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September 17, 2009



Ms. Anne Quinlan
Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

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RE: STB Finance Docket No. 34658, Alaska Railroad Corporation – Petition for Exemption – To Construct and Operate a Rail Line Between North Pole, Alaska and Delta Junction, Alaska

Dear Ms. Quinlan:

I respectfully request the Board to expedite its final decision in the referenced proceeding. As explained below, an expedited final decision will assure preservation of Federal Railroad Administration (FRA) grants which provide the primary funding for this project.

The Alaska Railroad Corporation (ARRC) petitioned the Board for permission to construct and operate a project known as the Northern Rail Extension (NRE). NRE consists of approximately 80 miles of new rail line between North Pole and Delta Junction, Alaska. The Final Environmental Impact Statement is nearing completion and once published, the Board will be able to make its final Record of Decision.

The project's FRA funding expires on December 31, 2013. If the Board issues approval, FRA will begin its own administrative process to adopt the Board's environmental review and then issue its own record of decision. Only then can ARRC even begin final project design and property acquisition, which could take many months. In addition, final design and property acquisition all must be completed before the planned project start during next year's 2010 construction season in Alaska. If these steps are not completed in a timely manner allowing construction to begin in the 2010 summer season ARRC will not have sufficient overall time to complete the NRE project before FRA funding expires.

In prior cases, the Board has been willing to make expedited decisions when faced with similar circumstances. For example, the parties involved in Finance Docket No. 35087, *Canadian Railway Co. & Grand Trunk Corp.—Control—EJ&E West Co.*, were facing a December 31 transaction deadline. Notice of the Board's Final EIS appeared in the

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Federal Register on December 12, 2008, and the Board made a final decision on December 24. The Board also moved up the effective date of its decision in Docket No. AB-1, *Chicago & Northwestern Transp. Co.—Abandonment Exemption—Blackhawk County, IA*, where delay would have risked a loss of \$11.9 million in federal funding. In Finance Docket No. 32761, *Union Pacific Corp.—Securities Exemption*, the Board made its decision effective with 3 days notice "in view of the uncertainties presently existing in the financial markets."

ARRC's proceeding also contains unique circumstances. Other necessary federal agency action and construction planning is predicated on STB's decision. Even a relatively short delay in issuing the Board's final decision could delay the entire project long enough to cause the FRA funding to expire. ARRC respectfully asks the Board to issue its final decision on the NRE project as soon as possible after issuance of the FEIS. An expedited decision is consistent with Council on Environmental Quality regulations, which permit the Board to make and record its final decisions "at the same time the environmental impact statement is published." 40 C.F.R. § 1506.10(b).

Thank you for your time and attention to this matter. If I can be of assistance in any way, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "PK Gamble". The signature is written in a cursive, flowing style.

Patrick K. Gamble
President and Chief Executive Officer