

SURFACE TRANSPORTATION BOARD

SECTION OF ENVIRONMENTAL ANALYSIS

PORT MACKENZIE RAIL EXTENSION PROJECT

ENVIRONMENTAL REVIEW PROCESS

Wasilla, Alaska

April 8, 2010

P R O C E E D I N G S

(Wasilla, Alaska - April 8, 2010)

(On record - 6:30 p.m)

MR. NAVECKY: Good evening, ladies and gentlemen.

Thank you for attending this public comment meeting on the draft environmental impact statement or EIS for the proposed Port MacKenzie Rail Extension. I would like to officially call this meeting to order. I am Dave Navecky of the Surface Transportation Board's Section of Environmental Analysis, otherwise known as SEA. The board is the federal agency responsible for authorizing the construction and operation of new rail lines and associated facilities. In December 2008, the Alaska Railroad Corporation filed a request for authority to construct and operate approximately 30 to 45 miles of rail line and related support facilities from the Port MacKenzie district to a point on the existing Alaska Railroad mainline between Wasilla and just north of Willow. The Mat-Su Borough is working with the Railroad as a sponsor of the proposed rail line and was responsible for obtaining state funds to conduct environment reviews and preliminary engineering for the proposed rail line. The board is the lead federal agency responsible for preparing the CIS which is intended to identify and evaluate the potential environmental impacts associated with the proposed rail line. We also have three cooperating agencies assisting in the preparation of the EIS. They are the US Army Corp of Engineers, Federal

Railroad Administration and US Coast Guard. With us this evening is Ben Soiseth with the Corp of Engineers. Ben is over here on my left. A team of consultants led by ICF International also assisted SEA in preparing this EIS. At the table is -- with me is Alan Summerville, project manager for ICF's EIS activities.

If you have not already done so, please sign at -- in at the front table located out in the hallway and indicate whether you are interested in providing oral comments on the draft EIS at tonight's meeting. The meeting is part of the draft EIS stage of our environmental review process. As you know, the draft EIS was issued last month and we're now accepting comments on the document. Prior to preparing the draft EIS we conducted agency and public scoping meetings to listen to your questions and concerns. The information you provided helped us frame our analysis, understand your concerns about the project and finalize the scope of study for the EIS which was issued in July of 2009. This final scope of study served as our guide concerning what to address in the draft EIS. After the draft EIS comment period closes on May 10th, we will review all the hearing transcripts and all the written comments and we will prepare written responses for all substantive comments. All of your comments and all of our comment responses will be published in the final EIS for all to see. The board will then issue a final decision based on the transportation merits of the proposed rail line, the conclusions of -- and contents of the draft and final EISs and

all public and agency comments in the public record. This final decision will take one of three actions; approve the proposed rail line, deny it or approve it with mitigating conditions including environmental conditions. Construction, if approved by the board, could not begin unless and until the cooperating agencies issue final decisions approving or permitting the proposed rail line. The environmental review process sheet in your handout provides additional detail on each stage of our environmental review process.

Whether you speak tonight or not you can also provide us with handwritten comments this evening by filling out the last page of your handout and turning it in at the sign in table. There are also blank comment forms at the sign in table and oral and written comment -- excuse me, oral and written comments are given equal weight and consideration. So if you choose not to speak this evening, your written comments will be fully considered. In addition to this evening, which is just one option for providing your comments, we will be accepting written comments until May 10th and you may use the comment forms provided this evening or your own handwritten or typed comment letters. Your handout provides the information you need to submit your written comments to us by mail or electronically through our website. When you're preparing your comments we encourage you to be as detailed as possible in describing your concerns. We are also interested in receiving comments on the

purpose need of the proposed rail line, potential project impacts, opinions on a preferred alternative, adequacy of the preliminary mitigation of the draft EIS and the need for additional mitigation. As an example of the detail we're looking for, in some of the meetings over the last couple of nights some folks have expressed comments that they did not feel there were sufficient number of proposed trail crossings along the alternative rail lines. What we would be interested in hearing from you is where you would like the trail crossings to occur and if you could identify those specific trail crossings. Or if you don't have a specific trail crossing by name or location, at what frequency you would like to see the trail crossings occur whether at -- what interval, whether it's every mile or every half mile, every quarter mile. That is the type of detailed information we would be interested in receiving from you.

In a minute, I will begin calling on those individuals who would like to speak. Your oral comments will be documented by the court reporter located to my left. When I call your name, please approach the microphone then state and spell your first and last name for the benefit of the audience and our court reporter. In order to ensure that everyone has an opportunity to speak, each person will be limited to five minutes; however, since we don't have a long -- a lengthy list of people that would like to speak, once we run through the initial list of folks, providing them five minutes, I will go back to those individuals

and anyone else in the audience that would like to speak and allow them either an additional five minutes or their five minutes they would like to speak.

Your comments can be either comments specifically on the draft EIS and the project or they can also be in the form of questions that you would like us to answer directly in the final EIS. After everyone has spoken and provided their oral comments I will then adjourn the formal component of this public meeting and we'll be available to talk with you one-on-one in a more informal setting after the adjournment and answer general questions you may have or anything more specific you have regarding your concerns. But then I would also encourage you that the best way to participate in our process, to ensure your comments and concerns and questions are addressed, is provide those to us in writing or orally this evening.

At this time, I would like to call our first commentor to the microphone, Grace Whedbee. And again, once you reach the microphone, if you could spell your first and last name for the benefit of the audience and our court reporter. Thank you.

MS. WHEDBEE: Okay. My name is Grace Whedbee, G-R-A-C-E W-H-E-D-B-E-E. I'm wondering why we're not looking long term for the best location to build a railroad. Are we looking for the best location or are we just looking for the cheapest and most convenient? The Alaska Railroad was built in 1915 and 95 years later we're still living with the decision of

where to put that railroad. Our great grandchildren are going to have to live with the decision that you make today or on this particular issue. This is not the Lower 48 and decisions should be based on the unique conditions that we have in Alaska where only one percent of all land is in private property hands. All the rest is owned by government entities or Native corporations. 84 percent of the Anchorage borough is parks. 84 percent. Of the one percent of privately owned land in Alaska, 23 percent is located in the Mat-Su Borough. The greatest concentration of private land in the entire state, even at this minimum, most of the land, 77 percent is still owned by the government entities or the Native corporations.

The Big Lake area where the Houston route and the Big Lake route runs has 26 percent private ownership. Again, that is a very small amount. This -- there's a lot of private land by Alaskan's standards, because we have the largest percentage of it, but when we compare it to the area where the people who are going to be making the decisions that can ruin the quality of life of most of the people in the Big Lake area, we find that they have an overwhelming majority of their land in private hands and a minority in government lands. It is imperative that they remember that we have enough parks, but not enough private land.

The parks account for the majority of the land available. These parks have a master plan. Most of them plan --

will release one-third of all of their land back into settlements eventually. In other words, it's going to be come private property. Instead of issuing a 4(f) statement of impact on the parks, why did they not look out for the future of Alaska and say let's put the railroads through the park and establish planned communities for Alaska's future? In this way we can have communities that had been laid out and not the mishmash mess that we find in most of our communities. Where are the forward thinking people? It looks like they are totally influenced by how much this line is going to cost. After reading the EIS, it appears that it was written with the idea of giving the borough what they want even though it is apparent that it is not the best route for the people or the economy of the state of Alaska. A line to the west would open up land that would increase the tax base and the economy of Alaska via shorter route from the interior as you must measure the distance from the furthestest [sic] point north down the port. Anything else is false figures. Train energy would be less, safety factor would be best, the environment would be less impacted.

And in addition, why are the people given so much -- or so little attention in your report? Big Lake is a retirement community. Just look at our comp plan. Most of us have given 40 to 60 hours a week for 40 or 50 years in order to buy our dream retirement homes. The government took about 40 percent of our hard earnings, so we worked harder. And now you're using our

taxpayer's money to try to take away what our blood, sweat and tears have achieved. After spending seven years looking for the perfect retirement property, I look forward to my rocking chair looking at the longer -- the no longer endangered but still watched swans, grebes and loons that are swimming 200 feet away in multiple numbers. And I'm watching a new family of eagles 500 foot away from my door and just 1,000 foot away from where you're proposing to put a train track, a track that will go down the middle between two lakes that are breeding grounds for three watched breeds of birds. And it will cut through the breeding grounds of hundreds of sandhill cranes, to say nothing of the total destruction of their food source if you choose either of the Houston routes.

And remember, the watershed is the area that feeds Knik Arms which is the most vital habitat of the 300 remaining endangered beluga whales. What happens to our expectations of quiet enjoyment when we purchase some of the most expensive and the quietest property anywhere in your survey? The 4(f) impact on the parks should carry little consideration in light of the total disruption to the way of life of over 3,000 residents of the Big Lake area. 4(f) funding of -- or findings of de minimis impact does not mean that we can't build that route. It means we must evaluate other routes in light of prudent and feasible. Would a prudent person take a private property when there's 99 times more public property than private property in the state?

Would a prudent person run a railroad line through one of the most populated areas, the most expensive land valued property in the largest residential borough in the state, an area that uses almost all of the land, including its private property as recreational property for the use of the public? You must remember that the Big Lake area has as much recreational use on a daily basis as the entire park systems in your study. To disrupt this usage would have a greater impact on the recreational use in Alaska than if you were to go through these parks that you are trying so hard to protect.

To choose any other path in the Willow path is not feasible, is not prudent if you give people any type of consideration. Add to that the future growth of the Valley, the shortest route, the best use of the land, the safety factor, the train energy and the overall best interest to the future of the Alaskan people and you cannot find any other route but Willow is reasonable, prudent or feasible. Thank you.

MR. NAVECKY: Thank you for your comments.

(Applause)

MR. NAVECKY: Next I'd like to call Ray Debenham. Is that correct?

MR. DEBENHAM: That's correct.

MR. NAVECKY: And please again spell your name for the court reporter.

MR. DEBENHAM: I'm Ray Debenham, R-A-Y D-E-B-E-N-H-A-M.

I first entered the Crooked Lake area in 1958 when I purchased the land from the federal government there. Since that time I've walked most of those areas in the summer or driven most of the areas extensively in the winter. I'm very, very concerned about the effects of a railroad would have through that area. Number one is the effects on the people who live in that area. It's a very highly recreational area, probably the highest recreational area in the state of Alaska, any place, with more snow machinings in the winter, more trails, more people in the summer waterskiing or hiking or going on their four-wheelers or their motorcycles out through that area. There's literally thousands of trails out in that area that we use weekends or daily or whatever we want on the thing.

But I'm also concerned about the environmental of it. This is swamp areas with lakes, rivers and you basically can't ride in the summertime through there because it's all swampy. But I know you've done some testing on it and I know what you think you know is there, but you have to physically look at it to see where the water is running and where -- and a dam and basically what you're building in the railroad is a dam with a few culverts underneath it to let the water get through. But it's basically a dam. It's going to effect the water quality throughout that area. And we've got loons on Crooked Lake. The trains going by, the noise would stop their -- their nesting areas on Crooked Lake. We found out that even the boats going by

during their nesting time will affect whether they have chicks that year or not. The boat -- the railroad that you got set up isn't too far away from their nesting area. The way I see it through here is, probably be about a block away. And it would affect it. We also got a lot of other water and places through there, but the main thing is people live there. They use it daily. The railroad extremely effect our lives there.

I also own a farm out there at MacKenzie Point, 320 acres out there. Mac West or Mac East, either one of those, would affect somewhat the farming area. Mac West goes through Susitna Flat's state game refuge, or along the edge of it. Unless you put it in the farm you're going to be in the refuge, one or the other. You can't be -- it can't affect that. If you look -- just have to look at the map and see on Mac West how many of the watershed areas you go through down there, where the birds are. One time I saw 50,000, and I literally mean 50,000 geese on my property eating the wheat and the corn -- or I mean, the oats that I had on the property. Will they come when the railroad goes by there every two hours through there? I doubt it. The reasonable thing, the way to look at this map if you have to pick one of your things, is the Willow map. It's out of the way of the recreational people. It's out of the way most of the places with a few crossings of the trails that go into the Big Su and the Little Susitna River and it does not affect the water areas as much, although it might be a little lower, but it doesn't have

the lakes and the rivers and the recreational areas that you have through the Houston map. And I strongly feel that we've got a real serious environmental problem if we take the Houston route.

MR. NAVECKY: Okay. Thank you for your comments. Next is Kit Roberts, please.

MR. ROBERTS: My name is Kit Roberts. First name K-I-T, last name R-O-B-E-R-T-S. And I am a land owner out in the Point MacKenzie area. I have 14 acres out of Ayrshire/Burma Road area, which the Big Lake route touches one corner of it. I do support more of the Willow than Mac West routes due to the less residential impact and less trail user impact out there. I do recreate out in that area and there is some trails that I'm aware of out there that I would like to talk, you know, show later in the evening with whoever is in charge of that, you know, of marking trails and stuff.

Along with railroads always brings people with it along the rail lines, and so I feel the Willow and the Mac West would be less impact on this residence and use of that area, of the Big Lake area, is highly usable and it would be more costly to go that way just for the number of trail accesses that would have to be provided by the railroad. So I would -- that's why I'd encourage the Willow Mac West for the easier of interacting with the railroad.

MR. NAVECKY: Thank you for your comments. Those were the only three individuals that had -- that marked in yes that

they wanted to speak. Now I'm going to run down the sheets. There are a few people who had question marks and were uncertain whether they wanted to speak. I'll give them an opportunity first. First is Mike Whedbee.

MR. WHEDBEE: I'll pass.

MR. NAVECKY: Pass? Okay. Next is Chris Alford (ph). Next is Yvonne Sumner. And please spell your name for us, please, for the court reporter.

MS. SUMNER: My number -- my name is Yvonne Sumner Y-V-O-N-N-E, Sumner, S-U-M-N-E-R. And I actually think this is one of the best projects that I've seen and one of the best -- I guess it's quasi-public works projects that I've ever seen -- I've seen done. It's going to really help interior Alaska and I just want to give kudos to the railroad for getting this going as quickly as you have.

I personally think that the Houston route is a good route. I think Houston is a community that's going to welcome the potential development and I think they have historically in Houston have wanted that kind of development and I think that it's going to be a good thing for the community. I know there's a lot of trails in that area, but I think this is going to make -- because you guys are talking about giving access to those trails, again, I think it's something that you should be commended on. And I'm just really, really happy to see this. I hope it's going to lower the cost for the people in interior

Alaska, that they'll be able to get a lot of the heavy materials and resources down to Southcentral and to our port, a port that we've built and we need to build up and help improve. The state of Alaska is constricting around Southcentral and the people in the interior are really struggling with costs and this is going to help them. And this is one of the best things that has come along in a long time and that the state needs these kinds of projects or else there will be no population in the bush.

And I think that -- I've lived near trains ever since I moved to Alaska in 1975 and they don't bother me. I used to put my children to bed by the time the train came by and I give them their nap by the time it came by in the morning and it never bothered anybody in my family or any of the wildlife around my house. So thank you.

MR. NAVECKY: Thank you for your comments. Next is Rick, had a maybe. And I can't read your last name, Rick. It begins with an S.

MR. SUMNER: Can you go to the next person? I'm still writing my response.

MR. NAVECKY: Okay. Is that -- that is the extent of the folks that had yes or maybe. Do we have some more folks? Okay. Sir, would you like to come up please?

MR. DEMBOSKI: Hi, my name is Ben Demboski, D-E-M-B-O-S-K-I. I'm a land owner in Willow. I own 26 acres on Boot Lake. My parents own property on that lake as well and my

father-in-law. This proposed Willow route will come within a mile of my property that I own there. We have cabins. We don't live there full -- my father lives full time in the area, I do not. Obviously because I live in Willow I'm not a fan of this Willow route and I have a few reasons why. I'm not just a I don't want it in my backyard kind of person. My family and I have recreated in the area and we've hunted the Big Darryl/Little Darryl (ph) area near Deshka Landing for moose for over 20 years. This proposed route as it comes through through the Rolly Lakes area and it skirts through the big swamp near Deshka, it crosses right between Big Darryl and Little Darryl on the outskirts of Nancy Lake state recreation area. Right there for 20 years we've watched every year that the moose herd towards the end of hunting season. If you're familiar with moose at all you know they get their harem going and they have -- I've counted -- probably the best time I've ever seen it, I've seen five bulls with probably 30 cows all in that one area right where you're coming through. And as I can -- best I can tell by your map, you're not cutting through the nasty swamp here, you're cutting through the timber right on the edges of the swamp and that's where I've seen it. It's right next to your line. It goes right through Little Darryl Lakes area. I think it's going to negatively affect that area.

I would also like to make the point that there is a lot of recreation that goes on in the Willow area with the Deshka

Landing, all the lakes in the area. There are some very expensive properties in that area, but the access is a big problem for me and, you know, everybody puts in there to hit the Susitna River to get to their remote cabins in the winter. There's a lot of fishing in the area. You got Red Shirt Lake. I mean, there's -- it's skirting just the outsides of areas where you're not even allowed to shoot a firearm at certain times, but we're going to go ahead and run a train through some of these areas. I guess that's probably my biggest concern here, is those trains coming through and limiting access.

The point has already been made that over half the state is not accessible for me to use. I mean, there's -- a lot of the state is closed down. This is a very accessible area. A lot of people use it and I would hate to see this road accessible area for hunting and fishing be negatively affected by this train. Thank you.

MR. NAVECKY: Thank you for your comments.

MR. SUMNER: Hello, I'm Rick Sumner. That's -- I guess you know how to spell Rick, but Sumner is S-U-M-N-E-R. This rail spur represents the single best economic engine proposed for Southcentral in years. I've lived most of my years here within sight and sound of the railroad. These homes I owned were some very expensive properties that were not detrimentally affected during my years of ownership nor when I sold it to others. Let's get this project done, not for the piece of mind of myself or

others in our retirement, but for our children's future. This project will reduce train traffic through Wasilla directly relieving congestion. This project will greatly reduce freight cost into and out of the interior. This project will help provide jobs for our children and grandchildren's future. Let's do the Houston North or South and put in crossroads every mile. And the main thing, let's quit studying and get going and get this thing done. Thank you.

MR. NAVECKY: Thank you for your comments. Yes, sir. Please come up.

MR. CHARLES: Hello, my name is Steve Charles. I'm -- I lived near Willow for 30 years. I'm also the chair of Willow Trail Committee and on the citizen's advisory board for State Parks of Mat-Su. And I would like to address the Willow corridor route in particular and the incompatibility that the corridor has with state parks. And specifically, in the draft environmental impact statement it refers to the 4(f) lands, which as I understand it restricts federal funds from -- transportation funds for -- transportation corridors within state managed -- or actually public managed lands. And not only is that specific to 4(f) but there's a reason behind that statute and that's because it's supposed to be protecting state parks and public parks, whether it's star parks or local parks. Within that Willow corridor there's Willow segment and the connectors to it. There's four state managed areas, Willow Creek State Recreation

Area, Nancy Lake State Recreation Area, the Little Susitna recreational rivers and the Susitna Flats Game Refuge. And there's also other recreational areas that Ben just talked about in Willow with the West Gateway Trail System, which is not state managed lands, but it uses state's funding for winter trail maintenance. And all those trails have easements and/or are managed throughout the winter by the Willow trail community.

The draft environmental impact statement went -- on the summary it went through lots of different segments which all addressed to me the reason why 4(f) is important. It talked about the Willow segments in these issues and the Willow segment was the worst route according to noise levels. It's the only area -- only 4(f) lands within the study area that noise levels would be detrimental to the 4(f) lands. They addressed -- it said the Willow route would be the worst as far as soils and vegetation in regards to agriculture. It also talk about flood plains that Willow route would have the most lands under FEMA flood plains categories. The Willow routes would have the greatest loss of vegetation with forestry and with forest and wetlands and the impact or the mitigation would be -- and the regrowth would be very slow, if at all. The Willow area would have the most loss of wildlife habitat. And I would like to emphasize the moose habitat, like Ben did. And I think throughout the EIS it -- when they talk about moose habitat they under recognize the value that Willow has as far as winter

habitat, moose habitat. It's -- the Susitna Valley and within a few miles of the river there's lots of moose there in the wintertime. In the summer they spread out. In the wintertime it's very dense.

Also the Willow corridor has -- impacts the most fish habitat that was included in the summary. And also was the -- impacted the most of all the corridor routes, alternative routes, it -- the cultural and historical aspects were the -- impacted the most in the Willow route. Also subsistence and there's just -- goes on and on. So I guess my -- what I'm saying is I would really promote the Houston, route which in many categories, and I won't go in detail here, the Houston South route circumvents a lot of these issues and the Houston Community Council -- or the Houston Comprehensive Plan endorses infrastructure like this and the Willow area community organization came out against -- our community council came out against the Willow route and I think the 4(f) -- like I said, the 4(f) is a statute which may limit feasibility of the Willow route, but there's a reason behind it and that's because of all these reasons I listed here. Thank you.

MR. NAVECKY: Thank you for your comments. Is there anyone else in the audience that has not spoken that would like to come to the microphone?

(No audible responses)

MR. NAVECKY: Is there anyone that has spoken already

that would like to come up for an additional five minutes?

MS. WHEDBEE: Again, I want to emphasize -- my name is Grace Whedbee, G-R-A-C-E W-H-E-D-B-E-E, and, you know, we get to talking about a lot of things. And I sometimes wonder how much emphasis we give to the quality of what we're talking about. We talk about the number of moose that are found. You've got to remember the entire Matanuska Valley is home to moose. We're not talking about one area. They travel. They don't live in one place. They don't put down roots and stay there. They travel all over. I can still remember the morning I got up and looked out and looked down my runway and had 47 moose on less than 20 acres of land because the wolves had herded them in. So I can tell you that moose are everywhere in this valley and if we're going to look at where we're going to have the most impact on the moose, then we need to look at the game areas that we talked about earlier, but again, 4(f) is written to protect parks, mainly where -- areas where parks are a rare thing, where they've got one park in the whole state and it covers one percent of the land.

In Alaska our parks are covering an average of over 60 percent of every acre of land. That is not something that we have to protect as strongly as we do in the states. We need to protect our homes. That is the thing that we don't have very many of. I hear the people in Houston that are talking about the economic benefits to their area and I have a major problem

understanding, because right now the city of Houston has a side rail and that side rail is where you would take off any type of a spur in order to put in to their industrial commercial area. that spur is totally -- or that side rail is located perfectly for a spur to come off of. And I know they have financial problems that make it hard for them to put that spur in, but what I think that most of these people are not aware of or have not studied adequately is that if the Houston South route is chosen, the Railroad has state that they are going to move that spur, that they are going -- or not spur, the side rail, that they are going to cross the Little Susitna River again and put that side rail on the other side. When that happens, the Alaska Railroad will no longer make that available for them to come off of. It's not in the right location. You cannot take a spur line for industrial use off of a high speed area of a railroad. It must come off of a side rail where the speed can be gathered up in order for them to get on. And the people of Houston think they're gaining and they're going to be losing. And I hate to see that happen to people because someone has given them this information and I wish that they would study this before they go in any further with their support of a route that is actually going to hurt their economy where they have the perfect thing now. Thank you.

MR. NAVECKY: Thank you for your comments. Is there anyone in the audience that would like to speak?

(No audible responses)

MR. NAVECKY: That's it? Okay. Well, if you have not spoken and you do have comments I would encourage you to send those to us in writing. Again, your handout explains how you may send those to us either by mail or through our website. If you go through our website you can attach any type -- most type of documents, either a Microsoft Word file, WordPerfect file, an Excel spreadsheet or a PDF file you can attach to your comments. With that, I will adjourn the formal component of tonight's meeting and we'll be available to speak with you one-on-one and answer questions and hear some of your comments. Thank you.

(Off record - 7:08 p.m.)

(END OF PROCEEDINGS)

TRANSCRIBER'S CERTIFICATE

I, Salena A. Hile, hereby certify that the foregoing pages numbered 2 through 24 are a true, accurate, and complete transcript of proceedings, transcribed under my direction from a copy of the electronic sound recording to the best of our knowledge and ability.

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Date

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Salena A. Hile