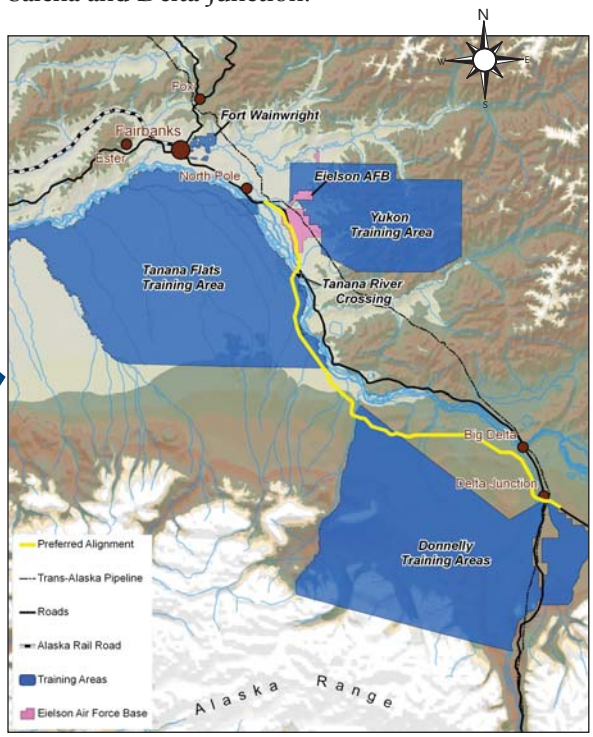
Northern Rail Extension

PROJECT FACTS

Project Scope & Description

The Alaska Railroad Corporation (ARRC) proposes to construct and operate a new rail line in the area between North Pole and Delta Junction. The project would involve approximately 80 miles of new rail line connecting the existing Eielson Branch rail line at the Chena River Overflow Structure to a point near Delta Junction. The proposed rail line would provide freight and potentially passenger rail services serving commercial interests and communities in or near the project corridor.

The new rail line would be operated as part of the Alaska Railroad system. As a common carrier, the line would be available to the general public, commercial, and military shippers including agricultural and resource development businesses. With a top design speed of 79 miles per hour for passenger trains, the track could support public transit operations between Fairbanks, North Pole, Salcha and Delta Junction.



Area map showing the military training areas south and west of the Tanana River.

The project includes an Environmental Impact Statement (EIS) as required by the National Environmental Policy Act (NEPA). This work consists of identifying and analyzing feasible alignment options, engineering design for selected options, and estimating anticipated construction costs.

A Tanana River crossing is required to fulfill transport needs and avoid mountainous terrain along the northeast bank of the river. The new rail line may also cross the Salcha, Little Delta and Delta Rivers, as well as Delta Creek.

The Department of Defense (DOD) has large training areas south of the Tanana River between Fairbanks and Delta Junction. Access to the Joint Pacific Area Range Complex (JPARC) is currently limited to ice roads during winter. The project scope would develop access from the Richardson Highway to the Tanana River, construct a crossing of the Tanana River, and place a staging area for military use immediately south of the river. Subsequent rail development would also use this crossing. Preliminary conceptual design includes a single traffic lane combined with rail located south of Salcha.

Purpose and Need

The Northern Rail Extension project would provide essential freight and passenger service to support transportation and mobility needs of the region. The project may provide the following:

- **Commercial freight service supporting communities** and commerce in or near the rail corridor, including existing agricultural, mining, and petrochemical industries, thus reducing reliance and wear and tear on the Richardson Highway. Currently, both the agricultural community located near Delta Junction and mineral resource industries in the area receive materials that are initially shipped by rail. Materials must be off-loaded in or near Fairbanks, and then transported by truck via the Richardson Highway.

- **Transportation alternative** to the Richardson Highway for passenger transportation, with scheduled station stops proposed between Fairbanks and Delta Junction by way of North Pole and other communities. Passenger rail service would be available for citizens, military personnel, contractors, and dependent families who wish to travel for work, shopping, medical, educational, or other reasons.
- **Military support.** Access to the JPARC would accommodate year-round access to large military training areas. The Army and Air Force both use the million-acre complex, and their presence is expanding. The Complex provides unique opportunities for large scale, combined training of military units. The Army, in particular, is interested in rail to mobilize military units in and out of the training areas.
- **Support regional tourism.** Tourism is a major industry in Alaska and the rail line would provide further opportunities for visitors to enjoy the Alaska environment.

Benefits

- Common carrier rail service would provide bulk transport of goods to and from existing agricultural developments, mineral resource developments and other business enterprises. Area freight and transit services would enhance opportunities for economic expansion in a relatively isolated area of Alaska. The Alaska Railroad's tourism support to other parts of the system could potentially be expanded to Delta Junction and provide additional opportunities to see Alaska by rail.
- Additional communities within Interior Alaska would be connected by rail to three ports, including the Port of Anchorage, recently designated as one of 15 strategic ports in the nation.
- Public transit would facilitate additional choices for families and individuals seeking safe, reliable, year-round transportation opportunities between the Delta Junction and Fairbanks areas. Rail transit offers an alternative to driving the Richardson Highway, which presents hazardous driving conditions during long, dark, icy winter months.
- Military units would benefit from year-round multi-modal access to joint training areas south of the Tanana River.
- Rail access would avoid use of military vehicle convoys along the Richardson Highway, thereby reducing congestion, saving fuel and minimizing wear-and-tear.

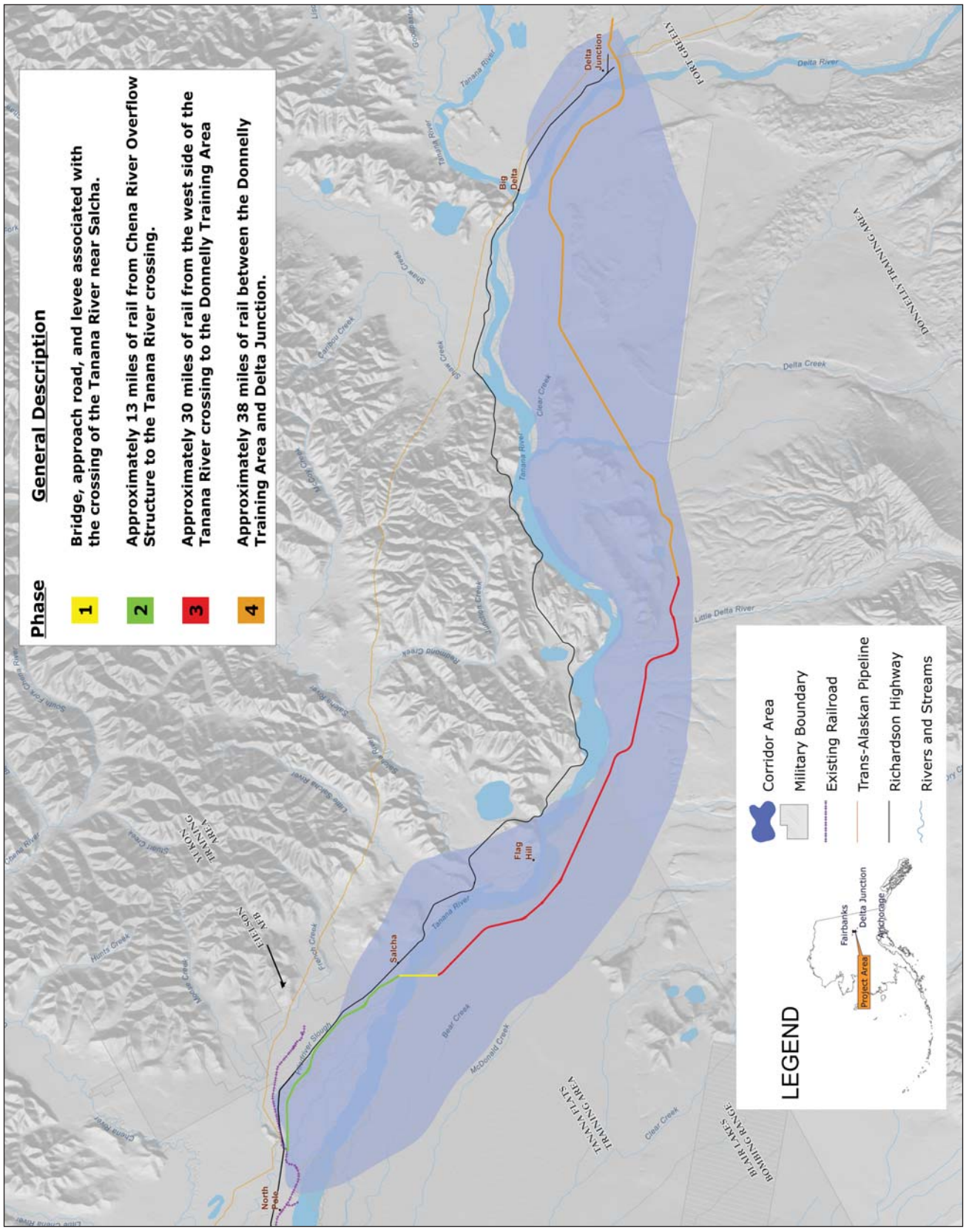
Status/Timeline

- Late 2004, ARRC initiated project conceptual development.
- April 2005, the Surface Transportation Board (STB), the lead federal agency, selected ICF Consulting as the independent third party contractor to prepare the EIS under the STB's direction.
- November 2005, STB published a "Notice of Intent" in the Federal Register.
- December 2005, STB held public and agency scoping meetings.
- December 2008, Draft EIS is released for public review. Public meetings held mid-January in Fairbanks, North Pole, Salcha and Delta Junction. Public comment period ended February 2, 2009.
- September 18, 2009, STB posts Final EIS, available on the STB web site at http://www.stb.dot.gov/stb/environment/key_cases_alaska.html.
- January 5, 2010, STB Record of Decision grants authority to construct and operate the extension.
- Late 2010, Kiewitt selected as Construction Manager-General Contractor.
- Summer 2011, Phase One construction expected to begin.

Next Steps

- With the STB's final decision made, ARRC is moving forward with final design and construction. The project will likely progress in four phases, as funding allows:
  - ***Phase One*** – Tanana River crossing at Salcha (Joint Tanana Range Access)
  - ***Phase Two*** – Rail construction from Moose Creek near North Pole to the Salcha crossing
  - ***Phase Three*** – Rail construction from the Salcha crossing to the Donnelly Military Training Area
  - ***Phase Four*** – Donnelly to Delta Junction

Northern Rail Extension Project Area Map - Four Phases



Cost and Funding

- Preliminary engineering and design and NEPA-mandated environmental assessments and documentation were included in a $12.5 million budget from an initial Department of Defense (DOD) appropriation in 2005 that was administered as a grant through the Federal Railroad Administration (FRA). DOD appropriations announced in 2006 included $4 million for NEPA and preliminary engineering work.
- DOD appropriated $44.2 in 2007 and another $60 million in 2008, primarily to pursue Phase One, the Tanana River crossing (Joint Tanana Range Access). The State of Alaska appropriated $40 million in 2010 and another $44 million in 2011. Funds will be used for engineering, final design of the bridge and levee, permitting, land purchase, preparing the construction area, procuring materials and construction.
- Construction cost for the rail line is estimated to be between $650 and $850 million, Funding sources may include federal and state appropriations and financing via the sale of revenue bonds that are secured by advance shipping contracts.

Project Participants

A number of players are involved with the project:

- **The Surface Transportation Board (STB)** is is the approval authority for all new rail line construction in the United States. As such, the STB is the lead federal agency on the project and oversaw the EIS process.
- **The Alaska Railroad Corporation (ARRC)** is a self sustaining corporation owned by the State of Alaska. ARRC is the Northern Rail Extension project sponsor.
- **The Federal Railroad Administration (FRA)** is a cooperating agency with the STB and the administrating agency for the federal grant funding the EIS development. The FRA provides technical oversight for the project.
- **Cooperating Federal Agencies.** In addition to the FRA, the following federal agencies have cooperated on the EIS; The Federal Transit Administration (FTA), The Bureau of Land Management (BLM), The Alaska Command (ALCOM), The U.S. Air Force (USAF) 354th Fighter Wing (Stationed at Eielson Air Force Base), The U. S. Army Corps of Engineers (USACE), and the U.S. Cost Guard (USCG). These agencies reviewed and commented on various aspects of the project throughout development of the EIS.

For More Information

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