MAT-SU/FAIRBANKS RAIL & NATURAL GAS COALITION

Alejandra Y. Castillo
Assistant Secretary of Commerce for Economic Development
U.S. Department of Commerce
1401 Constitution Avenue, NW
Suite 71014
Washington, DC 20230

Dear Assistant Secretary Castillo,

The Matanuska-Susitna Borough, Fairbanks North Star Borough, Interior Gas Utility, and the Alaska Railroad Corporation have joined together to form the **Mat-Su/Fairbanks Rail & Natural Gas Coalition** and have identified rail and capacity improvements to the regional energy network that will spur economic growth and help us recover from the COVID pandemic. The Coalition's Vision for the **Alaska Railbelt Clean Energy Transportation Infrastructure Growth Cluster** is outlined in the accompanying Build Back Better Regional Challenge Concept Proposal and Technical Assistance grant request.

The Coalition was created by our respective governing bodies and executive leadership with the express purpose of reducing energy costs in our region. It is an ideal candidate for the Build Back Better Regional Challenge. The Coalition's proposed projects for the Build Back Better Regional Challenge will assist underserved Interior Alaska Railbelt communities in recovering from the pandemic by reducing the cost of energy to regional homes and businesses; improving the competitiveness of regional businesses; and improving air quality in the region.

The Coalition will support the regional growth cluster by expanding and improving the existing liquefied natural gas (LNG) industry's transportation capabilities with the completion of three interconnected component projects that will allow the distribution of LNG by rail instead of by truck. The proposed **Alaska Railbelt Clean Energy Transportation Infrastructure Project** consists of three component projects that have been designed to enable lasting economic development opportunities and benefits throughout our region:

1. Expansion of LNG production capacity at the publicly owned Interior Gas Utility Titan plant in Point MacKenzie from 50,000 gallons per day to 150,000 gallons per day.
2. Completion of 18-miles of the Port MacKenzie Rail Extension. This will allow LNG to be efficiently shipped the 320 miles to Fairbanks and North Pole by rail instead of by truck on the one major highway serving our region. Moving LNG by rail rather than truck will increase fuel efficiency and reduce greenhouse gas emissions by as much as 75%.

3. Completion of three rail spur connections to the Interior Gas Utility's Titan LNG plant and its storage and vaporization facilities in Fairbanks and North Pole.

The Coalition members have worked collaboratively to develop the Build Back Better Regional Challenge Concept Proposal and have read and agreed upon the final application. As indicated by each Coalition member's signature below, each member is committed to executing its project components for the regional growth cluster and fully understands their individual member commitments, including but not limited to:

- Designating a Regional Economic Competitiveness Officer.
- Holding Coalition meetings to further develop the Regional Growth Cluster Vision.
- Conducting an updated Economic Impact Analysis of the proposed project.
- Completing Preliminary Engineering, Cost Estimates, and Environmental work for each project component in preparation of Phase 2 of the application.

Thank you for your consideration of this Concept Proposal to help transform Interior Alaska's economy through a collection of complementary, aligned construction projects. Our point of contact for this grant is Pamela Graham, Grants Coordinator at Lead Applicant Mat-Su Borough. She can be reached at pam.graham@matsugov.us or (907) 861-8408.

Michael Brown
Michael Brown (Oct 15, 2021 13:53 AKDT)
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Mike Brown, Borough Manager
Matanuska-Susitna Borough

Bryce Ward (Oct 16, 2021 07:25 AKDT)
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Bryce J. Ward, Mayor
Fairbanks North Star Borough

Bill O'Leary
Bill O'Leary (Oct 15, 2021 10:44 AKDT)
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Bill G. O'Leary, President & CEO
Alaska Railroad Corporation

Dan Britton
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Dan Britton, General Manager
Interior Gas Utility