

Mayer, Brown, Rowe & Maw LLP
1909 K Street, N.W.
Washington, D.C. 20006-1101

Main Tel (202) 263-3000
Main Fax (202) 263-3300
www.mayerbrownrowe.com

November 13, 2007

Kathryn Kusske Floyd
Direct Tel (202) 263-3223
Direct Fax (202) 263-5223
kkusskefloyd@mayerbrownrowe.com

VIA HAND DELIVERY

Ms. Vicki G. Rutson
Chief, Section of Environmental Analysis
Surface Transportation Board
395 E Street, S.W.
Room 1106
Washington, D.C. 20423

Re: Finance Docket No. 35095, The Alaska Railroad Corp. -- Petition For An Exemption From 49 U.S.C. §10901 To Construct And Operate A Rail Line Extension to Port MacKenzie, Alaska

Dear Ms. Rutson:

As you are aware, the Alaska Railroad Corporation ("ARRC") plans to construct and operate a new rail line that will connect ARRC's existing mainline to Port MacKenzie, Alaska ("Port"). The purpose of the proposed construction is to establish an extension of ARRC's mainline to the Port in order to provide the Port, its customers and shippers with efficient rail transportation between the Port and interior Alaska. The line extension, approximately 30- to 45-miles in length, would travel north from the Port and connect to ARRC's existing rail system at a point between Meadow Lakes and north of Willow, Alaska in the Susitna River Valley. ARRC intends to file a petition for exemption with the STB for construction and operational authority for the line extension.

The new rail line will be owned and operated by ARRC. Matanuska-Susitna Borough ("Mat-Sui Borough"), owner and operator of the Port, is the project sponsor. Project development, design, and environmental review process are being funded by an appropriation from the Alaska Legislature that is being administered by Mat-Sui Borough. The track will lie roughly in the center of a 200-foot right-of-way with corresponding facilities and a maintenance road.

Vicki G. Rutson
November 13, 2007
Page 2

On October 31, 2007, representatives of ARRC and Mat-Sui Borough met with you, Dave Navecky, Evelyn Kitay. The ARRC representatives were: Eileen Reilly, V.P., Projects, Engineering, Technology and Signal, Brian Lindamood, Project Manager Capital Special Projects. The Mat-Sui Borough Representatives were Joe Perkins, Project Manager and Brad Sworts, Transportation and Environmental Manager. We discussed project information compiled to date during the development phase and presented you with a written overview showing preliminary environmental and engineering data concerning the project.

To the extent that 49 C.F.R. §1105.6(a) might be read to apply to the proposed action, ARRC hereby requests a waiver of the 49 C.F.R. §1105.10(a) requirement that an applicant consult with SEA at least 6 months prior to the filing of a petition for an exemption from 49 U.S.C. §10901 to construct and operate a rail line if the proposed construction would require preparation of an Environmental Impact Statement. We believe that the six-month prenotification is not needed with respect to this project for several reasons. First, as you are aware, ARRC and Mat-Sui Borough are continuing to prepare substantial engineering and environmental data and plan to submit further information to SEA in the future. Second, pursuant to the Board's procedures, ARRC and Mat-Sui Borough intend to utilize an independent third-party consultant, to be selected by SEA, to prepare the necessary agency environmental documentation for the project. Third, in light of the overall project schedule, with a planned date of construction in 2009, a six-month delay would needlessly impede the progress of this very important project.

Please let me know if you have any questions. We greatly appreciate your assistance and look forward to working with you on this project.

Sincerely,



Kathryn Kusske Floyd

cc: David C. Navecky
Eileen Reilly
Brian Lindamood
Joe Perkins
Brad Sworts