



COMMUNITY

Alaska Railroad Corporation
1st Quarter 2013



www.AlaskaRailroad.com • (907) 265-2300



Visit our web site at
www.AlaskaRailroad.com

Take advantage of exclusive Alaska Resident discounts on great rail travel trips and vacation packages. Save 20% off regular prices just for being an Alaskan!

The summer daily passenger rail schedule begins in mid May. Check out daily service between Anchorage, Seward, Whittier, Denali, Fairbanks and points in between.

RAILROAD STREAMLINES ORGANIZATION

Reorganization groups related functions, features new top managers



On March 5, the Alaska Railroad (ARRC) Board of Directors approved a revised 2013 budget to close the gap created by unexpected declines in coal and petroleum business, significantly fewer federal capital grant dollars and an unfunded federal mandate to implement positive train control (PTC — a system designed to prevent accidents caused by human error). The 2013 budget reflects a company restructuring that eliminates 54 positions and streamlines company functions. “From the outset of our restructuring effort, our goal was to look different inside, while appearing the same from the outside, so that our customers experience the same or better levels of customer service,” said President & CEO Chris Aadnesen.

(see “Reorganized Leadership” on page 4)

STATE RAIL PLAN UPDATE UNDERWAY

Alaska Railroad, public to participate in DOT-led planning effort



The Alaska Dept. of Transportation & Public Facilities (ADOT&PF) is spearheading an update to the Alaska State Rail Plan during 2013. Last updated in 1990, the rail plan will define a vision for Alaska’s rail assets, helping to decide future rail infrastructure investments and rail service. The updated plan will become a part of the State Long-range Transportation Plan, which has lacked a rail component in the past. The update will also allow more flexibility in applying for certain federal grants. The federal Passenger Rail Investment & Improvement Act of 2008 is prompting states nationwide to update their rail plans or risk losing federal funding eligibility.

(see “Rail Plan” on page 2)



A southbound coal train moves along Turnagain Arm. (photo by Frank Keller)

RAIL PLAN ...

(continued from page 1)

The 2013 update is guided by a Steering Committee including Alaska Railroad President/CEO Chris Aadnesen and Board members Commissioners Susan Bell, Alaska Dept. of Commerce, Community & Economic Development and Pat Kemp, ADOT&PF. The five-member committee also includes White Pass & Yukon Route President John Finlayson and Commissioner Daniel Sullivan, Alaska Dept. of Natural Resources.

Since the committee kick-off meeting Nov. 28, 2012, a public involvement plan has been developed and web site has been established. Public meetings include: Skagway May 21, Haines May 22, Wasilla May 29, Seward May 30, Anchorage June 4, Fairbanks June 5 and Nome June 6.. All meetings are from 5:00 to 8:00 p.m., with a brief presentation at 6:30 p.m. Additionally, the project team will schedule online open house events with presentations and supporting documents. The project web site is at:

www.dot.alaska.gov/railplan

For more information, to submit a comment or to sign up for electronic updates, visit the web site or contact ADOT&PF project manager Murray Walsh, (907) 465-6973; or public involvement consultant Julie Jessen at (907) 644-2000. ●

RAILROAD MITIGATES MOOSE KILLS

ARRC works with state, non-profits to salvage moose meat

Alaska is home to an estimated 140,000 to 160,000 moose. With 656 miles of track through heavily populated moose territory, the Alaska Railroad and moose are bound to interact. If a moose wanders onto the track, train crews sound the horn to persuade the animal to move off, but sometimes a moose is struck. To minimize such moose-train incidents, ARRC spends substantial time and resources on efforts to reduce the likelihood that moose will end up on the railroad tracks and when they do, that the killed moose are salvaged and not wasted.

During winter, as snow accumulates, cleared railroad tracks (like cleared roads) attract moose seeking an easier route. ARRC's track maintenance crews clear a wide path on either side of the tracks to make it easier for moose to exit the tracks when a train is coming. Crews also clear brush and trees in the track right-of-way to avoid attracting hungry moose. In the Mat-Su Valley where moose traffic is heaviest, crews pack over 50 miles of snow into trails that offer moose an option to walking on the track.

These efforts do make a difference. Since the railroad initiated enhanced mitigation efforts in the mid-1990s, the average number of moose killed on the track is less than half of what it was during the

decade prior to initiating the mitigation efforts.

When moose are killed on the track, ARRC works with a number of groups to recover the meat for those in need.

- Since 2005, ARRC has partnered with the Alaska Department of Corrections and Food Bank of Alaska (FBA) to ensure that moose killed on the track within the Matanuska-Susitna Borough will not go to waste. Salvageable moose struck in in this area are picked up by the Point MacKenzie Correctional Farm, where inmates process the meat for distribution to charities. ARRC contributes \$6,000 annually to support the program.
- Moose killed outside the Mat-Su corridor are salvaged in cooperation with the Department of Public Safety. State Trooper dispatchers notify a list of charities and people to pick up the meat.
- Sometimes killed moose are not salvageable for human consumption. For these few cases, in 2007 ARRC partnered with the Portage-area Alaska Wildlife Conservation Center (AWCC), a non-profit providing refuge for orphaned, injured or ill animals, and offering a public wildlife education program. When a moose is killed on the track south of Anchorage AWCC may be notified to pickup for use as food for lynx, coyotes and bear at the center.

When feasible, the railroad hauls recoverable moose carcasses from roadless areas to road crossings for pickup. An estimated 50% to 60% of moose hit by trains are salvaged. ●



Moose walk alongside the track.

RAILROAD SCHEDULES FAIRBANKS OPEN HOUSE

Budget cuts translate to Anchorage and Fairbanks open house in alternating years

The Alaska Railroad's recent cost-cutting efforts will impact its annual community open house events. The Anchorage Open House (typically held on the first Saturday in May) is eliminated from this year's community events. The Fairbanks Open House will proceed with its normal second-Saturday-in-May date. The open house is scheduled to be held at the Fairbanks Depot 10:00 a.m. to 2:00 p.m. on May 11, 2013. The Fairbanks open house will feature short free train rides from the depot, live music from the 9th Army Band's popular ensemble, railcars and locomotive on static display, children's activities inside the depot, door prizes and more. The event and parking at the depot are free to the public.

For the foreseeable future, the community open houses in larger railbelt hubs will alternate every other year. This means during even-numbered

years, an open house will be held in Anchorage and during odd-numbered years, the open house will be held in Fairbanks. ●



Fairbanks residents enjoy free train rides during the 2012 open house.

RAILROAD WINS LOCAL, NATIONAL AWARDS

Mat-Su chamber and national rail industry association salute ARRC customer service

During the first quarter of 2013, local and national civic groups acknowledged the Alaska Railroad's (ARRC) commitment to customer service with annual awards.

Recognition came first from the Greater Wasilla Chamber of Commerce (GWCC), which presented ARRC with a *2012 Outstanding Large Business of the Year* award during the chamber's annual meeting in late February. The award recognized the railroad for providing year-round transportation in an often challenging environment, for contributing to local

and state economies through jobs and commerce, and for continued corporate philanthropy. "In these economic times rolling with the changes is sometimes tough," said GWCC Executive Director Lyn Carden. "The Alaska Railroad has long since been able to achieve a different balance in today's market place."

In March, the American Short Line and Regional Railroad Association (ASLRRA) notified ARRC of winning one of three prestigious *2013 ASLRRA Marketing Awards* to be presented at the ASLRRA annual convention April 27-30 in Atlanta, Georgia. The award recognizes smaller Class II or III rail-

road for designing and executing successful marketing initiatives, with a particular focus on improving customer service.

ARRC is honored for logistics support of the Golden Valley Electric Association (GVEA) Eva Creek wind energy project. The nomination highlights ARRC's dedicated service approach, including use of a customer care team to coordinate the roles and responsibilities among multiple departments. The project success also showcases ARRC's transportation and logistics capabilities to potential future clients. ●



Alaska Railroad Corporation
 P.O. Box 107500
 Anchorage, AK 99510-7500



PRSR STD
 U.S. POSTAGE PAID
 ANCHORAGE, AK
 PERMIT NO. 845

Contact Corrections

Please correct the following errors in your newsletter mailing list:

| | |
|---|--|
| <input type="checkbox"/> Receiving more than one copy | <input type="checkbox"/> Address wrong |
| <input type="checkbox"/> Contact person changed | <input type="checkbox"/> Name Misspelled |

Yes, I want *Community Ties* sent to me by email to the email address below:

REORGANIZED LEADERSHIP ...

(continued from page 1)

The re-aligned top-level management team features expanded roles and a few new faces. Transportation-related functions (train operations, transportation marketing and customer service, safety, labor relations, engineering, infrastructure and railcar/equipment maintenance) are grouped under the new Chief Operating Officer (COO) Bill O’Leary, who previously served as Chief Financial Officer (CFO). New executives within this group include Transportation Superintendent Jon Garner and Clark Hopp, a veteran project manager who will be VP Engineering when Tom Brooks retires in May.

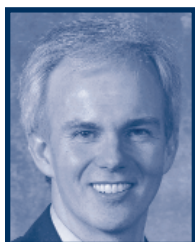
Corporate management functions (finance, human resources, government and public relations, internal communications, corporate affairs and administration) are grouped under the VP Business Management & Corporate Affairs Wendy

Lindskoog. A new executive within this group is Barbara Amy, who fills the CFO position left vacant with O’Leary’s promotion to COO.

The budget and reorganization process involved months of research and analysis by employee teams who recommended initiatives to cut costs and generate new revenue. Implementing these recommendations falls to VP Corporate Planning and Real Estate Jim Kubitz. VP Advanced Train Control Systems and Technology Eileen Reilly is tasked with meeting federal PTC requirements.

Reporting directly to Aadnesen, railroad executive staff is now comprised of O’Leary, Lindskoog, Kubitz, Reilly, VP & General Counsel Bill Hupprich and Chief Special Agent Dan Frerich. ●

Significantly expanded roles...



Bill O’Leary



Wendy Lindskoog

New faces on top management team...



Barbara Amy



Jon Garner



Clark Hopp