



Alaska State Legislature Senate Majority News

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Senate Transportation OKs RR Bonds for Extension *Up To \$500 Million To Extend A Rail Line To Delta Jct And Fort Greely*

(Juneau)— The Alaska Railroad Corporation could issue up to \$500 million in tax-free revenue bonds to pay for extending a rail line to Delta Junction and Fort Greely under a bill approved by the Senate Transportation Committee today.

“A more cost-efficient transportation system could be a huge benefit to the agricultural industry in Delta, the new missile launch facility at Ft. Greely, and the new Stryker Brigade at Fort Wainwright,” said Senate President Gene Therriault (R-North Pole), who offered the Committee Substitute for Senate Bill 395 that authorizes the bonds. “It could also vastly increase the efficiency and competitiveness of the mining operation at Pogo, provided we are successful in resolving a pending permit appeal.”

The proposal would have the bonds secured through federal funds secured by the Department of Defense. Depending upon negotiations with the Department, the Railroad could issue the bonds as early as 2005.

The Alaska Railroad already has a rail line, which connects to Eielson Air Force Base. The new main line would extend from Moose Creek to Fort Greely, approximately 80 miles. A line extension could efficiently provide transportation services for military training support, freight, and commuter service between Fairbanks and the Ft. Greely missile site.

Extending the railroad to Delta Junction is consistent with the long-term goals of the State to extend a transportation corridor to the border with Canada.

In addition to the bond proposal, SB 395 addresses a recent Alaska Supreme Court decision that called into question the Railroad’s exemption from local planning and zoning ordinances provided in AS 42.40. The bill would clarify the Legislature’s intent that such local regulations do not apply to the Railroad’s land unless it is leased to another person without retaining a railroad right of use.

SB 395 was introduced by the Rules Committee at the request of Sen. Therriault.

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