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April 28, 2009

VIA HAND-DELIVERY

Ms. Victoria J. Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Room 1106
Washington, D.C. 20423

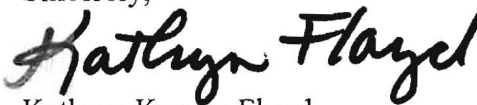
Re: Finance Docket No. 34658, The Alaska Railroad Corp. -- Petition For Exemption
From 49 U.S.C. §10901 To Construct and Operate a Rail Line Between North
Pole, Alaska and Delta Junction

Dear Ms. Rutson:

On behalf of the Alaska Railroad Corporation (ARRC), enclosed are ARRC's responses to your March 18, 2009 letter request for information concerning the above-referenced proceeding.

Please let me know if you have any questions.

Sincerely,


Kathryn Kusske Floyd

Enclosure

cc: David C. Navecky, SEA
Alan Summerville, ICF
Brian Lindamood, ARRC

ARRC'S Responses to SEA's March 18, 2009 Letter

1. *Please provide additional explanation on the anticipated poor geotechnical conditions and other factors, if any, which led ARRC to reject alignments in the area to the southwest of the South Common Segment.*

The factors limiting the movement of the proposed alignment of the South Common Segment further south are geotechnical conditions, topography, and service to potential customers in the Whitestone Farm District.

From a geotechnical perspective, the proposed alignment circumnavigates the edge of a glacial outwash plain comprised of gravels, silts and other materials. As noted in the Geotechnical Investigation by Duane Miller and Associates, January 2007 (Page 11), this outwash plain also contains many "Kettles", some of which appear as ponds or lakes on the surface, which should be avoided. Also, a recent fire in the area has removed a lot of vegetation, which has resulted in a number of slope failures though the area, including failures along the existing DNR road (conversation with Durst, ADF&G). The proposed alignment has been located as close as is reasonable to the edge of the outwash zone to stay clear of the Richardson Clearwater area to the extent practicable.

Topographically, the glacial outwash presents itself as a large hill face rising over 200 feet above the Tanana basin (See attached figure). It is not practicable for the railroad to climb the additional hill, likely requiring a rather curvations alignment, simply to return back to the basin floor to cross the Delta River thereafter. The poor geotechnical conditions in the area would significantly increase the project footprint and associated environmental impacts.

Further, the alignment as presently conceived is located immediately adjacent to the Whitestone Farm District, which is one of the communities the project intends to serve. Aligning the railroad along the existing DNR road or the Donnelly Range would require development of 3 to 7 miles of additional all-weather road infrastructure to connect the Whitestone area with the proposed railroad. This also would increase environmental impacts.

2. *Please provide further explanation on the terrain considerations and other factors, if any, which would make it impractical to connect Central Alternative Segment to Donnelly Alternative Segment 2 near Connector E (see Figure 2-8 in the Draft EIS).*

It would be possible to connect the two segments in the opposite fashion than has been proposed, and in the same general area where Connector E is presently located. However, this would require the line to climb 75 to 100 feet in elevation from the Salcha segment, simply to return to the river elevation, which would increase the project footprint and associated environmental impacts. As such, we believe it is not practicable.

3. *Would the footprint of a Tanana River bridge be different from what is presented in the Draft EIS if it were a rail-only bridge rather than a dual-modal bridge? If yes, please explain the differences.*

No. The controlling foundation design criteria is the railroad loading.

4. *If no military use of the Tanana River bridge were anticipated, would ARRC propose a dual-modal bridge? Would ARRC propose separate track and vehicle bridges over the Tanana River in the absence of any military use?*

Regardless of the planned military traffic, the Tanana River Bridge would need to accommodate limited vehicular use to facilitate construction, maintenance, and emergency response for the railroad on the south side of the Tanana River. ARRC would not propose separate track and vehicle bridges over the Tanana River in the absence of military use. Given the environmental and design concerns related to the crossing of the Tanana River, construction of separate bridges would not be practicable, unless public access were to be considered for the bridge crossing.

5. *Clarify why a dual-modal (i.e., single) bridge is proposed over the Tanana River, whereas separate track and vehicle (i.e., two) bridges are proposed for Little Delta River and Delta Creek?*

Due to the strict safety and operating regulatory environment under which the ARRC is subject, it is always the case that combining vehicular and railroad traffic on a crossing is to be avoided. In addition, a dual use structure, unlike single bridges, imposes its own set of challenges for rail operations including more intensive maintenance, a need for sophisticated security requiring power to the site and monitoring systems, and complex planning for operations. These challenges add to the undesirability and impracticality of a dual use structure.

As to the Tanana River crossing, these same principles apply. It is ARRC's preference to have two separate structures over the Tanana River. However, as described in #4 above, separate bridges over the Tanana River would not be practicable due to environmental and design concerns which are unique to that location.

The decision to make the Tanana River Bridge a joint-use facility was based on several specific factors including available utilities for the required monitoring systems, the immediate access to a maintenance facility, the availability of personnel staffing, constructability in relation to anadromous fish passage, the hydraulic considerations of the river, flood water, bed load, ice and debris loads, and the need to use the bridge during project construction.

Combining vehicular and railroad traffic on the crossings south of the Tanana River is not feasible, practicable or advisable given the conditions presented at those locations.

6. *Please provide additional new information, if any has become available, on the anticipated uses of the proposed rail line.*

No additional information is available to supplement the information in the DEIS. The rail line would be used as a ground transportation alternative to the Richardson Highway between Fairbanks and Delta Junction for commercial freight and passenger service for businesses, the military, and communities. The project would provide year-round access for the military to the Tanana Flats and Donnelly training areas on the southwestern side of the Tanana River. Passenger service would be available for residents, military personnel, dependent families, and contractors traveling for work, shopping, medical, educational, or other reasons. Freight hauled on the new rail line could include aggregate, agricultural products, building supplies, fertilizer, forest products, petroleum products, equipment, food supplies, and vehicles. Existing industries in the vicinity that may use the proposed rail line include the agricultural and mining sectors. If other projects were to develop in the area, the ARRC may have the opportunity to develop new traffic. However, the quantity, nature, and timing of this traffic remains speculative such that no specific data is available at this time.

7. *The access road to communication tower "Site B" is described as connecting to the ADNRC winter trail. Would ARRC require road access to Site B only during the winter months, or would ARRC upgrade the ADNRC trail?*

If the ARRC were to incorporate the ADNRC winter trail into access plans to proposed ARRC facilities, the ARRC does not anticipate upgrading the trail at this time. There are communication towers elsewhere on ARRC's system today in similarly remote areas with marginal surface access similar to Site B.

8. *Please provide an explanation of why several proposed bridges and culverts would be narrower than the width of the channel (e.g., crossings 13, 85, 27, 344, 396, 40, and 252). Would these crossing structures be able pass the 100-year flood flow? Would these 2 crossings be designed to maintain existing water patterns and flow conditions as much as practicable? Were other designs considered?*

Proposed structures crossing smaller streams as presented in the DEIS represent initial estimates based upon information available at the time. These crossing arrangements would be revisited during final design and permitting, fully taking into account environmental and hydraulic concerns, to reduce the adverse impacts described in the DEIS. Further, it is standard railroad design practice to maintain existing flow patterns and to pass the modeled 100-year flood event.

9. *Please provide further explanation of the development of the anticipated average daily freight and passenger rail traffic presented in the Petition for Exemption.*

The passenger traffic, with 4 round trips per day out and back (two in the morning and two in the evening), represents the base minimum practicable passenger service to provide any certainty of ridership. This level of passenger service totals

1,460 round trips per year, or 2,920 one way train passes. It is possible that as the service develops, the anticipated service may change in working in cooperation with Fairbanks Metropolitan Area Transit System, the military, and other potential users. However, any such changes cannot be predicted at this time.

Estimated commercial freight traffic was derived from data maintained by ARRC marketing sales and service. The data indicate that annually, approximately 750 carloads of commercial freight is taken to Fairbanks by the ARRC, and then trucked to the Delta Junction area. It is reasonable to assume that if rail service were available to Delta Junction, this freight would be taken by rail from Fairbanks to Delta Junction. The freight traffic would generally be going twice (two round trips) per week or 4 train passes per week, which would be timed in conjunction with barge sailings in and out of Whittier. Annually, this would amount to 104 round trips per year (208 train passes per year). Some additional traffic presently moving solely by truck is anticipated from the Whitestone and the Delta Junction area as a result of the proposed new rail service. However, any projections would be speculative at this time.

The balance of the anticipated rail traffic is associated with military movements supporting training deployments throughout the year. Information provided by the military indicates that they are anticipating 10 to 12 brigade-level deployments per year. The equipment lists indicate that a single brigade deployment would consist of approximately 560 carloads each way. Generally, the military trains are limited to approximately 6,000 feet per train (about 80 cars), which equates to about 7 trains per deployment. Based on an average of 11 deployments per year, this would be 77 round trips per year or 154 train passes per year.

Commercial freight of 208 one way train passes per year (104 round trips) plus military movements of 154 train passes per year (77 round trips) equals 362 train passes per year (81 round trips). This was rounded to 365 train passes per year (183 round trips). With the 2,920 passenger train passes per year (1,460 round trips) added, the total is 3,285 train passes per year (1,641 round trips). On average, this would be 4.5 round trips or 9 train passes per day. The total of 5 round trip or 10 train passes per day, on average, presented in the Petition for Exemption was an conservative projection, taking into account the possibility of growth in freight (commercial and/or military) traffic in the future.

- 10. Does ARRC anticipate that it would need to expand the quarry at Curry, Alaska to support construction of the proposed rail line and associated facilities? If so, please describe the expansion that would be required.*

No. The existing quarry at Curry can handle the anticipated resource development as presently projected to support the proposed rail line and associated facilities.

11. *Would ARRC grant permission for Alaska Department of Forestry to use access roads and vehicle bridges for state business to include timber harvest and wildland fire suppression?*

ARRC would grant permission for use of access roads and vehicle bridges for certain state business to **include** timber harvest and wildland fire suppression with the following conditions:

- ARRC is unconditionally indemnified.
- The use would occur only in areas where road and track are on sufficiently separated embankments and structures (with the single exception of the Tanana Bridge where there will be sufficient protections in place).
- Permission also is obtained from the military in areas within military lands.

The use of ARRC access roads, where separated from railroad embankments, is subject to permitting procedures and requirements typically handled by the ARRC's right-of-way committee and real estate department. Access for these types of uses has been granted in the past on other portions of the railroad, and there is no reason to believe that similar arrangements cannot be made. However, access to and through large military reserves on the south side of the Tanana River would be subject to secondary approval by the military. Such uses, outside emergency situations, would be considered on a case-by-case basis.

12. *Please specify which trails or categories of trails, if any, that ARRC would voluntarily provide crossings. For example, for the Port MacKenzie project, ARRC has volunteered to grade separate officially recognized trails and ARRC defined an "officially recognized trail as a trail located on a formally dedicated easement or on public land on which the MSB or the state has indicated to the project team that there is intent to dedicate an easement."*

The ARRC intends to implement the same trail crossing approach to NRE as proposed for the Port MacKenzie project. Possible exceptions to this are trails with heavy vehicular usage where an at-grade crossing may be more appropriate. Unlike Port MacKenzie, the NRE would cross large tracks of undeveloped ADNR lands. Specific state legislation (AS 42.40.460) provides that even after the transfer of fee-title right-of-way from ADNR to ARRC, the ADNR reserves the right for additional crossing of the proposed rail line. ARRC and ADNR are presently discussing existing and proposed crossing locations and types. Public access may be altered, but it would not be blocked by the rail line.

13. *If ARRC volunteers to provide trail crossings, please specify, to the extent known, which trail crossings would be grade separated and which trail crossings would be at grade.*

See #12 above.

14. *In comments on the Draft EIS, ARRC states that a 24-foot wide access road would be needed on the south (west) side of the Tanana River, in part, to accommodate 18- to 20- foot wide construction vehicles. Please clarify how these large vehicles would reach the construction area (e.g., the proposed dual-modal bridge over the Tanana River would be less than 15 feet wide). Would the vehicles be assembled/disassembled as needed? Would ice bridges be required to move them from one side of the river to the other?*

These vehicles would generally arrive via motor carrier, partially disassembled. They would stay on highway permitted vehicles across the Tanana River, and be assembled on the south side for use on the project. It is possible that some equipment may be moved across the Tanana River via ice bridges depending upon construction scheduling, but the preference would be to move most of the equipment, supplies, and personnel across on a permanent structure.

15. *Why did ARRC propose to relocate Salcha School rather than relocate Richardson Highway farther to the east, and therefore, avoiding the need to relocate the school?*

The relocation of the school was chosen to reduce impacts to Section 4(f) resources both north of the school (trails) and historic properties in Salchaket. Moving the road around the north side of the school (such that the school is in between the road and the proposed railroad) would result in a significant increase in the foot print (nearly double) due to a second cut through the large bluff for the roadway east of the school.