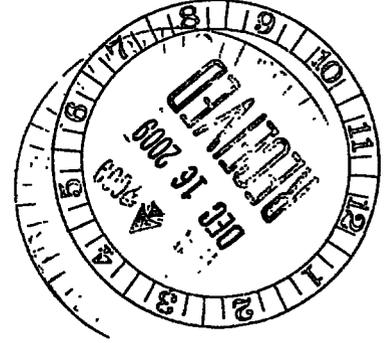


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December 16, 2009



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

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 Secretary Quinlan:

On September 17, 2009, our CEO, Pat Gamble, wrote to the Surface Transportation Board to respectfully request expedition of a final decision in the above-captioned proceeding. During the first week of December, the Board's Section of Environmental Analysis (SEA) obtained signatures on the Programmatic Agreement (PA) and has thus satisfied a key milestone in the Section 106 of the National Historic Preservation Act process for the project. We commend SEA on its excellent work, not only for completing a thorough and comprehensive EIS but for successfully coordinating a final PA which now clears the way for the Board to issue a final decision.

I am writing to reiterate our need for expedited treatment. Simply stated, we need to be ready for the 2010 summer construction season. The project funding dictates that the STB Decision must be in place before we can move ahead to prepare for this summer. In particular, the ARRC cannot enter final design, property acquisition, or contractor solicitations until the STB Decision is in place. Since construction in summer 2010 is needed to set up winter 2010 construction, delay could cost the project a full year, or worse. The Federal Railroad Administration (FRA) grant funding has strict time frames: a year long delay could eliminate this funding source.

Our current project schedule and the approximate dates we anticipate:

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- STB Decision
- FRA to adopt the STB EIS and issue its own Decision (only after STB Decision) (approximately 30 days thereafter)
- ARRC to conduct final project design and property acquisition only after FRA Decision (approximately 4-5 months)
- ARRC to begin construction (Summer 2010). This step must occur on time during the summer of 2010 in order to provide the necessary infrastructure to allow for continuing construction through winter of 2010-2011. ARRC anticipates 60-90 days of work to complete initial construction and it must be done by October 1, 2010 during Alaska's short summer/fall season. If initial construction does not happen during this 2010

seasonal window, ARRC would have to wait until late spring 2011 to begin construction and, therefore, may not be in a position to complete the project before the FRA funding would expire.

- ARRC's estimate of overall project construction (48 months). FRA funding expires (December 31, 2013). This means all bills paid, checks all cleared, and the project must be fully constructed.

We all appreciate the Board's attention to this issue.

Sincerely,

Thomas E. Brooks

Thomas E. Brooks
Chief Engineer
Alaska Railroad