

COMMUNITY

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Alaska Railroad Corporation
1st Quarter, 2001

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NEW RAILROAD PRESIDENT NAMED

General Patrick Gamble to take over in April

iting his accomplishments in leadership, planning, and safety, the Alaska Railroad Corporation's board of directors named Air Force

General Patrick Gamble as its new president and chief executive officer. A former leader of the Air Force's Alaskan Command, General Gamble, currently serves as Commander of all Air Forces in the Pacific.



Patrick Gamble

Gamble will set high standards for the Railroad and help us achieve our safety objectives."

A four-star general, the highest rank in the U.S. Air Force, Gamble, age 55, currently serves as the top Air Force executive in the pacific region, and is responsible for operations,

planning and budgeting of 14 military installations with 41,000 employees and 400 aircraft.

"General Gamble is committed to the Railroad's vision to continually improve its safety, customer service and profitability. He is exactly what we were looking for in a CEO," said John Binkley, chairman of the railroad's board of directors.

"General Gamble has a track record as a national and international leader who has managed large budgets and work forces, and specialized in the development of safety programs and strategic plans," Binkley said. "With 20 years experience participating in award winning safety programs, General

General Gamble has 20 years of experience participating in formal safety programs and units under his command have received numerous safety commendations from the Air Force. Gamble has also been actively involved in strategic planning, communications, team building and engineering.

"The Alaska Railroad is a vital link in our statewide transportation system and Gen. Gamble's leadership and experience will help us achieve the goal of making it the safest railroad in the world," said Gov. Tony

(continued inside)

Alaska Railroad
Ongoing Projects:

Anchorage Airport Rail Station

Denali Depot

Seward Dock Improvements

Whittier Pedestrian
Improvements

Anchorage/Wasilla
Line Changes

Fairbanks Intermodal Facility

Anchorage/Fairbanks
Railyard Study

On-Board Communications
System Upgrade

Ship Creek Improvements

Anchorage Rail Depot

Whittier Dock
Improvement Study

For updates or comments on
these projects, visit the
Alaska Railroad website at
www.alaskarailroad.com

GLYNN TO BE CHIEF OPERATING OFFICER

Brings 20 years of rail experience

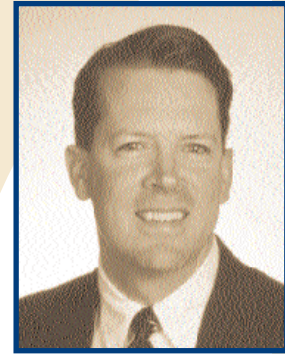
A long time employee of the Burlington Northern Sante Fe Railway (BNSF) will take over as chief operating officer of the Alaska Railroad in April. He will replace Loren Mueller who is stepping down at that time. Prior to moving to Alaska, Matthew Glynn most recently served as General Director of Line Maintenance in the Fort Worth Service Region. In that capacity, Glynn was in charge of operations and maintenance on 2,600 miles of mainline track. He was also responsible for safety, budget, train performance and personnel development for the track, structures and signal departments.

“Matt Glynn brings more than 20 years experience in rail maintenance and operations, and

has managed a region that sees a mixed use of freight, commodities and passenger service trains,” said John Binkley, chairman of the railroad’s board of directors. “We saw that as critical expertise for his position here.”

According to Glynn, his progressive positions with BNSF had him stationed in eight states, working in all types of terrain and weather conditions. “I have experienced all types of weather, from minus 30 degrees in North Dakota to 120 degrees in the Mojave Desert in California,” said Glynn, “but I’m sure I’ll break one of those extremes in Alaska.”

Glynn graduated from Michigan Technological University with a bachelor of science in civil engineering and has continued his education through a number of safety and quality assurance courses



Matt Glynn

and seminars. He has also worked extensively with both federal and state regulatory agencies.

“I’m very excited to be here and working for the Alaska Railroad,” said Glynn. “My wife and three boys are looking forward to seeing more of the state and getting the chance to sample the great recreational opportunities Alaska offers.”

NEW PRESIDENT NAMED

(continued from front page)

Knowles. “I’ve known and respected Patrick Gamble since his days with the Alaskan Command and welcome him back to Alaska as part of our administration’s team.”

Currently based in Hawaii, Gamble and his wife Ailese maintained their Alaska residency and a home in Anchorage. “My wife and I love Alaska and it has always been our

desire to return to the state,” Gamble said. “We are so excited to finally have the opportunity to make the move permanent. Meeting the Alaska Railroad employees only strengthened my belief that we have made the right decision.”

SCHEDULED OPEN HOUSES PROGRAM OF PROJECTS

Fairbanks Fairbanks Depot	March 8 4-7 p.m.
Seward Alaska SeaLife Center	March 15 5-8 p.m.

SAFETY HIGHLIGHTS FROM 2000

The Alaska Railroad finished the year 2000 with its lowest personal injury rate in more than a decade, and a train accident rate substantially below the national average. Company officials say that employee awareness and improved quality control procedures helped produce the record-setting performance.

"We're still aiming for a rate of zero injuries and zero accidents, and you get there through constant improvement," said Jerry Anderson, acting president. "We're very proud of the progress our employees are making. It's a team effort."

The national benchmark for injury measurement is the number of injuries for every 200,000 employee hours worked. The Railroad achieved a rate

of 5.9 per 200,000 hours last year, marking a nearly 45 percent reduction in the rate since the introduction of new safety management systems at the start of 1998.

In addition, the number of "lost work days" – days employees could not report due to an on-the-job injury – decreased by nearly 60 percent from 1999 to 2000. Anderson said that indicates that both the number of injuries, and their severity, are dropping simultaneously.



Finally, the Railroad finished the year with one of the lowest train accident rates in its recent history, coming in at under 1.0 train accidents per million train miles. The Railroad's average for the previous five years was between 4.0 and 5.0. While the national average for all carriers is 3.8.

"An improved focus on safety keeps our employees from getting hurt, and it keeps our neighbors along the line safe as well," said Anderson. "We're looking to do even better in 2001. We believe rail transportation is an economical, safe, and environmentally efficient way to carry all kinds of freight. And as a major passenger carrier, we expect ourselves to be nothing short of the safest railroad in the business."

RAILROAD SUPPORTS SPECIAL OLYMPICS

World Winter Games gets boost

When it was announced that Alaska would host the 2001 Special Olympics World Winter Games, the Alaska Railroad Corporation (ARRC) immediately volunteered to help make the event a success. The ARRC contributed charter trains and donated a number of excursions for fund-raising auction items in order to boost the Games' fundraising efforts.

The Railroad is also helping to organize the movement of people to various events. As an example, the historic Railroad depot on First Avenue will be used as the staging area for athletes and volunteers during the Special Olympic Games. This location was chosen by

the Special Olympics Committee because it is centrally located to Anchorage's downtown core and there is sufficient space for staging busses that will pick up and deliver athletes, their families and coaches.

In addition to corporate support, many Railroad employees are volunteering their personal time to help make Special Olympics a success. They are honored to be a part of the largest international sporting event in Alaska's history and look forward to watching the Games.



FREIGHT SALES UP FOR NEW YEAR

Freight activity for 2001 looks very promising, both in terms of new equipment and increased business.

The Railroad's newest barge demonstrated the value of its design by picking up nearly 30 hours of sailing time over the old equipment on just its second voyage. That translates into more reliable service for Railroad customers and in good weather, presents an opportunity to add extra voyages. With better speed and efficiency, the Railroad also has additional capacity without adding more equipment.

Its entry into service couldn't come at a better time. Increasing volumes of freight have forced the Railroad to run tandem tows with two barges and the addition of four charters to the schedule in order to keep up with demand.

The oil field business is starting to move forward at a quickened pace compared to the past two years. The pipe yard in Fairbanks is scheduled to produce more than twice the revenue of 1999 and almost ten times what the Railroad earned in 2000.

The gravel business is expected to grow relative to last year and possibly approach the record volumes the Railroad established in 1999. Trailer-on-flat-car (TOFC) sales are also growing, and a 5% increase in volume for the year is expected in that category.



The Railroad's new barge under way.

Williams Energy continues to increase the quantity of product they ship and their offshore market for Naphtha is looking strong. The Railroad is also working with Williams to design a loop track on their property which will greatly improve train movements and decrease traffic interruptions in the Ship Creek area.

Heavy equipment and lumber moves should be strong this summer in Anchorage due to increased construction. The Railroad began moving cement from Anchorage to Fairbanks last summer for the first time in more than a decade and it looks like that business will increase significantly this summer. All in all, it promises to be a busy year for the Railroad's freight department.

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2nd Quarter, 2001

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RAILROAD SEEKS SHARED VISIONS

CEO Patrick Gamble focuses on community partnerships

Community Ties up my thoughts about as succinctly as I am able to do it. Community partnering is my philosophy when it comes to working railbelt

issues with Alaska municipalities, boroughs and towns. How should that work? To begin, Alaska Railroad needs to be an integral supporter of your planning process, not viewed as an obstacle to be overcome on your road to progress. If we can partner with you in the planning process, then we become stakeholders in the decisions you make. In turn, that responsibility obligates us, as partners, to bring all our resources to bear to help you turn your community plans into action, into results, into progress.

I'll wager each of our organizations are busy creating "visions." And chances are good these visions tend to overlap along the railbelt. If we synchronize our visions and get on the same wavelength, we can avoid a chief source of gridlock and delay.

At the railroad, I am working with my team to emphasize "effects based thinking." We



Patrick Gamble

define the effects we want, emphasizing clarity. Next, we focus on the specific set of processes that will optimize the selected effects. Then we act. Effects drive processes, not the other way around. In this model, "studies" are not usually considered a measure of progress.

I am preparing the Alaska Railroad for a bright, busy future along the railbelt. But we cannot....and will not....try to go it alone. The Railroad needs to partner with state and municipal leaders in order to bring our resources to bear in a constructive way. Along those lines, we are willing to go more than halfway to resolve differences, if it moves us all toward the common goal. Your development should be in our plan. Our plan should compliment your vision. The most effective way to do that, in my opinion, is to share early on and to include the Railroad on your municipal technical advisory and planning groups.

I look forward to working with you for the betterment of your communities and for the State of Alaska as we shape the conditions for our success together.

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Reconnaissance Study

Seward Dock Improvements

Whittier Pedestrian Underpass

Anchorage-to-Wasilla
Track Realignment

Southcentral Commuter Study

Denali Depot Improvements

Anchorage and Fairbanks
Railyard Study

Ship Creek Improvements

Anchorage Rail Depot

South Anchorage Double Track

For updates or comments on
these projects, visit the
Alaska Railroad web site at
www.alaskarailroad.com

PROJECT CONSTRUCTION, PLANNING IN FULL SWING

Railroad continues capital improvements from Seward to Fairbanks

From Seward to Fairbanks, the Alaska Railroad Corporation (ARRC) is undergoing an ambitious capital projects program to improve facilities and infrastructure. With construction season in full swing, this program is literally taking shape and residents may notice the increased activity along the railbelt this summer.

Detailed descriptions of ARRC's projects are available on the Railroad web site:

<http://www.alaskarailroad.com>. Public

comments are welcome via

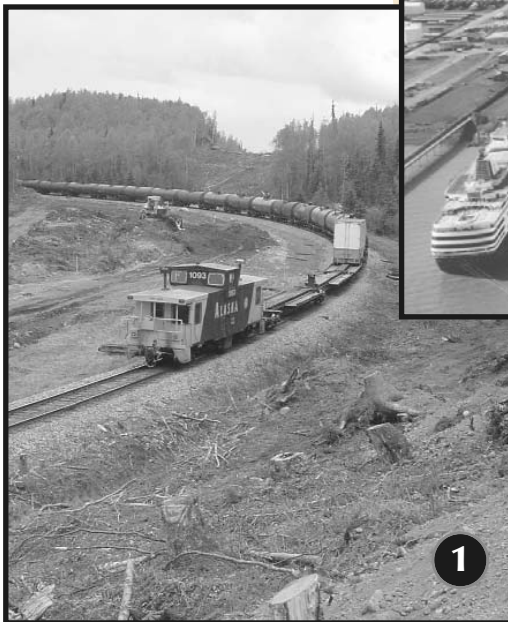
- e-mail — public_comment@akrr.com
- mail to Wendy Lindskoog
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, Alaska 99501
- Fax to (907) 265-2365. ●

IN THE INTERIOR

Denali Depot — Facility expansion includes a larger platform, a new access road and parking facilities, site landscaping, baggage handling shelters and two passenger queuing shelters. Construction contracts should be bid late this year.

Fairbanks Intermodal Facility — An environmental assessment of the project is underway. The project includes an intermodal depot adjacent to the railroad operation, an additional passenger mainline track, and a balloon track for easier train turn-around. The concept design should be complete this summer with the construction contract bid later this year.

Fairbanks/North Pole By-pass Reconnaissance Study — A study completed last December examined a \$90 million construction project to re-locate mainline track from the Fairbanks Airport to North Pole, thereby eliminating 48 road/rail crossings. The Railroad is seeking public input through a series of meetings and is examining additional route alternatives.



● **Anchorage-to-Wasilla track realignment projects are reducing track curvature and improving safety features at road crossings along the mainline track. Construction from the Anchorage railyard through Elmendorf Air Force Base is underway. Final design and construction on other segments is expected to start this summer. This series of projects is scheduled for completion in Fall 2003.**

● **In Seward, passenger and freight operations have been separated with a refurbished passenger dock and construction of a new freight dock.**

● **The new train station at Ted Stevens Anchorage International Airport should be ready to receive passenger trains as soon as next summer. Pictured above are concrete columns to support bridges over South Aircraft Drive and the airport's out-bound loop lane, as well as elevated track leading into the station. Bridges will be installed in the fall.**



YOU'VE JUST GOTTA RIDE THIS TRAIN!

Railroad delivers on destinations and expectations

A lot has changed since 1918 when the Alaska Railroad carried its first passengers by steam engine north from Seward to Anchorage. Today, Alaskans still rely on rail for transportation. And for those seeking a truly Alaskan experience, rail travel is as much about the adventure as it is the destination.

Many Alaskans take advantage of the Railroad's "flagstop" service between Talkeetna and Hurricane Gulch. The only flagstop service in the nation, this

operation provides a vital transportation link for rural Alaskans traveling to favorite fishing holes, remote cabins and other adventure spots along a 55-mile stretch. The service runs Thursday through Sunday during the summer.

For those who want to see it all, there's a new summertime special showcasing Interior Alaska via a 4-day, 3-night journey from Anchorage to Denali National Park and Fairbanks. This rail-up, fly-back, all-inclusive package is just \$599 per person (a 15% discount), based on double occupancy. The offer is valid through September 15, 2001.

With all of its spectacular destinations — Seward, Whittier, Anchorage, Wasilla, Talkeetna, Denali and Fairbanks — the Alaska Railroad offers many ways to enjoy and transit Alaska. Guests can build their own multi-day itineraries that include overnight accommodations and a wide variety of optional excursions, such as flightseeing, fishing, river rafting, etc.

Call the Alaska Railroad for more information at (907) 265-2494 or (800) 544-0552. Visit the web site at www.alaskarailroad.com. ●

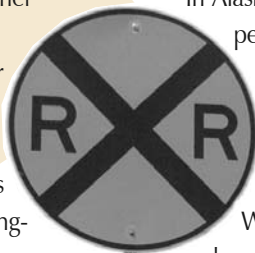
PEOPLE AND TRAINS: AVOIDING AN ACCIDENT

Wishing Alaskan neighbors a safe summer

If fishing, hiking or other outdoor activities should take you near railroad tracks this summer, please consider these words of wisdom from a long-time railroader,

"Railroad equipment is big and heavy, none of it stops real fast, and if you put yourself in front of it, the results are obvious."

National statistics confirm the magnitude of danger existing when people mix with trains. Each year nearly 500 people are killed and another 450 are injured while trespassing on railroad tracks.



In Alaska, during the past year, a pedestrian was killed when he was struck by a train near Talkeetna, and a woman was seriously injured when her snowmobile was struck on the track near Wasilla. There were also many close-calls between trespassers and trains. More facts to consider:

- People cannot always hear trains approaching, and if you are on an ATV it's almost guaranteed you won't hear an approaching train, nor its 100 decibel horn.
- A fully loaded freight train traveling 49 miles per hours (a common train speed in open country) can take more than a mile to stop.
- Danger exists even if you not on the track — freight trains can have loose metal banding that could strike people near the track.

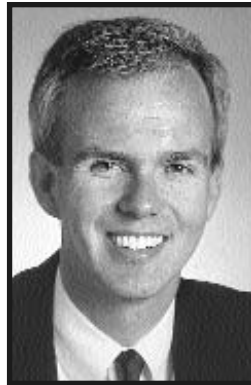
- If a locomotive engineer applies the emergency brakes in an attempt to avoid hitting you if you are on the track, it substantially increases the risk of a train derailment, endangering the crew, passengers, and anyone near the track.
- Trespassing on railroad property is a Class B misdemeanor punishable by 90 days in jail and a \$1,000 fine. The Alaska Railroad property generally extends 100 feet on each side of the track.
- Railroad special agents and local law enforcement officers patrol and watch the tracks for trespassers.

The men and women of the Alaska Railroad wish you and yours a safe summer, full of good times and good memories. ●

NEW CHIEF FINANCIAL OFFICER NAMED

Railroad welcomes experienced CPA

The Alaska Railroad Corporation (ARRC) recently named Bill O'Leary as Vice President Finance and Chief Financial Officer. He will head the Financial Division, which is responsible for the railroad's accounting and cash management, purchasing and materials management functions.



Bill O'Leary

"With Bill's financial expertise and prior railroad experience, he'll hit the ground running," said Pat Gambell, ARRC President and CEO. "Through his work with the state the past 13 years, Bill gained invaluable insight into the whole gamut of railroad activity – from corporate operations, fiscal administration and

regulatory compliance, to real estate transactions, vendor contracting, capital project oversight and public interaction."

While O'Leary was employed by the state's Division of Legislative Audit, he was the supervising auditor on all ARRC reviews conducted between 1990 and 1998. As controller for the Alaska International Airport System since 1998, he addressed many fiscal challenges faced by another self-sustaining, state-owned transportation operation.

Raised in Fairbanks, O'Leary is a veteran certified public accountant. He graduated from Monroe High School and earned a bachelors degree in accounting from UAF. ●

DID YOU KNOW? ARRC IS NOT "LIGHT" OR "HEAVY"

In discussing urban and suburban public transportation one often hears references to "light" and "heavy" rail. Light refers to systems like those utilizing street cars, as Portland does in the downtown area, while heavy refers to subway or elevated train systems, like Boston, New York, and Washington, DC. The Alaska Railroad is considered "commuter" rail and, as such, is governed by the Federal Railroad Administration (US DOT).

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FREIGHT OPERATIONS ON THE RISE

ARRC hauls more fuel, pipe, groceries, gravel than last year

A marked jump in freight operations over the last 12 months is indicative of the Alaska Railroad's position as a vital artery for the state's economic development. The Railroad posted a 19% gain in freight-based revenues from August 2000 to August 2001.

ARRC's Alaska Rail Marine joint venture with Seattle-based partner Lynden is paying big dividends. The barge-rail service grew 37% since last August. Increased demand relates directly to increased activity on the North Slope.

Trailer-on-flat-car (TOFC) service is up 12%, thanks in part to a new contract with a

Petroleum movement is up 8% from the same time last year. The Railroad typically hauls over 100 tank cars per day from Williams Alaska Petroleum's North Pole refinery, south to the Port of Anchorage. Safety and efficiency should improve further once construction of a loop track around William's port facility is complete.

Booming construction in south central Alaska pushed gravel operations to one of the historically highest levels. Escalating demand may require more hopper cars to be added to the fleet.

Coal was the only commodity to experience a downturn this past year. Finding more efficient ways to move coal overseas will be key to expanding the

export business to Korea and other markets. In-state coal movement also slowed in 2001, largely due to Fort Wainwright's closure from April to October to rehabilitate its facilities. As the installation re-opens,

the Railroad expects modest growth in this sector. ●



Tank cars leased by Williams Alaska Petroleum.

major grocer. This contract has spurred interest among other shippers, building the potential for future growth in this sector.

Alaska Railroad
Ongoing Projects:

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Fairbanks/North Pole Bypass
Reconnaissance Study

Whittier Equipment
Maintenance Facility

Anchorage-to-Wasilla
Track Realignment

Southcentral Commuter Study

Denali Depot Improvements

Anchorage Yard Expansion

Ship Creek Improvements

Improved Sidings & Signals

Avalanche Control System

South Anchorage Double Track

For updates or comments on
these projects, visit the
Alaska Railroad web site at
www.alaskarailroad.com

CAPITAL PROJECTS IMPROVE OPERATIONS, SAFETY

Yard expansion, equipment and facility upgrades to benefit customers



- 1 Three passenger locomotives, sent outside for power upgrades, returned to duty late this summer.
- 2 Part of the bluff bordering the Anchorage Rail Yard is being excavated to relieve crowded operations, by making room for additional track and improved landscaping.
- 3 The new siding at Pittman (north of Wasilla) was finished this summer, adding a turnout lane for passing trains.

- 4 The bridge over the Anchorage International Airport outbound lane will be installed prior to Spring Break 2002.
- 5 Construction got underway on the 5-mile double track project in South Anchorage. Of the four bridges along the stretch, only the bridge over Campbell Creek needs new construction (planned for winter 2001-02) to accommodate a double track.

ARRC RELEASES DRAFT COMMUTER RAIL STUDY

Analysis looks at market, infrastructure, costs and funding issues

The Railroad has released a draft of its *South Central Rail Network Commuter Study & Operations Plan*. The study, prepared by Wilber Smith Associates with Harding Lawson Associates, Debbie Bloom Consulting, Nancy Whelan Consulting and Craciun Research Group, offers a comprehensive look at developing the potential of a commuter rail system. Issues addressed by the study include funding, ridership,

operations, infrastructure, and management. Electronic copies of the draft study are on-line at www.AlaskaRailroad.com. To obtain a hard copy please call Stephenie Wheeler at 265-2671.

The deadline for public comment is Wednesday, Oct. 31. Once public comments are considered and incorporated into the study, ARRC's Board of Directors will approve the final draft and forward it to the Federal Transit Administration. ●

TANK CARS GET SAFETY OVERHAUL

Derailment risk reduced for rail cars carrying fuel

Thanks to a cooperative effort with the Alaska Railroad, 274 of the 409 tank cars leased by Williams Petroleum Alaska underwent repairs this summer, significantly reducing the risk of derailment.



Rail car “trucks” (i.e. the assemblies which hold the wheels) were the focus of repairs. Wedges fit into the truck assembly and act as shock absorbers, dampening the effect of bumps. This prevents the wheel from bouncing off the track.

During a derailment risk assessment performed this spring, inspectors discovered more wear than expected on a number of these wedges, alerting them to the need for truck repair or replacement. This was accomplished during July and August.

Owned by GATX, the cars each hold from 24,000 to 26,000 gallons of fuel. The Railroad moves over 100 tank cars per day, hauling fuel from Williams’ North Pole refinery to the company’s port facility in Anchorage. ●



A GATX contractor repairs a worn tank car truck. Truck assemblies hold the rail car wheels. Nearly 70% of the 400+ fleet of tank cars leased by Williams were repaired or replaced this summer.

ARRC'S LEASE HANDBOOK

ARRC has published a new Lease Handbook, giving community leaders, planners and commercial parties a guide to the process and opportunities specific to leasing Alaska Railroad lands.

Much of the ARRC’s land supports rail operations and provides the mainline right-of-way from Seward to Fairbanks. The remaining land is available for commercial and community use through leases and permits.

The handbook provides information regarding the lease process and the timeline associated with a lease application. It also lists application requirements for commercial leases and public leases.

The Ship Creek area in Anchorage and Chena Landing area in Fairbanks are prime for business development. Leasable land in Seward could provide an ideal foundation for tourism entrepreneurs. In addition, there are a number of areas affording industrial opportunities as facilities and business ownership changes hand.

The handbook is available at www.alaskarailroad.com. For more information, call the Real Estate Department at (907) 265-2670 .

FREIGHT, PASSENGER DEPARTMENTS CONSOLIDATE

Veteran marketing, logistics executive heads new organization

The Alaska Railroad recently combined its Marketing & Logistics Department with its Passenger Services Department to form the new Markets, Sales, and Services Division. Steve Silverstein, who led the Marketing & Logistics Department, was named Vice President of the new division.



Steve Silverstein

for freight and passenger trains. The Markets, Sales, and Services Division will be located in the Railroad Depot offices at 411 West First Avenue.

“Steve’s strong track record in the transportation and logistics field is a valuable asset to the Railroad,” Gamble said. “He has played an important role on our team, which has boosted ARRC revenues to record levels. Steve’s leadership of our new division will help the Railroad achieve its strategic goals.”

“Consolidation of our freight and passenger services will enhance coordination of marketing & transportation services, and our sales efforts,” said Pat Gamble, ARRC President & CEO. “Improved coordination will lead to efficiencies in the division and consistency in marketing efforts on both the local and national level.”

The organizational change centralizes consumer interface within one location, and improves scheduling activities

Silverstein has over 20 years experience in logistics and transportation management, and is one of three certified members of the American Society of Logistics in Alaska. He serves on the Council of Logistics Management, and is a member of the Anchorage Chamber of Commerce transportation committee and the Statewide Intelligent Transportation Systems steering committee. ●

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4th Quarter, 2001

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YEAR IN REVIEW

ARRC pursues vital role in state's economic development

by Patrick Gamble, President & CEO

Reflecting back on 2001, the Alaska Railroad Corporation (ARRC) spent tremendous time and resources to bolster its role as a vital artery for Alaska's economic development. We vigorously pursued safe, responsive and financially sound operations so the Railroad can be the kind of partner the state, communities and businesses can depend on for growth.

To that end, ARRC made every effort to serve more customers and increase revenues. We brought new services online. We enhanced environmental protection measures, coordinated community planning, and took many capital projects from the planning stage to construction.

Customers & revenue. Real estate proved to be a star performer. Gross revenues topped \$10 million for the first time — up from \$9.28 million last year. Freight revenue is also on a record-breaking course to surpass \$80 million. Gravel was up, oil field freight exceeded expectations and a record number of fuel cars were hauled from North Pole, breaking several daily, weekly and monthly thresholds. Passenger numbers were up slightly as well. These revenue streams are the backbone of our work force and our services.

New services. Part of our freight-end success is due to a partnership established last year with Lynden to provide barge service between the Lower 48 and our dock in Whittier. On the passenger side, we established the *Grandview* train to deliver direct Seward-Anchorage service for cruise ship customers. A new web-based passenger reservation system goes on-line by the end of 2001, promising Internet convenience for customers and global exposure for the Railroad.

Environmental measures. The Railroad significantly enhanced emergency and spill response through new equipment, employee training, and an overhaul of our spill response plan. Crafted to meet new state regulations, the plan has been filed with the Department of Environmental Conservation and will be available for public review in January. ARRC also joined Alaska Chadux Corporation, a primary spill response co-op, to augment internal spill response capabilities.

Community involvement and planning. Our people have worked hard to better coordinate our planning efforts with the communities we serve. ARRC will soon be named an official member of the Anchorage Metropolitan Area Transportation Study (AMATS) Technical Advisory Committee

(continued on page 3)

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Fairbanks/North Pole Rail
Relocation Study

Whittier Equipment
Maintenance Facility

Anchorage-to-Wasilla
Track Realignment

Southcentral Commuter Study

Denali Depot Improvements

Anchorage Yard Expansion

Ship Creek Improvements

Improved Sidings & Signals

Avalanche Program

South Anchorage Double Track

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STATE-OF-THE-ART AVALANCHE DETECTION

Newly-installed prototype ready for winter duty

The job description for those installing the Alaska Railroad's new state-of-the-art avalanche detection system reads like a James Bond help wanted ad:

Seeking physically fit applicants capable of hiking long distances on steep terrain (45 degrees) with considerable vertical gain (2,600 feet above the track). Job may require applicant to spend nights on remote mountain sites without helicopter support. Previous mountaineering experience a plus.

Project supervisor Dave Hamre hand-picked a team of such rugged professionals this summer. Their mission: improve the Alaska Railroad's existing avalanche risk management system, and reduce risk to travelers, railroad and highway personnel, and communities.

The Railroad's Avalanche Program includes a series of projects from installing early detection systems and building new weather stations, to positioning remote-controlled blaster boxes and developing a multi-agency forecaster network.

The prototype avalanche detection system borrows technology used by Swiss Rail (Switzerland) and is the only



A blaster box is installed by an avalanche path near Girdwood.

system of its kind in the U.S. It employs three mountainside stations that sense movement when an avalanche releases, and then triggers an alarm.

The Railroad just completed several new weather stations and enhanced existing stations along the avalanche-prone route from Girdwood to Moose Pass. Information from these stations is processed by new groundbreaking software. The Railroad, Alaska Dept. of Transportation & Public Facilities, and Alyeska Resort now have access to the software, timely weather forecasts, avalanche observation data, and tools such as Doppler Radar and weather maps.

Also recently completed was the installation of precision blaster boxes and additional howitzer guns — devices used to trigger small snow slides to avert full-scale avalanches. ●

NEW RESERVATION SYSTEM ONLINE

Software affords Internet perusal and purchase

The Railroad's new flexible, automated passenger reservations system is up and running. By the end of the year, travelers will have instant access to train schedule, package and tour information, and the ability to pay online via www.AlaskaRailroad.com.

"We will have a much easier time responding to marketing needs and feedback from our customers with this software." said Steve Silverstein,

VP of Markets, Sales & Services. "I am impressed with the opportunities we have for tracking information as well as offering flexible pricing and packaging options."

Developed with proven expertise, *RailRes 2000* software was bought from FSS Travel & Leisure Systems, a leader in developing affordable systems for railroads worldwide. The system can accommodate current and projected needs, and capitalizes on consumer demand for Internet information and transactions. ●

OPEN HOUSES TO SHOWCASE PROGRAM OF CAPITAL PROJECTS

Anchorage Anchorage Depot	Jan. 9 4-7 p.m.
Fairbanks Fairbanks Depot	Jan. 16 4-7 p.m.
Wasilla Lake Lucille Inn	Jan. 23 4-7 p.m.
Seward	TBD

Includes overview of ARRC's proposed program of capital projects for 2002, individual project displays, fact sheets, and door prize drawings!

ARRC 2002 OFFICIAL PRINT READY FOR RELEASE

Annual Alaska Railroad rendition proves popular as collector's item



"My up-close and personal approach to the painting demanded much detail and accuracy," said Dubac. "The foreground wildflower focus adds extra blasts of color to 'big blue & gold' charging through the Portage-to-Potter blend of scenery."

Dubac will be on hand to sign prints and posters in the Anchorage Depot noon-2 p.m. on Saturday, Jan. 5, and in the Fairbanks Depot noon-2 p.m. the following Saturday, Jan. 12. About 4,500 posters and 750 prints are made and are on sale at the depot ticket windows in Anchorage and Fairbanks. Posters cost \$25 and prints are \$50.

The first official Alaska Railroad painting was produced in 1979 by John Van Zyle. Since then, the annual rendition (except 1984) has evolved into a popular collector's item, with requests coming from all over the world. ●

The Alaska Railroad's annual print is on schedule for a January release. Painted by Anchorage artist Debra Dubac, this year's image depicts two SD70 MAC locomotives pulling interline freight on the trip from Whittier to Anchorage. Dubac and the painting are pictured above.

(continued from front page)

(TAC) and has also been included in the Fairbanks Metropolitan Area Transportation Study TAC. We are working with several other groups, including the Anchorage Chamber of Commerce, Anchorage Economic Development Corporation and the Alaska 20/20 effort, to ensure the Railroad's vision complements and supports the overall plans and strategies developed by our state and municipalities.

Capital Improvements. Since 1996, federal funding has laid the groundwork for building a more safe, efficient Alaska Railroad. This year, we saw many years of planning materialize as construction got underway on several projects, some of which were completed. The new freight dock in Seward is up and running, track was straightened on Elmendorf Air Force Base, double track is nearly complete in south Anchorage, new sidings were constructed along the rail line, and an improved avalanche detection and prevention system was installed.

Looking Ahead. Expect the Railroad to maintain the momentum. For example, new intermodal depots at Denali, Fairbanks and the Anchorage airport will greatly enhance passenger service and safety. Ongoing efforts to straighten track and automate train traffic control systems will increase our efficiency and speed. As we continue to modernize infrastructure and hone operations, the Railroad will become more valuable as a partner Alaska can depend on. ●

WINTER SPECIALS

Details on these great Winter Specials are on the ARRC web site — www.AlaskaRailroad.com.

Borealis Bound Weekend Getaway

A complete weekend excursion! Bus to Talkeetna, rail to Fairbanks, fly back to Anchorage. Lodging in Talkeetna and Fairbanks included. — \$325 per person

Aurora Winter Rail Special

One-way rail to Fairbanks, overnight and return flight to Anchorage via Alaska Airlines — \$239 per person

Saturday Stowaway Special

Round-trip rail to Talkeetna and overnight at the Talkeetna Alaskan Lodge — \$139 per person.

For reservations call 265-2494; or 800-544-0552 outside Anchorage.

THE RAILROAD WISHES ALL A HAPPY HOLIDAY

Railroaders all along the line send holiday cheer to customers, communities



*Cheryl Sautel
Executive
Secretary*



*Greg Wyatt
Carman*



*Diana Brake
Project Manager*



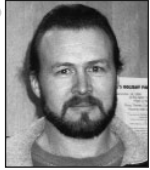
*Gerald Valinske
Conductor*



*John Leis
Baggage Handler*



*Willow Peyton
Business
Systems Analyst*



*Steve Perkins
Fairbanks
Equipment
Operator*



*Pam Dotomain
Receptionist*



*Rich Holzapfel
Fairbanks
Track Forman*



*Stephan Kester
Dispatcher*



*Chris
Anderson
Real Estate Leasing*



*Davy Registe
Engineer*



*Steve Love
Healy
Roadmaster*



*Rodney Frank
Conductor*



*Paul Gangstad
Anchorage
Safety
Technician*



*Heather Stone
Seward Station
Supervisor*



*Anabel Chavez
Administrative
Assistant*



*Pat Gamble
President/CEO*



*Sally Vanderstarre
Fairbanks Ops
Support*



*Robbie Casey
Fairbanks
Carman*



*Jim Murphy
Fairbanks Signal
Technician*



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