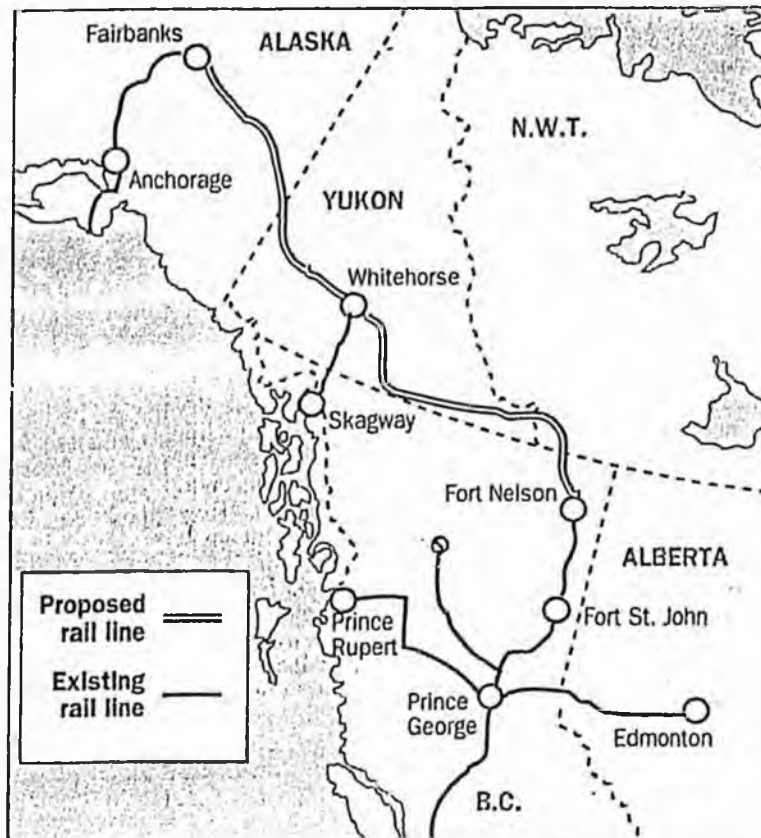
Broadbent said there would be considerable cost-savings in a joint construction project that could also include a fibre-optic cable.

"We feel that the pipeline and the railway could be built at the same cost that the pipeline could be built if it were built in isolation," he added.

Murkowski's office in Fairbank, was closed Friday as part of the July 4 U.S. holiday and he was not available for comment, but an article in the Anchorage *Daily News* on March 13 quoted a representative as saying that shipping Alaska gas through Canada could make a rail line more economically viable and mutually attractive to U.S. and Canadian interests.

A rail connection from Fair-

See GOVERNMENT B12



# Government involvement anticipated

From B5

banks to Fort Nelson would require 1,150 miles of new track. Alaska Railroad representatives have estimated the cost at \$1 million to \$2 million US per mile, which would put the price tag at between \$1.15 billion and \$2.3 billion US.

Broadbent said it would be financed by the private sector "with some government back-stopping." He said the private sector is interested "as long as there is the political will."

He said the change of government in B.C. will also spur the project. "There's a relative amount of excitement in B.C. right now and that's what we need for the private sector.

"The last government said it weren't interested [in the railway] but wouldn't stand in our way. That wasn't enough for private investors."

Yukon MP Larry Bagnall said Friday from Whitehorse that he is in favour of both the pipeline and the railway, but has mixed feelings about twinning the two projects. He said right-of-way and environmental permits are in place for a pipeline along the Alaska Highway route under a Canada-U.S. agreement signed 20 years ago, but it that doesn't include a railway.

"If you make this one massive project, including a fibre-optics cable, you are changing the specifications of the project," he said. "The pipeline companies fear this would put it back to square one."

## Tie railway to pipeline, senator urges

by Jason Small

A Whitehorse Star Archive story originally published June 8, 2001

The Alaskan senator will be pushing gas companies to tie an Arctic railway in with an Alaska Highway natural gas pipeline.

U.S. Senator Frank Murkowski (Republican-Alaska) informed state legislators this week in a letter that he intends to ask the natural gas producers to look at tying in the construction of a railway to the proposed pipeline which would travel through the Yukon along the Alaska Highway. Currently, the producers who own the natural gas in Alaska's North Slope are conducting studies into how to transport that commodity to buyers in the Lower 48 states.

A pipeline along the Alaska Highway from the state's northern shore to the Yukon and through to connecting lines in Alberta before heading into the U.S. is one route that is being considered.

Murkowski hopes these producers would consider joining it with a railway through Alaska and the Yukon which could link the isolated state with the continental states.

"I will be asking the producers to expand the scope of their study to consider the conjunctive building of a rail corridor to be part of the proposed pipeline route," Murkowski's letter reads.

"In my view, such a corridor could offer an ideal route for complementary rail and telecommunications services."

The senator states that he will urge the producers to make use of the analysts they are currently using to study the pipeline to look at all possible projects.

"As the consortium (of gas producers) continues its analysis, we urge them to consider a cost/benefit assessment that is truly comprehensive and encompasses all potential uses of the projected pipeline corridor."

The letter notes that the corridor that would be created to build the pipeline could be used in a few different ways.

"Such a corridor could, if carefully chosen, offer an ideal route for complementary services such as rail and communications, in addition to serving Fairbanks, the Pogo mine (in Alaska) and other markets in Alaska-Yukon Territory," it states.

"Further, the right-of-way could support fibre optic for both pipeline monitoring as well as commercial use of the advanced land line technology.

"In my view, there are enormous potential long-term economic benefits to the state of multiple utilization of the corridor route containing pipelines, railroad and fibre optic communications."

Murkowski notes that it could take a long time to evaluate a possible railway, so he's asking the producers to just look at the idea of multiple uses for the corridor along the highway. He states there could be ways to use the railway in building a pipeline.

"As an example, it may be possible to use materials excavated for a pipeline to form part of the roadbed for a rail line, building both simultaneously. Conversely, if a rail platform were built with the pipeline, it might be significantly less costly to transport pipe, excavate materials and lay pipe."

The senator urged his state counterparts to do what they can to support his suggestion to the producers.

"Perhaps a resolution encouraging the producers to evaluate the multiple use concept of a pipeline, rail and telecommunications corridor would be appropriate," the letter reads.

One of the most vocal proponents of a pipeline, Alaskan state representative Jeannette James (Republican), was buoyed by Murkowski's letter.

"It's something I've been talking about for quite a while with the oil industry," James said this morning from her legislative office in Juneau.

James, who is the representative for the community of North Pole, a suburb of Fairbanks, believes bringing the two projects together could cut the costs of building the pipeline. Just before speaking with the Star this morning, James was talking to a representative of Phillips, one of the major gas producers. She said he wasn't making any commitment but was intrigued.

"He is not making any commitment but he was certainly interested in some of the projections," she said.

According to James, trucks can carry two to three lengths of pipe per load while a train could carry much more if the railway was being built just slightly ahead of the pipeline.

James doesn't think tying the railway into the pipeline would slow the natural gas project down because she feels it won't be built quickly.

"I don't think it's going to get built fast," she said. "It's no slam-dunk."

From working on the railway, James has come to feel it may be built faster.

While she has been talking about joining the two projects together for a while, she hopes Murkowski's statement will make it more credible and have those who have dismissed her idea as a pipe dream, look at it more seriously.

"I think it'll change their attitude."

But the governor's office does not seem interested in sharing in James' dream.

Bob King, press secretary for Alaskan Gov. Tony Knowles, said the railway and pipeline projects have been running

separately to this point and he thinks that's the way it should remain.

"I don't think it's in either project's best interest to have them linked," King said this morning from the governor's office in Juneau.

"I don't think the fate of the gas line project should hinge on that of the railway extension."

Knowles has made it clear that he supports the idea of a pipeline going through Alaska along the highway.

A northern railway was looked at by the territorial government in the late 1970s — the same time that the possibility of a pipeline through the Yukon was being discussed in earnest.

Now that interest in a railway has returned, Murkowski introduced a bill last year which was signed into law in December by then-president Bill Clinton, to put \$6 million over three years into a study with Canada on whether the railway idea is feasible.

The Canadian government has yet to decide whether it will participate in the study.

With this week's change in government in British Columbia, James said she wants to meet with new Liberal Premier Gordon Campbell on the railway idea.

She hopes to do this at a joint meeting of the Council of State Governments — West and the Pacific North West Economic Region in Whistler, B.C. next month.

James has already spoken with Yukon Premier Pat Duncan on a number of occasions.

The Alaskan politician still hopes to meet with the Yukon's first nations on the railway and specifically, Council of Yukon First Nations' Grand Chief Ed Schultz.

"I've never had a personal meeting with them and I hope to do that as soon as possible," she said.

The producers are expected to announce which route they want to build for transporting the natural gas at the end of this year.

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# Representative Jeannette James

Working to establish an Alaska-  
Canada rail link

By Vanessa Orr

**A**s 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.repjames.org](http://www.repjames.org).*

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## 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.

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From AEDC and the Editors of  
Expansion Management Magazine



American  
Economic  
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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.

**F**ew 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-

by half-century "Golden Age of Railroading" 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

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## 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](mailto: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) 692-9944; fax (847) 696-2990; Web site address: <http://www.aedc.org>

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## 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.

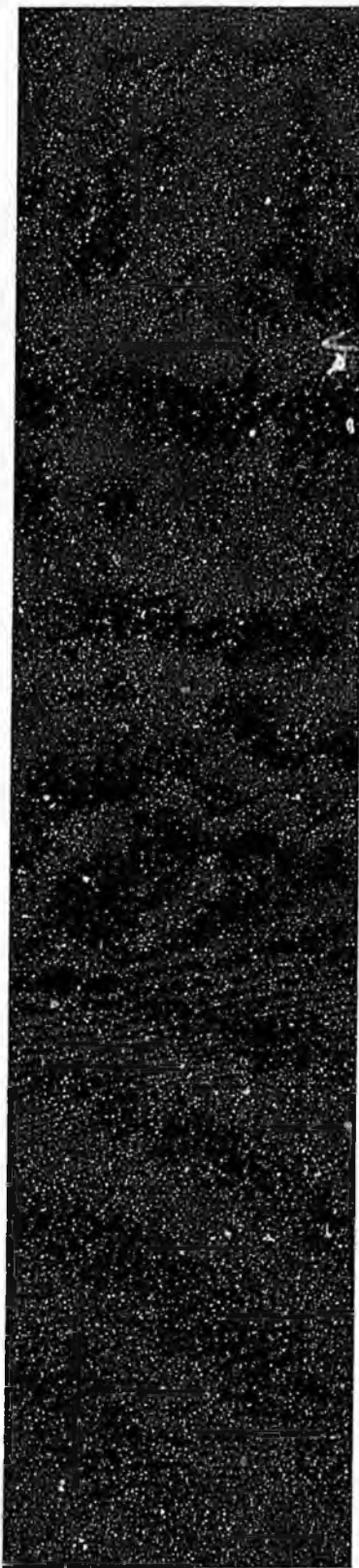
Murkowski already has filed a separate bill asking the administration to form a commission with Canada to conduct the study.

"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 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.

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# The Moscow Times .com Business / Transport

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**ВЕДОМОСТИ.**  
Деловая газета.

**The St. Petersburg Times**



Friday, Jan. 12, 2001. Page 1

## Building Bridges to Billion-Dollar Dreams

By Natasha Shunetskaya  
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.

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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.

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## Oil & Gas S

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By Alexei Pankin

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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 Larysky Strait, which will connect the mainland with Sakhalin." Razbegin is sure the same fate 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."

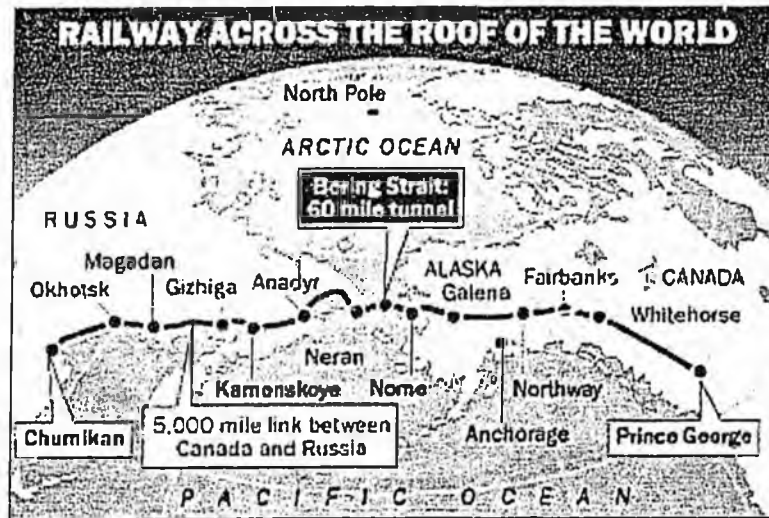
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THE TIMES



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 5622  
 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.

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## 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.

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## 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.

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

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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.

# VIEW FROM THE LIGHTHOUSE

## Come and join us!

Getting into the game of international trade can be a tricky proposition. Aside from working out your details with overseas sources, there are the logistical challenges of getting goods where they need to go, including (especially in developing markets) *how* they're going to go.

Provided you've managed to stay in the game, whether you're a shipper or an attached entity in the cargo movement chain, the immense efforts of logistical flow rarely diminish. The more you're involved, the more you see the roadblocks - the economic choke points preceding (and even after) delivery.

## MARINE DIGEST

MARITIME TRADE & TRANSPORTATION NEWS SINCE 1922  
(206) 709-1840/Fax (206) 324-8939

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Marine Digest (ISSN 0025-3147)  
is published monthly by Newman Burrows at  
1710 South Newman Street, Seattle, WA 98144  
Annual subscription rates: U.S. and Canada \$28.00;  
Other foreign \$70.

Periodicals postage paid at Seattle, WA.  
E-mail: [marinedigest@marinedigest.com](mailto:marinedigest@marinedigest.com)  
Website: [www.marinedigest.com](http://www.marinedigest.com)

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Peter Hurme

With this in mind, *Marine Digest* has assembled a group of panelists (see *conference information on pages 8-9*) who will educate and interact in two separate one-day conferences in West Coast cities - May 11, Seattle-Tacoma and June 11 in Los Angeles-Long Beach. The venues are both good ones, and we're kicking it all off with style in Seattle with a lunch on the cruise ship *Radiance of the Seas*.

Our aim with *Practical Transportation Perspectives in the 21st Century* is to attract cargo decision-makers from California and the Pacific Northwest.

The issues that will be covered should appeal to cargo shippers from all over the country, and all are encouraged to attend; however, I would suggest making those plans now, as response is picking up steam.

The *Practical Transportation Perspectives* panelists are extremely well-versed in their respective fields, and cover a good cross-section of the transport chain: Shipper, carrier, port, freight intermediary, rail and trucking. The intermodal network is well represented.

It was our intent, in concert with the panelists' desires, that both of these gatherings prove useful, practical and aid in stimulating activity for cargo shippers of all levels of experience. We won't have too many panels, in order to provide more time for Q & A. Ask the carrier, the shipper, the lawyer, the cargo insurer, the economist, the customs broker etc. what you need to know, and share what you think they should know.

I often find myself applying the well-used term "problem-solving" to the business and, at times, headaches of cargo movement.

This term is what *Practical Transportation Perspectives* is all about - "problem solving" for those who control the movement of cargo in this challenging age of globalization. ↓

## LETTERS

### RAIL LINK WILL FLOAT MORE BOATS SAYS ALASKA STATE REPRESENTATIVE

I appreciated Charlie Ess's article in February 2001 *Marine Digest* (Shipping to Alaska: will be it rail vs. water?) on the proposed rail connection from Alaska to the lower 48; however I'd like to offer a few comments.

The article calls into question the degree of subsidy that construction of a rail line will require, and whether that subsidy will put containership companies at an economic disadvantage.

It is my belief that a railroad connecting Alaska with the rest of the North American rail system will increase business for waterborne shippers. The purpose of the railroad is to open up, for sound development, vast areas of stranded resources in Alaska, Yukon and Northern B.C., as well as to boost tourism.

Railroad construction has been subsidized (in one form or another) since before the Civil War, and typically has had a 50-to 100-year cost recovery time. But railroad construction has never been an investment in itself - rather, it has been an efficient method to open up areas of the country to economic development.

It's a cliché, but I'll repeat it anyway: a rising economic tide floats all boats. I believe a railroad connection between Alaska and the Lower 48 will result in increased revenue for all participants in the Alaska transportation market.

Sincerely,

Representative Jeannette James  
Alaska State Legislature  
House District 34

### Corrections:

In the March 2001 issue, a quote by Paul Dunstan in the article "Man with a 'Robotic' Mission" was incorrectly duplicated and also attributed to Ed DeNike, senior vice president of Stevedoring Services of America. The following quote: "Robotic plans to minimize negative impacts in union members. I believe, as in the past, that financial considerations will mitigate labor issues of containerization and automation..." was not made by Mr. DeNike. We regret the error.

In the March 2001 issue, the story "Shipping industry listens to the air force" was written by Alison Bate.

## 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 300 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."

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# 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](mailto:billm@juneauempire.com).*

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## 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."

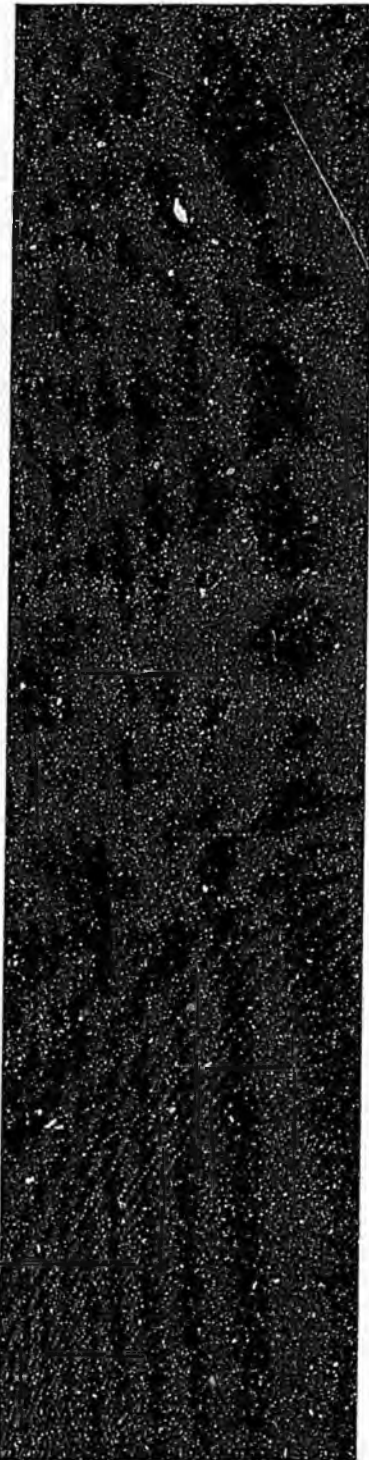
Murkowski representative Bill Woolf told legislators that the senator has sent a letter to Secretary of State Colin Powell and that he hopes to discuss the matter after Powell returns from the Middle East.

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.

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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 Kleedehn 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 Thyron 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 Thyron 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 resistance 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 can 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 Wolf, 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

1/24/00

Traffic World

## Today Alaska, Tomorrow the 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 million 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 at 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.*

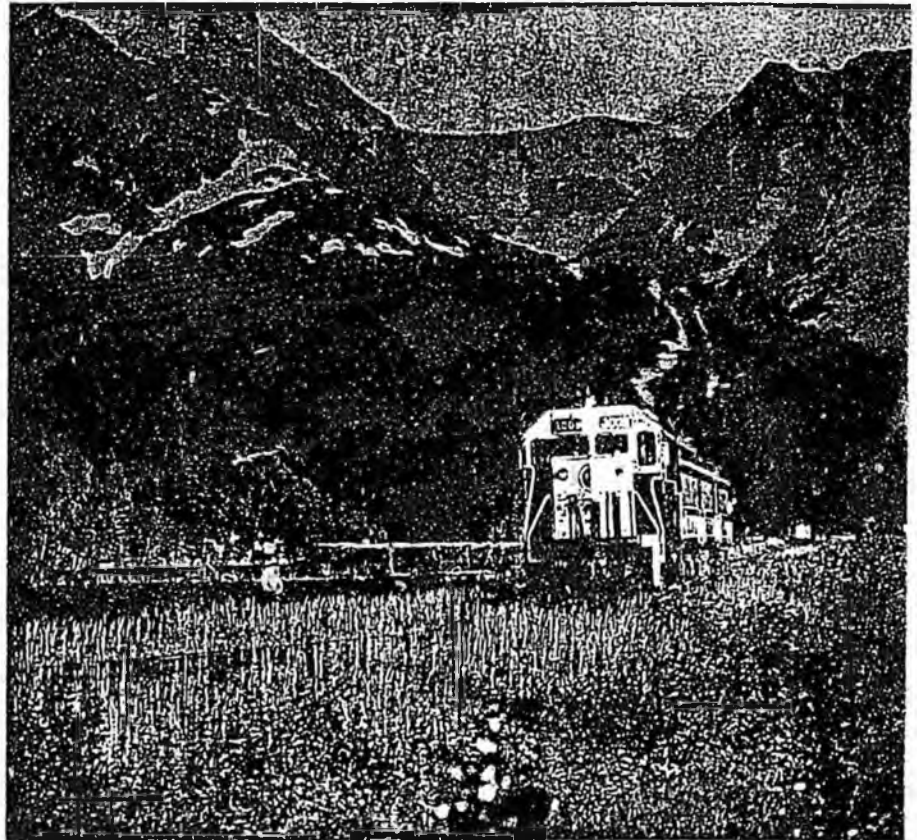
By RICHARD F. SCHMITZ

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 Mishler

## 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 Greeley, 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

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USA

LAYING A SPUR TO THE LOWER 48

## Alaska's monster railroad: bane or boon?

Abraham McLaughlin ([mclaughlina@csps.com](mailto:mclaughlina@csps.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.

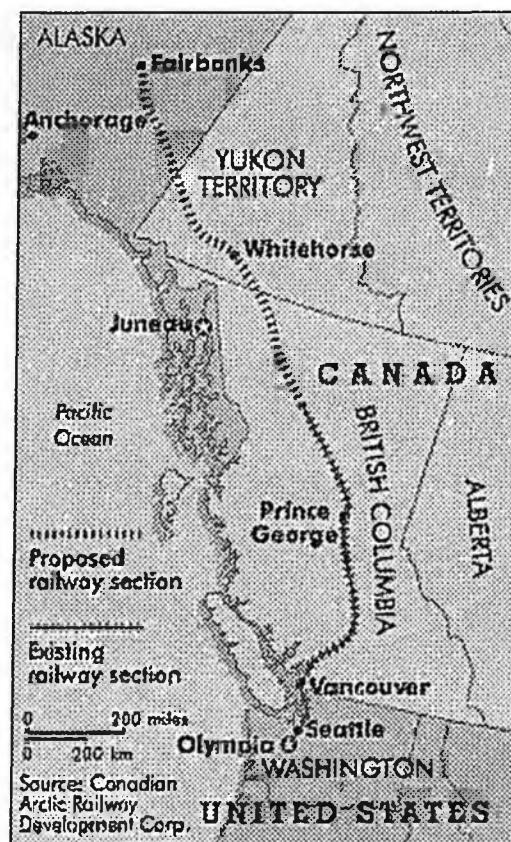
This is the state that built an 800-mile oil pipeline. It's the state that considered building a massive aquaduct to transport water from melting glaciers to thirsty California.

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, say, 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.

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## 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.



## Feds aren't embracing railway

by JASON SMALL

A Whitehorse Star Archive story originally published October 10, 2001

One territorial official says Ottawa is not keen on the idea of an Arctic railway spanning Alaska and the Yukon.

Jesse Duke, the territorial government's mining facilitator, said Tuesday the position of federal officials from Transport Canada on studying a possible railway can be described "as lukewarm to cool."

The U.S. Congress passed a bill last December, which former president Bill Clinton signed into law. It gave the green light to the creation of a Canada-U.S. commission to study the feasibility of a railway link between Alaska and the continental states.

The bill gave the commission \$2 million a year for three years to study the proposal. The commission would have 12 American members and 12 appointed from Canada.

However, for it to get started, the Canadian government had to agree to join.

Duke said Ottawa has not yet agreed to join because the U.S. has yet to make a formal proposal. He believes the U.S. is waiting until it knows it will receive a positive answer before asking Ottawa.

"I think the Americans really want this commission, this whole idea, to work," said Duke.

Much of the impetus for researching the railway possibility has come from Alaska. Alaskan Senator Frank Murkowski introduced the bill to the U.S. Senate which created the commission.

As well, Alaskan state Representative Jeannette James, the Republican house majority leader, has been one of the main proponents of the railway in Juneau.

James is hosting a conference on the railway today and Thursday.

The Yukon is being represented by Liberal MLA Jim McLachlan, from Faro, and the territory's lone MP, Liberal Larry Bagnell.

Faro recently drove the first spike on a chunk of railway it hopes will be linked with the larger line.

According to Richard Schmitz, a spokesman for James, McLachlan and Bagnell were to speak at the conference today.

Duke, who has closely followed the topic, was invited to attend the conference but he said it was decided that the Yukon would be represented by politicians.

"The decision was taken that our elected officials would attend," said Duke.

Bernie Adilman, a cabinet spokesman, said Tuesday Duke didn't go because the Department of Economic Development needs him here.

"The department just doesn't feel at this time it can afford to be without Jesse (for three to four days)," said Adilman.

Duke spoke on behalf of the Yukon at a railway conference in January 2000.

The proposed railway could take one of two routes from Fairbanks: it could travel to Dawson City, through Faro and to Watson Lake before heading to existing rail in B.C.; or it could run along the Alaska Highway, then veer down to Dease Lake, B.C. before reaching an existing line.

James has estimated the railway could cost between \$2.4 billion and \$3.6 billion.

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## Mining's decline isn't over

by Chuck Tobin

Expenditures and production by the mining industry in the Yukon are down again, just as they are in Alaska.

Hard rock geologist Mike Burke of the Yukon Geology Program addressed the 29th annual Yukon Geoscience Forum in Whitehorse this morning. He said exploration expenditures for this year will be in the area of \$7.2 million, down from \$8.8 million last year.

The figures show a steady decline since 1996, when exploration in the Yukon hit a record \$54 million, followed by \$35 million in 1997 and \$15 million in 1998.

The Brewery Creek gold mine was the only producing hard rock mine in 2001. Its operations were suspended after the production of 10,811 ounces in the first six months, Burke told the audience.

The Yukon's placer industry saw another dip in the number of mines to 124. That's down from 140 recorded last year and 171 in 1999, placer geologist William LeBarge said in his address to the forum.

"With the current trend, we are predicting around 69,000 (gold) ounces produced," LeBarge said. "However, even with that, it is likely to be the lowest production since 1979."

LeBarge said this year total value of gold production from placer operations is estimated to reach \$22 million, down from \$25.3 million last year.

The largest downturn in activity, he said, was seen south of Dawson City in the Indian River drainage system, which accounts for the largest percentage of placer gold mined in the Yukon.

Last year, placer operations in the Indian River area produced 37,704 ounces, or 45.3 per cent of total production, he pointed out, adding production from the same area is expected to drop by almost a third, or 10,000 ounces.

LeBarge also pointed out, however, that miners in the Klondike River drainage system increased production this year from 13,168 ounces to an estimated 16,394, accounting for 25 per cent of placer gold production in the territory.

There was also increased production in the lower Stewart River and the Kluane area.

Overall, however, LaBerge predicts a 10-per-cent decrease in the amount of placer gold mined this year. Like others attending the conference, he attributes the downturn, at least to some extent, to lower gold prices and the rising price of fuel.

David Szumigala, senior minerals geologist with the State of Alaska, said in an interview before his scheduled address this morning that the state is also seeing another year of reduced

activity and total value of ore produced.

This total value generated by Alaska's mining industry is expected to plunge by about 28 per cent, from \$1.28 billion last year, to about \$1 billion this year, he explained.

Szumigala said exploration expenditures alone are expected to finish the year at \$20 million or so, down from \$35 million last year.

Placer miners in the state produced 45,000 ounces of gold last year, he pointed out.

"If we hit 40,000 this year, we will be lucky."

Szumigala said the production by the mining industry is up, but increases in tonnage have been smothered by the fading metal prices.

Cominco's Red Dog lead-zinc mine, for instance, is up in production by about 25 per cent, though overall production value has fallen.

"All metals are down," he said. "The base metals, zinc, lead, gold, and those are the ones affecting the bottom line."

With a continuing drop in the mining-related expenditures in the Yukon, Burke noted several exploration projects that are showing signs of promise, from a resurgence of activity in the Wheaton River drainage system to rising interest in emeralds east of Faro.

Also of note, Burke said, is the reopening of the Cantung tungsten operation just inside in the Northwest Territories border, though the only service road runs through the Yukon. Burke said the Yukon government has negotiated a benefits package with the mine, and with service needs flowing through the Yukon, benefits in general will flow to the Yukon economy.

Burke said he learned recently the mine will be going into operation in January.

"It is going really good," he said of the work under way to get the mine back on line.

"They are really happy with the progress. The work on the underground is coming along and the work in the mill is on-schedule, so they are really positive over that."

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## NDP suspects railway could avoid capital

by JASON SMALL

A Whitchose Star Archive story originally published October 29, 2001

An opposition member feels the Liberal government is focusing on a railway route that would go through Faro.

But the Economic Development Minister said the New Democrat is ahead of himself, as the government is not worried about a railway route yet.

Gary McRobb, the NDP MLA for Kluane, believes the government is ignoring all but one of the possible routes for a proposed railway that would link Alaska to the continental United States.

McRobb feels the government has not looked at a possible railway route that would see the track enter from the U.S. at Beaver Creek and head through the Yukon along the Alaska Highway, through McRobb's riding of Kluane, past Whitehorse and down to Dease Lake, B.C., before heading to connecting lines.

"It's (an) option the Liberals have completely not said anything about," the Kluane MLA said in a recent interview.

McRobb said his concern is the Liberal government seems to be focusing on a route that could see the railway enter the Yukon north of Beaver Creek and across the Yukon to Carmichael's, Faro and Watson Lake before heading into B.C. This route was surveyed during the Second World War as a possible path.

"Look at what the Liberals themselves are doing," he said.

He pointed out that the Liberal MLA for Faro, Jim McLachlan, attended a railway conference in Fairbanks, Alaska, on behalf of the Liberal government. He said there are a number of things the government has done to indicate this is its policy.

"All roads lead to Faro in this one," he said.

Recently, the town of Faro laid down a ceremonial length of track to represent part of the railway.

McRobb thinks the people of Whitehorse should be worried that the government may want to ignore the capital city completely with this route.

"People in Whitehorse are going to be very concerned about this," he said.

The possibility of a railway connecting Alaska with the continental United States via the Yukon is something the U.S. government would like to study.

Almost a year ago, former president Bill Clinton signed a bill into law which set aside \$6 million over three years for a joint U.S./Canadian commission to study whether a railway should be built.

However, the commission has not been struck because one condition is that the Canadian government take part and appoint half the members to the group.

Ottawa has still not made a decision on whether it will join the committee because it is waiting for a formal invitation from Washington.

Carl Schwenger, a spokesman for the federal Department of Foreign Affairs and International Trade, said no such offer has been made as of yet.

Jesse Duke, the territorial government's mining facilitator, has said recently that Washington has not formally asked yet because it wants to know it will get a favourable response. Duke said Ottawa's current position on the railway study is "lukewarm to cool."

Economic Development Minister Scott Kent said the territorial government, which favours a railway, just wants to see Ottawa join the commission.

"What the Yukon is focusing on is the feasibility study and the proposed commission," Kent said recently.

"That's what we support right now."

Kent said the government is not thinking about a specific route yet.

"Mr. McRobb seems to be one step ahead of what we're trying for."

As proof of what he alleges, McRobb said that at a meeting of Yukon and Alaska legislators last January, the Republican House Majority leader in the state legislature, Jeannette James, told some of the Yukon representatives, including McRobb and McLachlan, the state supports the idea of an Alaska Highway railway.

"I agreed with her point-blank but the Liberals remained silent on that."

However, James said in a recent interview that McRobb is wrong. She has never supported one specific rail route.

"I have no preference of route," James said. "I have tried to avoid the argument of where the preferred route is."

James said the decision will be made based on what or who has the landscape, money, and the availability of minerals to ship using trains.

"I believe that the geography, topography and the economics will determine where it goes."

She said deciding on the route will include looking at which area has the greatest opportunity for mineral development, by whoever is building the railway.

James said Alaskans will not plan to bring the route in at Dawson City. She said going that route is a long way.

The Alaskan politician said bringing the railway through the Ladue River Valley into the Yukon south of Beaver Creek, then across to Carmacks and Faro, may be easier than going to Haines Junction along the Alaska Highway.

Even if the route does not go through Whitehorse, James said, it would be hard to picture a railway that wouldn't at least connect to the territorial capital.

Earlier this year, some Alaskan politicians, including James, talked about the possibility of the railway going down the highway to be built in conjunction with a natural gas pipeline.

But that was mentioned to help the construction of a pipeline.

Ultimately, James doesn't care where the railway is, as long as the \$2-billion to \$3-billion project is built.

"I'm willing to go anywhere (it's feasible)."

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# Frontiersman

Tuesday, October 09, 2001

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## Murkowski: Straw polls show support for ANWR, rail extension

MAT-SU -- Alaskans who stopped by the booth of U.S. Sen. Frank Murkowski, R-Alaska, at the Alaska State Fair and other summer fairs indicated support for three measures -- drilling in the Arctic National Wildlife Refuge (ANWR), an Alaska-based missile defense base and a trans-Canada rail extension.

Murkowski, for the sixth consecutive year, conducted straw polls at booths at the Alaska State Fair, the Tanana Valley Fair in Fairbanks and the Southeast Alaska State Fair in Haines. The results indicated Alaskans have developed clear opinions on a variety of issues.

"It is always helpful and deeply appreciated to hear from Alaskans on a number of important policy questions," Murkowski said after reviewing the results. "While the results of straw polls are not scientific, they are certainly useful in gauging the opinions of Alaskans on issues pending before Congress. I really appreciate and thank everyone for taking the time to fill out these polls."

On the issue of oil development in the Arctic coastal plain, 81 percent of respondents at both the Palmer and Fairbanks fairs supported development in ANWR. When asked about their support for missile defense, 76 percent of Anchorage-area residents and 75 percent of Fairbanks residents supported a missile defense base being built at Delta.

Alaskans throughout the state also registered strong support for extending the Alaska Railroad to Canada. Some 89 percent of Fairbanks residents, 82 percent of Anchorage-area residents and 73 percent of Southeast residents at the Haines fair supported the 1,200-mile link.

The project would be designed to open interior Alaska and reduce heavy freight costs in the region.

Alaskans showed support for gas line construction, clearly supporting an all-Alaska pipeline route from the North Slope to Valdez. In Fairbanks, 70 percent favored the Alaska Highway liquefaction project while at Palmer, 65 percent supported the highway route.

If such a line is not viable, however, Alaskans clearly prefer a southern land route along the Alaska Highway through Canada, compared to a northern route across the Beaufort Sea and through Canada. Some 91 percent of Fairbanks respondents accepted a southern route -- only 9 percent supported a northern route.

Alaskan respondents to the straw poll in the Anchorage area strongly supported timber harvesting to combat the spruce bark beetle infestations in Anchorage and on the Kenai Peninsula. Nearly 92 percent supported logging that would reduce the threat of wildfires in the region.

Other findings from the Palmer fair poll showed that voters oppose more wilderness being established in the Prince William Sound, by a 65-35 percent margin. They also support charging climbers more to scale Mount McKinley, by a 78-22 percent margin, and support construction of a new "southside" visitor center near Denali Park, by a narrow 58-42 margin.



The weather is  
Cloudy

Temperature

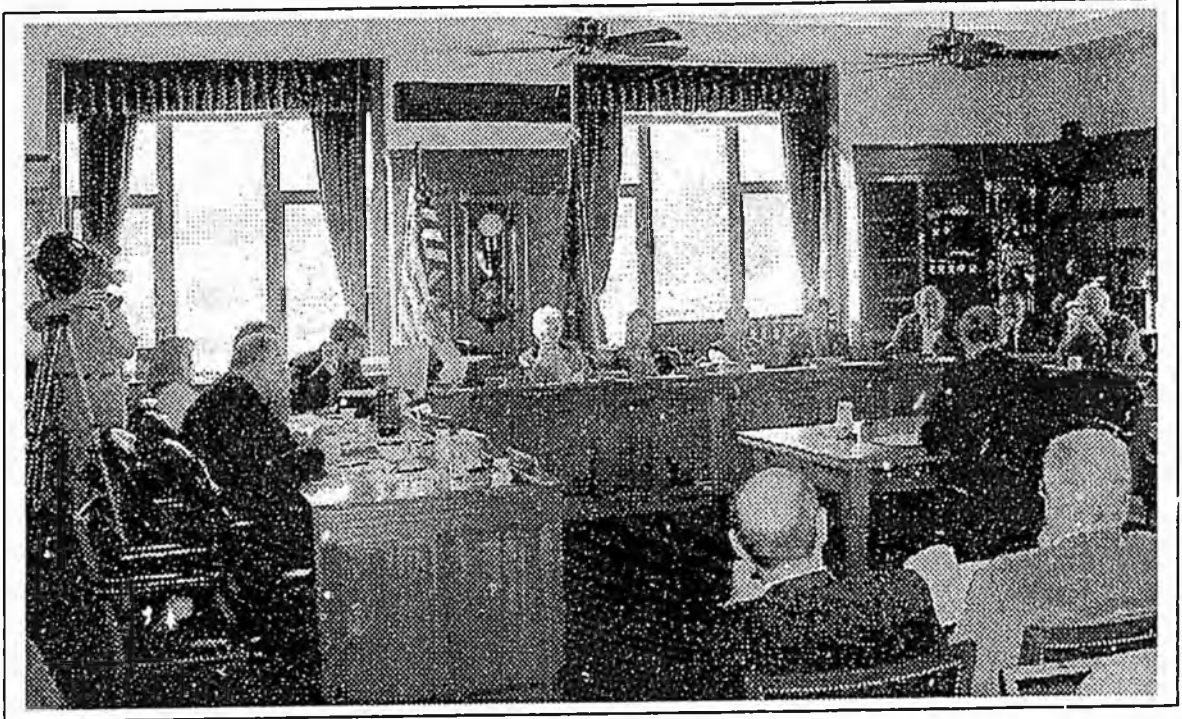
34° F

In Haines, Alaskans attending the Southeast Alaska fair expressed their support for restoring subsistence and commercial fishing in Glacier Bay, by a 82-18 percent margin. However, Southeast respondents were much less decided on transportation issues. Some 46 percent supported construction of new mainline ferries, 29 percent supported construction of high-speed ferries, while 25 percent favored more roads being built in the region.

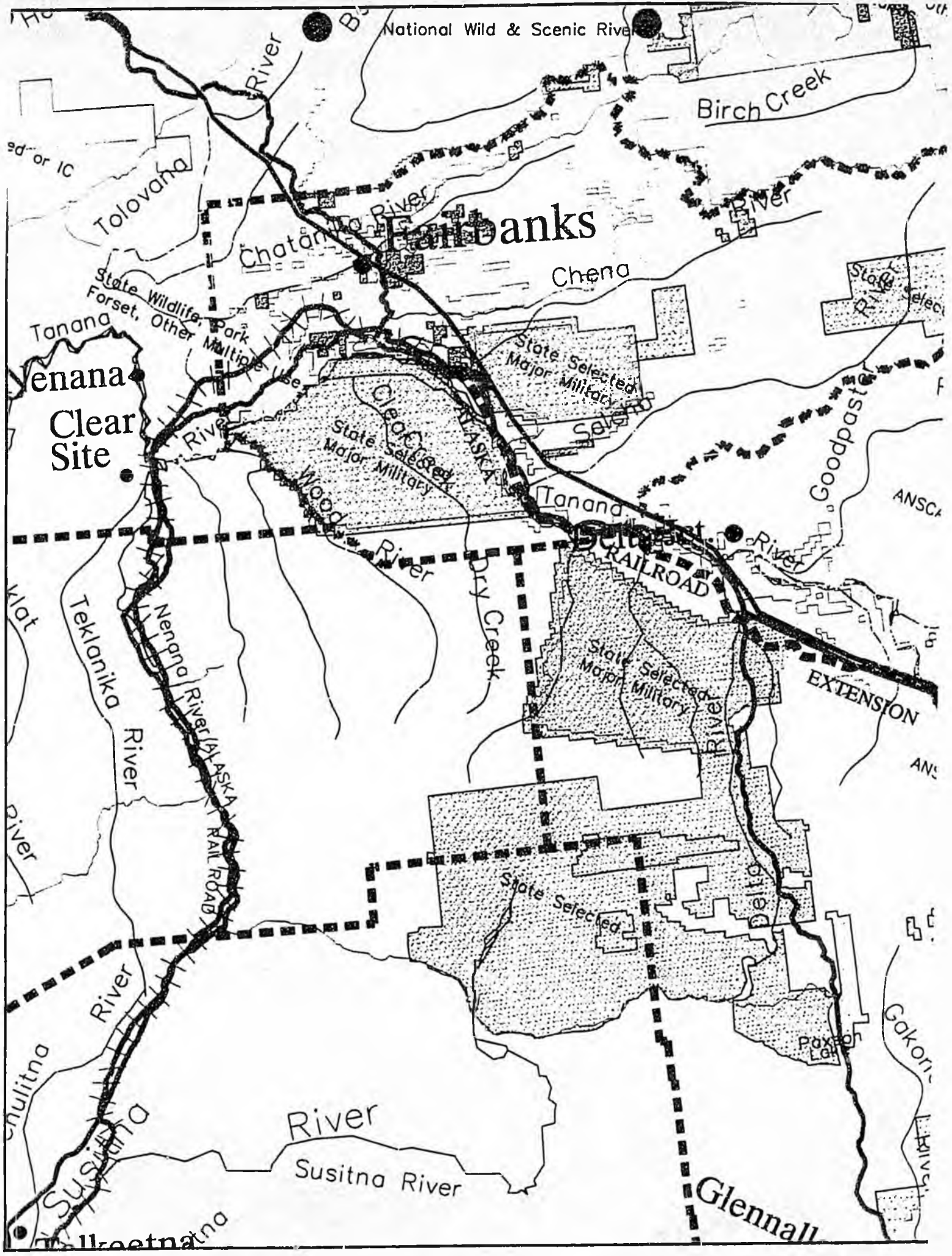
Results from the other questions posed were answered by too few respondents to be automatically reflective of popular sentiment. A total of about 1,000 Alaskans answered the poll questions.

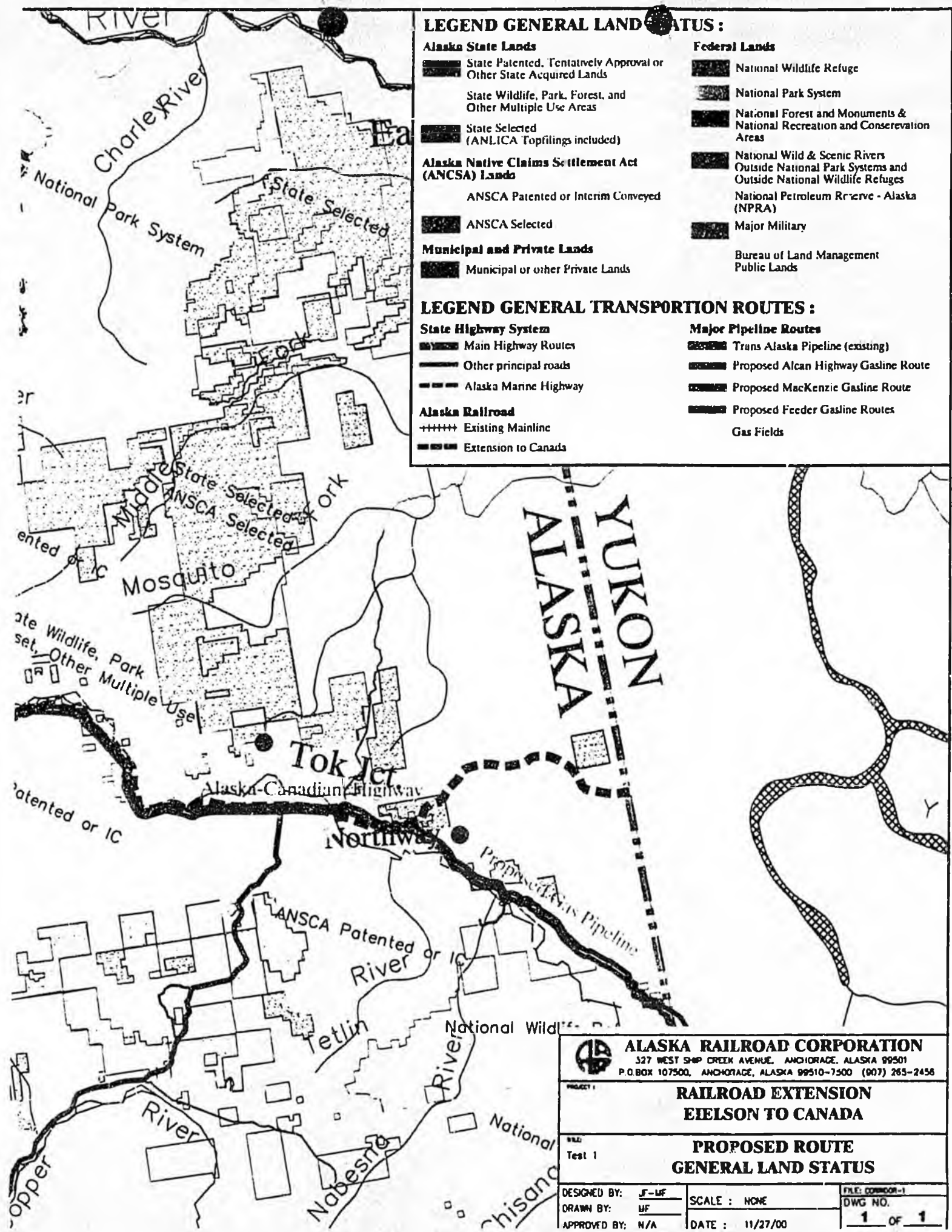
Results were delayed this year since, for the first time, respondents were able to mail back their surveys to Murkowski's offices in addition to submitting ballots at the fairs.

[www.repjames.org](http://www.repjames.org)



Compiled and edited by RICHARD F. SCHMITZ





**LEGEND GENERAL LAND STATUS :**

**Alaska State Lands**

- State Patented, Tentatively Approved or Other State Acquired Lands
- State Wildlife, Park, Forest, and Other Multiple Use Areas
- State Selected (ANLCA Topfilings included)

**Alaska Native Claims Settlement Act (ANCSA) Lands**

- ANCSA Patented or Interim Conveyed
- ANCSA Selected

**Municipal and Private Lands**

- Municipal or other Private Lands

**Federal Lands**

- National Wildlife Refuge
- National Park System
- National Forest and Monuments & National Recreation and Conservation Areas
- National Wild & Scenic Rivers Outside National Park Systems and Outside National Wildlife Refuges
- National Petroleum Reserve - Alaska (NPRA)
- Major Military
- Bureau of Land Management Public Lands

**LEGEND GENERAL TRANSPORTATION ROUTES :**

**State Highway System**

- Main Highway Routes
- Other principal roads
- Alaska Marine Highway

**Alaska Railroad**

- Existing Mainline
- Extension to Canada

**Major Pipeline Routes**

- Trans Alaska Pipeline (existing)
- Proposed Alcan Highway Gasline Route
- Proposed MacKenzie Gasline Route
- Proposed Feeder Gasline Routes
- Gas Fields



**ALASKA RAILROAD CORPORATION**  
 527 WEST SHOP CREEK AVENUE, ANCHORAGE, ALASKA 99501  
 P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500 (907) 265-2456

PROJECT 1

**RAILROAD EXTENSION  
 EIELSON TO CANADA**

NO. 2

Test 1

**PROPOSED ROUTE  
 GENERAL LAND STATUS**

DESIGNED BY: JF-LF  
 DRAWN BY: MF  
 APPROVED BY: N/A

SCALE : NONE  
 DATE : 11/27/00

FILE: CONCOR-1  
 DWG NO.  
 1 OF 1

# FISCAL NOTE

**STATE OF ALASKA**  
**2001 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
Bill Version: HB 241  
(H) Publish Date: 4/25/01

Revision Date/Time (Note if correction): 04/25/01 12:40 p.m. Dept. Affect: DCED- Alaska Railroad Corporation  
Title: Extension of the Alaska Railroad to Canada BRU: \_\_\_\_\_  
and to Whitehorse, Yukon Territory Component: \_\_\_\_\_  
Sponsor: Representative James Component Number: \_\_\_\_\_  
Requester: House Transportation

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

At this point, the Alaska Railroad Corporation (ARRC) matches all federal grant appropriations with its internal funds. Should this be the case regarding federal funding appropriated for corridor delineation to the Canadian border and Whitehorse, there will be no fiscal impact to the State's general fund. There will be a fiscal impact if the State helps the ARRC match the federal dollars. The ARRC is currently asking Senator Frank Murkowski to look for federal funding options for corridor delineation. It has been estimated it would take approximately \$5 million to delineate and survey the corridor from the Alaska Railroad near Fairbanks to the Canadian border. In addition, this bill would allow the ARRC to investigate the extension from the Alaska border to Whitehorse, in the Yukon Territory. At this time, the ARRC has not estimated the cost to determine the Whitehorse route and conduct survey's for this section of corridor. Finally, the bill would allow the ARRC to acquire rights-of-way in the corridor. We assume that State land could be acquired for no cost. Military land could be transferred by our Congressional Delegation. Native lands would require purchase or easements and we do not have estimates for the associated costs.

Prepared by: Wendy Lindskoog, Director External Affairs Phone (907) 265-2498  
Division: Alaska Railroad Corporation Date/Time: 4/25/01 12:40 p.m.  
Approved by: Commissioner Deborah B. Sedwick Date 4/24/2001  
Agency: Department of Community & Economic Development

For distribution information, call the Governor's Legislative Office

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 241 (RES)  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Natural Resources  
 BRU: Minerals, Land & Water Dev  
 Component: Land Sales & Muni Ent.  
 Component Number: 2456

Revision Date/Time (Note if correction): 28-Jan-01  
 Title: Rail/Utility Corridor to Canada  
 Sponsor: Rep. JAMES  
 Requester: (S) TRA

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	14.6			28.2		
Travel	2.0			3.0		
Contractual	18.0	10.0	900.0	1.0		
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>34.6</b>	<b>10.0</b>	<b>900.0</b>	<b>32.2</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>				<b>(10,000.0)</b>		
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF	34.6	10.0	900.0	32.2		
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>34.6</b>	<b>10.0</b>	<b>900.0</b>	<b>32.2</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: None  
 Check/ this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill requires DNR to convey an estimated 20,000 acres of state land to the Alaska Railroad for a future railroad corridor to Canada. The corridor would be approximately 268 miles long, 500 feet wide. The legislation does not specify who is responsible for survey of the corridor. DNR's fiscal note includes the estimated survey cost in FY 2005, but recommends the bill be amended to put this responsibility upon the Railroad. The bill also does not allow DNR to protect valid existing rights created on this land (existing leases, contracts, ROW's, TAPS line ROW, etc.), which could lead to litigation either with third parties or the ARR. These litigation costs are not included here but could be avoided by (Continued)

Prepared by: Bob Loeffler Phone 269-8600  
 Division: Mining, Land and Water Date/Time 28-Jan-02  
 Approved by: Pat Pourchot Date \_\_\_\_\_  
 Agency: Natural Resources

**SB**

**260**



**ALASKA STATE LEGISLATURE**  
**SENATOR RANDY PHILLIPS**  
Senate District L

Session (Jan-May)  
State Capitol, Rm 103  
Juneau, AK 99801  
(907) 465-4949  
(907) 465-4979 Fax  
Toll Free Anchorage Area  
800-478-4950

Interim  
P.O. Box 142  
Eagle River, AK 99577  
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(907) 694-4948 Fax

**SB 260 – Historic & Antique Motor Vehicles**

**Sectional Analysis**

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**Section 1.** Adds a new category to vehicles licensed as "historic vehicles". A vehicle manufactured 30 or more years before the year of application will qualify as a historic vehicle, and can display license plates supplied by the vehicle owner.

**Section 2.** Allows a vehicle licensed as a historic vehicle under AS 28.10.181(b)(2) to pay a one time fee of \$10, if driven only for purposes of exhibition or similar activity. Provides that a vehicle licensed as a historic vehicle that is not used only for exhibition purposes must pay the normal fee required under AS 28.10.421(b), plus a fee of \$30.

**Section 3.** Technical amendment.

**Section 4.** Repeals a provision of law relating to antique vehicles, that duplicates language in section 1.

**Section 5.** Effective date.



**ALASKA STATE LEGISLATURE**  
**SENATOR RANDY PHILLIPS**  
Senate District L

Session (Jan-May)  
State Capitol, Rm 103  
Juneau, AK 99801  
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## **SB 260 – Historic & Antique Motor Vehicles**

### **Sponsor Statement**

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SB 260, "An Act relating to historic and antique motor vehicles; and providing for an effective date", would allow classic and antique vehicle owners to pay a one-time registration fee as an alternative to the biennial registration renewal fee.

SB 260 seeks to allow owners of classic and antique cars to use authentic Alaska license plates that correspond to the year the vehicle was manufactured for a one-time fee of \$10. SB 260 specifies that only classic and antique cars used primarily for historic exhibition or similar activities qualify for the one-time fee.



**ALASKA STATE LEGISLATURE**  
**SENATOR RANDY PHILLIPS**  
Senate District L

Session (Jan-May)  
State Capitol, Rm 103  
Juneau, AK 99801  
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**SB 260 – Historic & Antique Motor Vehicles**

**Sponsor Statement**

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SB 260, "An Act relating to historic and antique motor vehicles; and providing for an effective date", would allow classic and antique vehicle owners to pay a one-time registration fee as an alternative to the biennial registration renewal fee.

SB 260 seeks to allow owners of classic and antique cars to use authentic Alaska license plates that correspond to the year the vehicle was manufactured for a one-time fee of \$10. SB 260 specifies that only classic and antique cars used primarily for historic exhibition or similar activities qualify for the one-time fee.



# Antique Auto Musers of Alaska

January 29, 2002

Senator Randy Phillips  
State Capitol  
Juneau, AK 99801

Dear Senator Phillips,

The Antique Auto Musers of Alaska is associated with the Antique Automobile Club of America whose headquarters is in Hershey, Pennsylvania. We have over 200 local members and the national organization has over 75,000 members.

Our club wishes to go on record as being 100% behind your proposed bill which would allow owners of historic vehicles the option of utilizing Alaska license plates that correspond with the year of manufacture of historic vehicles.

We have worked with Mary Marshburn and Chuck Hoseck of the DMV to develop a method whereby this wedding of the same year plate with the historic vehicle could become a reality and we are excited that you have taken up our cause and are introducing legislation that will make this possible.

Nearly all other states have similar legislation on the books, so Alaska will not be unique if your proposed bill becomes law.

Submitted with this letter is a copy of the "Antique Automobile", Sept.-Oct. 2001 issue, which shows a 1930 Cadillac on the cover. Please note that this 1930 vehicle has a 1930 New York license plate. Also enclosed is a copy of our local newsletter "Tinkering Times" to give you some idea of our local activities.

If we can provide any further information, or answer questions we would be pleased to do so. Our phone contact is Bruce Campbell at 345-3129. Again, thank you for your efforts in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Fred Schurman".

Fred Schurman  
President

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB 260  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
 Title An act relating to historic and BRU Motor Vehicles  
antique motor vehicles..... Component \_\_\_\_\_  
 Sponsor Senator Phillips  
 Requester S (Trans) Component No. 2348

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

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

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill clarifies the use of special plates on antique and historic vehicles. The use was authorized by HB167 passed in the 2001 session. Revenue expected to be generated by the new fee was shown on the fiscal note for that bill. DMV estimates that only 10 vehicles per year will be able to use the special plates so there is very little operating budget impact.

Prepared by: Charles R. Hosack Phone 269-5559  
 Division Motor Vehicles Date/Time 2/14/02 3:30 pm  
 Approved by: Jim Duncan, Commissioner Date 2/14/2002  
 Agency Department of Administration