

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 RES 12728

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 220(JUD)
 (H) Publish Date: 4/16/07

Revision Date/Time : CORRECTED 4/12/2007 9:02

Dept. Affected: Public Safety

Title "An Act prohibiting computer-assisted remote hunting."

RDU Alaska State Troopers

Component Alaska Wildlife Troopers

Sponsor Representative Buch

Requester House Judiciary

Component No. 2746

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSHB 220 (RES) is an act prohibiting computer assisted remote hunting in Alaska. It would also prohibit anyone from providing services or operating facilities in the state to enable computerized hunting activities.

This committee substitute changed the penalties for violation of this act and reorganized the sections in the bill.

Passage of this legislation will have no fiscal impact on the Department of Public Safety.

Prepared by: Lt. Rodney Dial
 Division: Division of Alaska State Troopers
 Approved by: Commissioner Walt Monagan
 Agency: Department of Public Safety

Phone 907-247-4480
 Date/Time 4/12/07 9:02 AM
 Date 4/12/2007

ALASKA

PROFESSIONAL HUNTERS ASSOCIATION, INC.

HC60 Box 299C • Copper Center, AK 99573

Phone: 907-822-3755 • FAX: 907-822-3752

Email: office@alaskaprohunter.org www.alaskaprohunter.org

March 27, 2007

Honorable Bob Buch
State of Alaska House of Representatives
State Capitol
Juneau, Alaska 99801-1182

Re: HB 220

Dear Representative Buch,

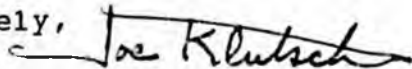
On behalf of Alaska Professional Hunters Association, I am writing to offer support of HB 220. As an organization representing Alaska's guiding profession, we are committed to fair chase hunting practices and ethical standards of conduct.

True hunting is a problem solving exercise which involves planning along with knowledge of the specie being pursued and its habitat. A hunter must be prepared to cope with all the elements of nature common to outdoor activities especially in the wild places of Alaska. Hunting is a real life drama which can involve doubt, frustration, anxiety, discovery, great physical and mental challenge, joy and disappointment. The outcome of this process is by no means assured.

Organizing the killing of an animal via cyberspace and robotics is not "hunting". Absent the above mentioned elements, this activity constitutes nothing more than the mechanical slaughter of an animal over the internet. We find this practice unacceptable and urge the Legislature to outlaw it in the State of Alaska.

Thank You for you initiative in this regard and please let me know if I can be of further assistance.

Sincerely,



Joe Klutsch - President - APHA



Jill A. Buckley, Esq.
Senior Director, Legislative Services
& Mediation Training
P.O. Box 48
Pismo Beach, CA 93448

jib@aspc.org
tel. 805-474-9660
fax 805-474-9740
www.aspc.org

March 28, 2007

Representative Robert Buch FAX: 907-465-2040
State Capitol
Juneau, AK 99801-1182

Letter in Support of HB 220, Banning Computer-Assisted Remote Hunting

Dear Representative Buch:

On behalf of the American Society for the Prevention of Cruelty to Animals (ASPCA) and our 1700 Alaska members and donors, I am writing to express strong support for HB 220 to ban computer-assisted remote hunting.

As you are no doubt aware, the necessity for this bill came about as a result of reports in 2005 that a Texas rancher had plans to operate a business via the internet whereby individuals would be able to point and shoot a rifle via remote control, from their own personal computers allowing for the killing of animals in what amounts to a video-monitored canned hunt. Since then, many states have outlawed this so-called "sport".

At the time the story broke, ASPCA President Edwin J. Sayres stated that "Promoting the killing of animals via the Internet and marketing hunting as a video game is absolutely despicable." Legitimate hunters do not consider this to be "fair" sport.

Thank you very much for considering this important humane issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jill Buckley", is written over the typed name.

Jill A. Buckley, Esq.

THE HUMANE SOCIETY OF THE UNITED STATES

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Volunteer Staff
 Elizabeth Marie Madden, Esq.
 Vice President & Senior Counsel
 Photo by AP/Wide World Photos
 Photo provided courtesy of the
 Humane Society of the United States

Re: Testimony in Support of House Bill 220

Dear Members of the Alaska State Legislature:

On behalf of the The Humane Society of the United States (HSUS) and our over 17,000 members and constituents in Alaska, I submit this testimony in support of House Bill 220, which would prohibit engaging in Internet hunting or operating an Internet hunting facility in the state.

H.B. 220 was introduced in reaction to the development of a click and shoot mechanism that operates like an Internet computer game. This operation based in Texas – Live-Shot.com – allowed clients to point and shoot a rifle via remote control. Live-shot.com was linked to a platform with a rifle and camera that could be remotely aimed at animals in what amounts to a video-monitored canned hunt. While Texas passed legislation banning Internet hunting in 2005, effectively stopping this activity on Live-Shot.com, an internet hunting system could be started or accessed virtually anywhere across the country – including Alaska. Unfortunately, sick ideas have a tendency to spread. Furthermore, the operator of Live-Shot.com stated in a December 5, 2006 article in the Arizona Republic that “Internet hunting may go offshore,” clearly indicating his desire to continue to pursue remote-control hunting.

Internet hunting is unethical and unsporting. It doesn't take a very strict definition of 'sportsmanship' to see that this practice, if allowed to proceed, would violate every ethical standard that hunters profess. It involves no hunting skill whatsoever, and distances the hunter entirely from the act of killing, denying animals any of the 'respect' that hunters avow they feel for their prey. This pay-per-view slaughter has garnered strong opposition from The National Rifle Association and the Safari Club International, as well as animal welfare proponents.

This activity also poses serious safety concerns. Allowing anyone who logs into a website to fire a weapon into a hunting preserve is a danger to anything that crosses the gun's path—including non-target wildlife as well as people.

Since the inception of Internet hunting, 26 states have passed preemptive legislation or regulations banning this egregious activity. Nine states, including Alaska, are considering legislation in the 2007 session. Most states have taken or are taking action to prevent the activity in their state. I encourage Alaska to do the same.

Thank you for the opportunity to comment on remote control and Internet hunting in Alaska. We urge your support of this important legislation. Thank you.

Sincerely,

Dave Pauli
 Northern Rockies Regional Director
 490 North 31st Street, Suite 215
 Billings, MT 59101



Alaska Conservation Alliance

Uniting for Alaska's Future

April 11, 2007

The Honorable Bob Buch
House of Representatives
State Capitol, Room 430
Juneau, Alaska 99801

Dear Representative Buch,

On behalf of the 40 conservation groups and the 38,000 Alaskans that are represented by the Alaska Conservation Alliance, I am pleased to acknowledge our wholehearted support for your bill HB 220, which bans computer-assisted, remote hunting in Alaska. I think Commissioner Carl Rosier said it best when speaking about this issue: "The preemptive nature of banning computer-assisted hunting is a significant action for conservation of wildlife and protection of our hunting heritage."

As a 30 year resident from a hunting family, I find the notion of reducing our grand wildlife to cheap computer thrills appalling and contrary to our Alaskan heritage. In closing, the Alaska Conservation Alliance would like to thank and commend you and the co-sponsors of the measure for working pro-actively to prevent the practice of Internet hunting from coming to Alaska.

Sincerely,

Kate Troll
Executive Director

MEMORANDUM

TO: Alaska House Resources Committee
FROM: Matt Robus,
Director, Division of Wildlife Conservation,
Alaska Department of Fish and Game
RE: House Bill 220, "Ban Computer-Assisted Remote Hunting"
DATE: April 2, 2007

The Division of Wildlife Conservation in the Alaska Department of Fish and Game (ADF&G) is charged, among other things, with the management of hunting and trapping in Alaska. The regulations governing hunting are written by the Alaska Board of Game, a body appointed by the Governor. The Board has instituted numerous regulations meant to encourage hunter ethics and the concept of fair-chase hunting in this state. House Bill 220 proposes to outlaw an activity that has not yet been introduced in Alaska, but that our agency believes should not be brought to our state.

ADF&G agrees with the motivation behind this bill. Computer-assisted remote hunting is not fair-chase hunting; it is not sport. It runs counter to the long history and tradition of hunting wild animals in the state of Alaska.

Section (c) of House Bill 220 addresses the availability of hunting opportunities to people with physical disabilities. The Division of Wildlife Conservation has an active outreach effort to make hunting accessible to all people, to specially accommodate those with physical disabilities. We have a number of programs in place to help hunters get out in the field and enjoy real hunting experiences regardless of their physical abilities. We do not believe that computer-assisted remote hunting is a true hunting experience, nor do we believe that it provides such an experience to people with disabilities.

March 11, 2007

Should Killing Be Merely a Mouse Click Away?

By THE ASSOCIATED PRESS

Slouched at a computer, the hunter perks up as a 12-point buck eases into view on his screen. Maneuvering his mouse, he swivels the rifle and focuses the cross hairs. With a click of the mouse, the rifle fires a bullet, mortally wounding the deer.

Call it hunting by remote control. And though it is still more concept than trend, lawmakers in several states have set their sights on stopping the practice in its tracks.

Illinois State Representative Dan Reitz has proposed banning such hunting in his state, saying that such ready, aim, click kills, or the prospect of them, push the ethical envelope and violate the spirit of fair-chase hunts.

"I just think it's wrong," Reitz said, adding that the use of such technology — which features a Web camera and a .22-caliber rifle atop a remote-controlled rig — would "give all sportsmen a black eye."

Technology that enables people to stalk online and kill real prey has alarmed hunters and lawmakers intent on pre-emptively blocking the practice. About two dozen states already have outlawed the method, which the Humane Society of the United States calls pay-per-view slaughter.

"The animal has no chance," Arkansas State Senator Ruth Whitaker said earlier this year while introducing a measure that calls for banning potential cyberhunting in her state.

"There's no challenge for you — except knowing how to use a computer and push a button," she said. "You never left your tufted sofa. What's sportsmanlike about that?"

The issue emerged in early 2005, when an entrepreneur from Texas, John Lockwood, set up a Web site that allowed subscribing hunters with a high-speed computer connection to shoot antelope, wild pigs and other game on his 220-acre San Antonio spread via remote control — from anywhere. Lockwood offered to send the animals' heads to subscribers.

During a demonstration, a friend of Lockwood's used a computer 45 miles away to shoot a wild hog as it fed at Lockwood's ranch. But, according to news reports, he only wounded the animal. Lockwood, who was on site, finished the kill.

Lockwood's venture barely got started before Texas lawmakers shot it down. Since then, other states have hustled to get something on their books barring the practice.

Even die-hard hunters are opposed, saying that shooting an animal via computer is not sporting and does not require the element of fair chase in conventional hunting through forest, field or marsh. Some states

have posed similar objections to hunting big game in captivity as trophies.

"We believe sick ideas have a bad way of spreading, so we want to make sure we nip this in the bud and ban it in all states," Michael Markarian, executive vice president of the Humane Society, said of cyber-hunting. The group is also pressing for a federal ban.

Pro-hunting groups, including Safari Club International and the National Rifle Association, also oppose remote-control hunting.

Gary Harpole, an Illinois hunter who figures he has killed 100 deer, most with a bow, said the practice "takes away from what hunting really is all about: getting outdoors, experiencing nature."

"To me, 90 percent of hunting is the experience, 10 percent is the harvest," said Harpole, who runs a hunter's lodge at his rural home. Bagging a buck by computer, he said, "is a lazy way of hunting."

But Lockwood has said the technology could help people with disabilities or perhaps servicemen overseas shoot game. And an attendant in the blind with the remote-controlled rifle can override any unsafe or unethical shots.

Lockwood could not be reached for this article, but he said last year that legislatures banning the practice had "no clue what they're passing laws against."

"Ever since we stopped running after our prey and killing with our hands, we've evolved by distancing ourselves further and further from the game and making it more and more efficient for whatever reason we want to take it," he said.

Reitz is not swayed by such arguments. "There's a lot of opportunities out there for people with disabilities," he said. "I just think this is a bad way to do it."

His bill, which was referred to an Illinois House rules committee on Feb. 22, would amend the state's wildlife code to bar a person from operating, providing, selling, using or offering "any computer software or service that allows a person not physically present at the hunt site to remotely control a weapon that could be used to take wildlife by remote operation."

Use of such equipment would be a misdemeanor punishable by up to six months in jail and \$1,500 in fines. Those who provided the software or services would face a misdemeanor carrying a possible 364 days in jail and \$2,500 in fines.

Missouri already has such a ban on the books, last year adopting an administrative rule specifying that "wildlife may be taken only in the immediate physical presence of the taker and may not be taken by use of computer-assisted remote hunting devices."

Bill Heatherly, the Missouri Department of Conservation's wildlife programs supervisor, said he never imagined the need for such a measure despite the sport's astounding technological leaps since man first chucked rocks to kill dinner.

"I've been telling people I'm starting to understand how my father must have felt in his later years," he said.

"Certainly, I didn't imagine this."

THE HUMANE SOCIETY OF THE UNITED STATES

search

Pets

Wildlife

Farm Animals

Marine Mammals

Animals in Research

- Action Alerts
- Federal Legislation
- State Legislation
- Ballot Initiatives
- Citizen Lobbyist Center
 - Animal Cruelty Laws: Where Does Your State Stand?
 - Animal Fighting Laws: Where Does Your State Stand?
 - Contact Information for State Legislators
 - Enacted and Proposed State Legislation
 - Find Your Elected Officials
 - Humane Action Network
 - Internet Hunting: Where Does Your State Stand?
 - Lobbying 101
- Wayne Pacelle: The Animal Advocate

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Legal Action

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Press Room

Animal Channel

Events

Shop

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Receive action alerts, tips, news and special offers via e-mail.

First Name

Last Name

Your Email here

Zip Code



Humane Society of the United States
 2100 L Street, NW
 Washington, DC 20037
 202-452-1100

HSUS » Legislation and Laws » Citizen Lobbyist Center

Internet Hunting: Where Does Your State Stand?

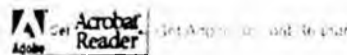


Internet hunting, also called remote controlled hunting, utilizes Internet technology to allow a computer user to aim and fire a weapon that is mounted on a mechanized tripod at a remote location, usually a game ranch where exotic

animals are kept penned and shot at close range. The customer signs up through a web site, and pays a user fee and a deposit for the animal that he or she wishes to kill. The animal is lured to a feeding station within range of the mounted rifle. When the animal approaches, the desktop hunter uses the computer mouse to line up the cross hairs and fire the rifle. Guides at the game ranch will finish the job if the shot misses. Trophy mounts are prepared at the ranch and shipped to the customer. This pay-per-view slaughter bears no resemblance to traditional hunting. Even pro-hunting groups denounce internet hunting because it violates the ideals of a "fair chase."

States are taking action against this technological cruelty and introducing bills to ban internet hunting. Please contact The HSUS Government Affairs Section at 202-452-1100 or email legislation@hsus.org for further information.

Map of states with current or pending bans (PDF)



E-MAIL THIS PAGE

PRINTER FRIENDLY

The Latest Edition: Internet Animal Cruelty: Pay-Per-View Hunting



HB

229

SENATE COMMITTEE REPORT

DATE: 4/27/07

FURTHER:

DATE TURNED
IN TO OFFICE: 5/1/07

Resources Committee considered HOUSE BILL NO. 229 am

HB 229 KENAI GASIFICATION PROJECT; RAILROAD BOND

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

and recommends:

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

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indef.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indef.	Zero	FN#

APPROPRIATION - no fiscal note

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

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

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

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

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

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

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

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

FISCAL NOTE #1

**STATE OF ALASKA
2007 LEGISLATIVE SESSION**

BILL NO. HB 229

ANALYSIS CONTINUATION

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

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

ALASKA STATE LEGISLATURE

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



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

Senate Resources Committee

Butrovich Room 205

MONDAY, APRIL 30

3:30 p.m. – 5:00 p.m.

REVISED ORDER # 2

AGENDA

HB 229 KENAI GASIFICATION PROJECT;RAILROAD BOND

SJR 6 OPPOSE WILDERNESS DESIGNATION FOR ANWR

HB 152 - ESTABLISH RENEWABLE ENERGY FUND/ACCOUNT

HB 220 PROHIBIT COMPUTER ASSISTED HUNTING

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

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

PRESENT ARE:**Vice-Chairman Senator Bert Stedman****Senator Gary Stevens****Senator Lyda Green** *ABSENT***Senator Bill Wielechowski****Senator McGuire****Senator Wagoner****& myself, Senator Charlie Huggins**

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

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

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

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

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

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

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

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

*AK Energy Authority
AMENDMENTS*

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

(Next committee SENATE FINANCE)

*EXPECT TO MOVE
BALL OUT*

5. HB 220 -- PROHIBIT COMPUTER-ASSISTED HUNTING

Rep. Buch to present the bill

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

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

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

April 30, 2007

Senate Resources Bill Packet

Enclosures: Fiscal Notes – Inside Front Pocket

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

Alaska State Legislature

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



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


REPRESENTATIVE Mike Chenault

District 34

Memorandum

Date: April 27, 2007

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

From: Representative Mike Chenault 

Subject: HB 229 am

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

Attached you will find:

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

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

Alaska State Legislature

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



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

Representative Mike Chenault

Sponsor Statement

HB 229

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

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

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

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

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

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

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

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

LEGAL SERVICES

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

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

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

MEMORANDUM

April 16, 2007

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

TO: Representative Mike Chenault
Attn: Lanie Snyder

FROM: Brian J. Kane *BJK*
Legislative Counsel

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

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

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

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

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

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

Representative Mike Chenault

April 16, 2007

Page 2

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

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

BJK:med

07-245.med

HOUSE BILL NO. 229 am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CHENAULT, Foster

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

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

1 the area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HOUSE BILL NO. 229

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CHENAULT, Foster

Introduced: 3/29/07

Referred: Finance

A BILL

FOR AN ACT ENTITLED

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

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

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

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

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

1 the area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Adopted: March 9, 2007

Resolution No. 2007-09

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Agrium

Kenai Nitrogen Operations

July, 2004



Summary of

Alaskan Direct Economic Impacts

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

- McDowell Group, October 2002

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

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

Summary of

Alaskan Indirect Economic Benefits

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

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

Did You Know?

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



Agrium's Kenai Gasification Project

Agrium



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

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

How it works



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

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



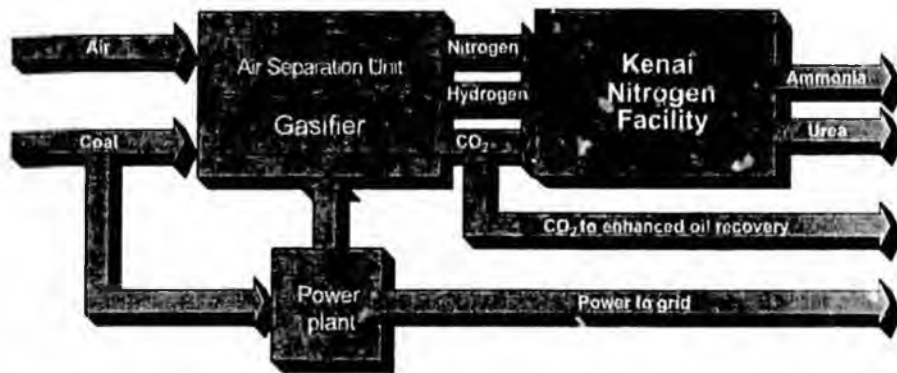
In the process, coal is fed into a gasifier unit where it is partly oxidized using pure oxygen to form a mixture of carbon monoxide and hydrogen, commonly called syngas because it can be synthesized into many forms.

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



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

The Components



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

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

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

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

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

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

The Next Step

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



Benefits for Alaska

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

Agrium



HEA Homer Electric Association, Inc.
A Tachstone Energy Corporation



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OUR VIEW

Coal could replace gas

Agrium looks at coal gasification to supply Kenai fertilizer plant

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

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

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

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

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



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

Turning the coal into gas is the fun part.

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

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

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

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

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

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

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

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

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

BOTTOM LINE: A hopeful name for a needed project.

adn.com

Anchorage Daily News

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Projects would add high value to coal

TIM BRADNER
ECONOMY

(Published: April 15, 2007)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Maximizing Statewide Benefits from Resource Development

Senate Resources Committee

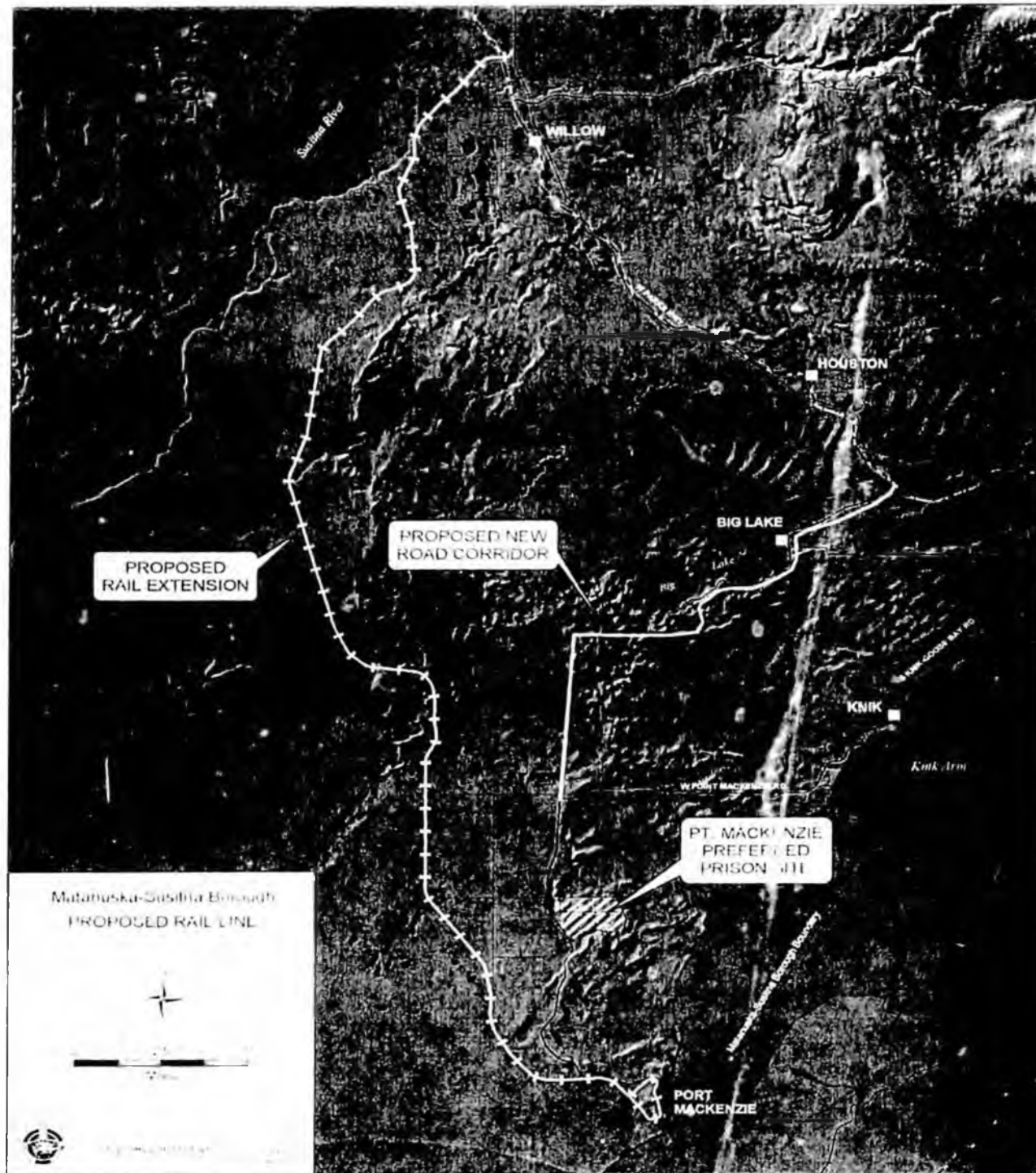
April 16, 2007





Port MacKenzie Rail Line

A Project of
Statewide
Significance
and
Benefit





Statewide Benefits

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

*Dr. Paul Metz, University of Alaska Fairbanks



Statewide Benefits

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

*Includes direct, induced, and indirect



Port MacKenzie Rail Freight Savings Relative to Anchorage Port Facilities

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

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



Port MacKenzie Certainties

- ✓ Only port that *maximizes* Statewide Benefits and Opportunities
 - ✓ Potential economic benefits of \$61M to \$773M per year for 100+ years
- ✓ Lower transport costs of \$5.2M per year vs. Anchorage
 - ✓ \$NPV (30yr) of transport savings of a rail extension to Port MacKenzie equals \$257 million or **92%** of rail extension construction cost
- ✓ Deep Water – 60' MLLW & **No** annual dredging requirements
 - ✓ Can accommodate **Cape and Panamax vessels *today***
- ✓ Provides most reliable and efficient rail operations. Trains do not need to be broken down to off-load
- ✓ Over 9,000 acres to stage minerals resources such as limestone, molybdenum, coal, lead and zinc.



Port MacKenzie Certainties

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