



Alaska Railroad Corporation *News Release*

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FOR IMMEDIATE RELEASE

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Alaska Railroad Opposes EPA's Attempt to Impede Railroad Extension to Delta Junction *Requests Army Corps of Engineers to grant permit to begin project*

ANCHORAGE, Alaska – The Alaska Railroad Corporation has asked the U.S. Army Corps of Engineers to reject the Environmental Protection Agency's (EPA) attempt to impede a permit for construction of a bridge over the Tanana River near Salcha. The Alaska Railroad has requested the Corps of Engineers grant the permits under the Clean Water Act so work can begin on the Northern Rail Extension (NRE) project to Delta Junction.

The NRE project will extend the rail line from Eielson Air Force Base to Delta Junction in four phases and provide year round access to military training grounds on the south side of the Tanana River after the bridge is completed. The recent actions by the EPA threaten to delay and possibly eliminate Phase 1 of the NRE, effectively canceling the entire project.

The NRE project has been under a formal environmental review at the direction of the Surface Transportation Board (STB) since 2005 with an Environmental Impact Statement (EIS) published in the fall of 2009. The STB's formal Record of Decision dated January 5, 2010 approved the route to Delta Junction. The STB's decision gives the Alaska Railroad a green light to proceed with filing for the proper permits in order to begin the design and engineering of Phase 1.

After nearly four years of extensive environmental analysis, the EPA in 2009, concurred with the alternatives considered by STB and the selection of Salcha as the crossing point of the Tanana River as described in the Draft EIS document. The EPA has suddenly reversed its position in two letters to the Corps of Engineers (November and December, 2010) and elected to impede the adjudication of the Corps of Engineers' permitting process by challenging these fundamental findings from the EIS.

"To say we are disappointed in the EPA's recent actions would be an understatement," said Alaska Railroad Vice President of Engineering and Chief Engineer Tom Brooks. "The EPA concurred with the STB that this should be the preferred route. Having the EPA come back at the eleventh hour and try to circumvent the environmental process by now objecting to the findings to which they previously agreed puts this project in serious jeopardy."

The Alaska Railroad first learned of the EPA's objections after applying for required permits under the Clean Water Act to begin the project. One of the EPA's more egregious claims is the Tanana River should be considered an "Aquatic Resource of National Importance" under Section 404(q) of the Clean Water Act.

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The Alaska Railroad has responded to the EPA's concerns by noting that the NEPA process executed by STB is required to weigh the entire suite of environmental impacts in the approval of the project, rather than allow a single regulatory concern to skew result. The Alaska Railroad supplemented the Corps of Engineers permit application with further minimization and "avoidance of impacts" through additional and more costly design refinements than the EIS provided. The Alaska Railroad has worked diligently in its outreach efforts to regulatory agencies throughout the process, meeting directly with agency representatives numerous times to assist them in fully understanding the enormous volume of technical information for this complicated project.

"If the EPA has concerns of this magnitude relating to the bridge size, or location, they had ample opportunity to voice those concerns directly to the STB during the EIS process. To our knowledge, they either did not, or failed to make a credible argument as is evident in the STB's Record of Decision," said ARRC Project Manager Brian Lindamood. "We believe as a function of process, and a matter of law, that train has left the station."

The NRE project is supported with federal funds from the Department of Defense and the State of Alaska. The NRE project is broken into four phases, with the Phase 1 calling for a bridge over the Tanana River near Salcha, providing, for the first time, year round surface access to substantial military training grounds on the far side. Phase 2 through 4 would extend the rail line southeast, approximately 80 miles to Delta Junction. The total cost for the project is estimated to be about \$800 million.

More information on the Northern Rail Project can be found at: <http://www.northernrailextension.com/>.

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