

# The Alaska Railroad

An Update: Why we're in the news.

Presentation to  
Resource Development Council

by  
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President and C.E.O.

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[AlaskaRailroad.com](http://AlaskaRailroad.com)



# Operation Life Saver

ALWAYS  EXPECT A TRAIN

*Stay Off. Stay Away. Stay Alive.*



**OPERATION  
LIFESAVER®**



# Why we're in the news



- The business we're in
- Projects
- Financial shortfall
- Tackling the challenge

# FREIGHT SERVICES



**Oilfield Supplies**



**Petroleum Products**



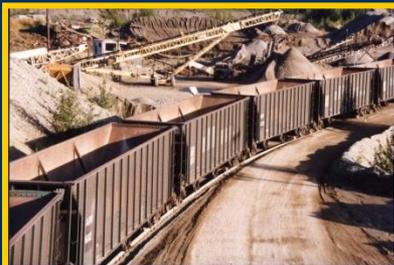
**Military**



**Coal**



**TOFC/COFC**

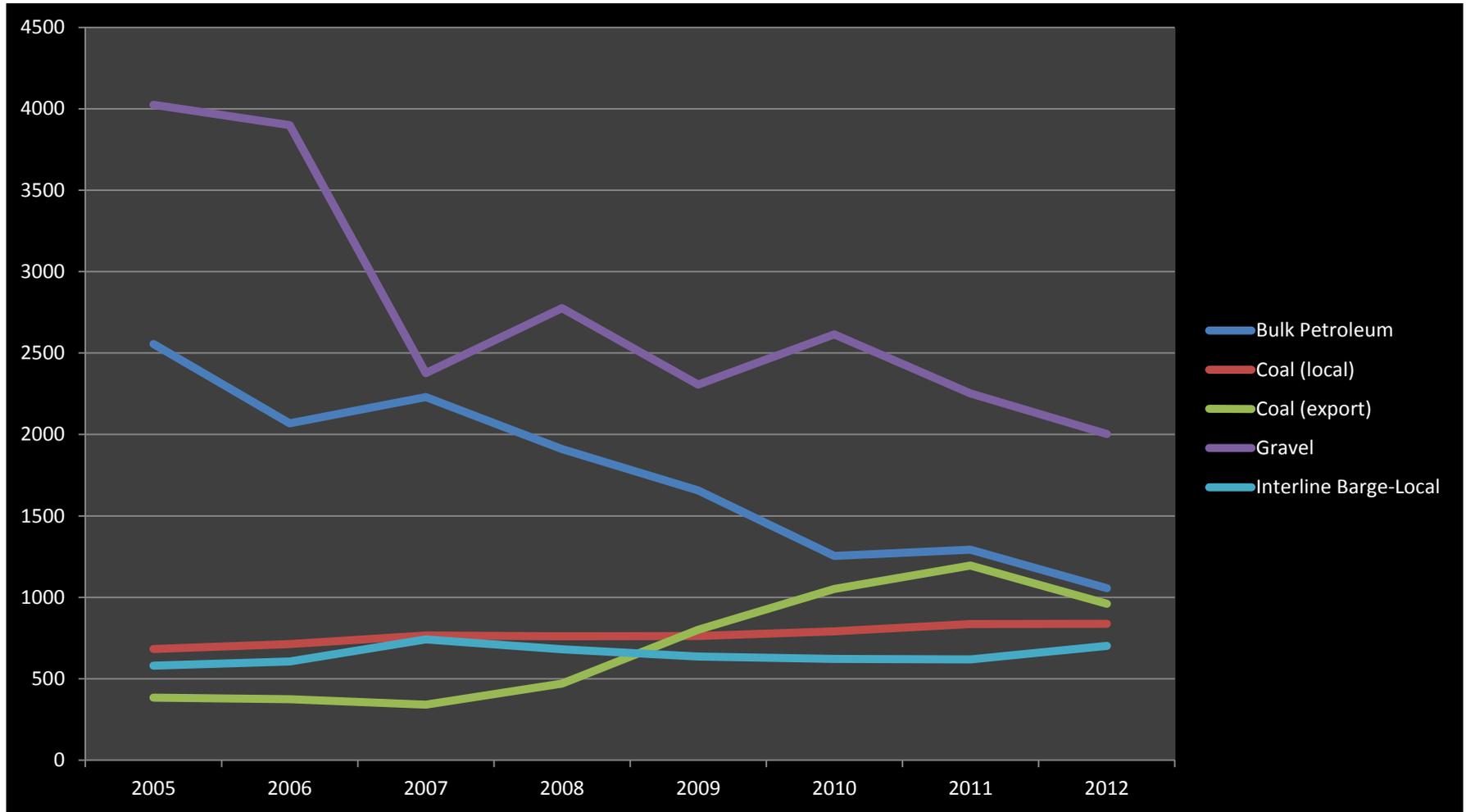


**Gravel**



**Intermodal**

# Freight 2005-2012 (thousands of tons)



# 2012 Freight Facts

- 57,250 railcars moved 5.6 million tons
- Accounted for 67% of customer revenue
- Intermodal, Interstate, Interline and International
- Longest Rail-Haul in North America
  - Alaska Railroad from Seattle to Fairbanks
    - 1815 Miles
  - Interline service from Panama City, Florida to Fairbanks
    - 4842 Miles



# Real Estate

- Property Development
- Leases and Permits
- Dockage and Wharfage
- Facilities Maintenance and Management
- Approximately 36,000 acres



**Clockwise from bottom left: Fairbanks depot; Ship Creek basin includes highly valuable leasable land; upland from the Seward freight dock is being developed**

# PASSENGER SERVICES

## Summer



## Winter



### Daily Service

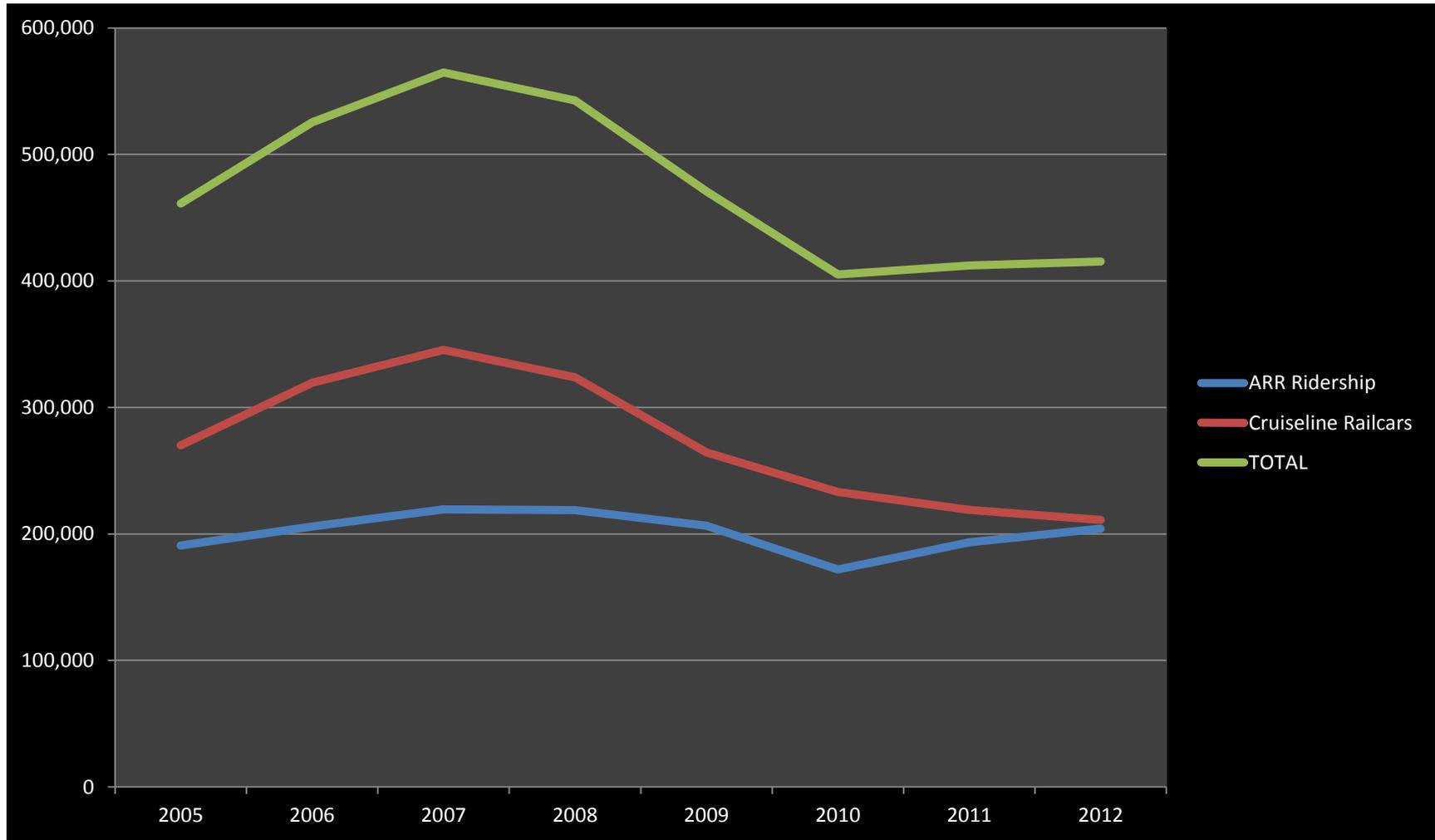
Mid-May to Mid-September



### Weekend Service

Mid-September to Mid-May

# Passengers 2005-2012



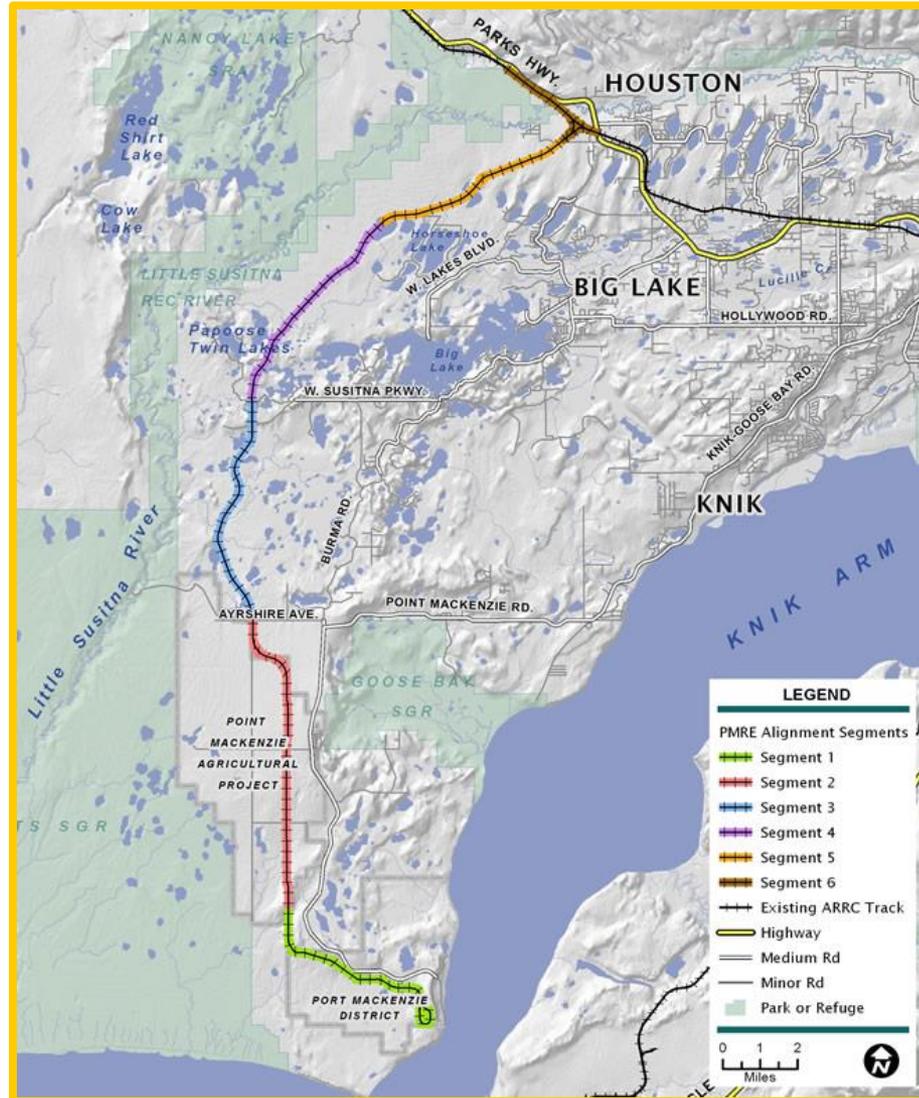
# Engine 557 Restoration



# Northern Rail Extension



# Port MacKenzie Rail Extension



# Litigation

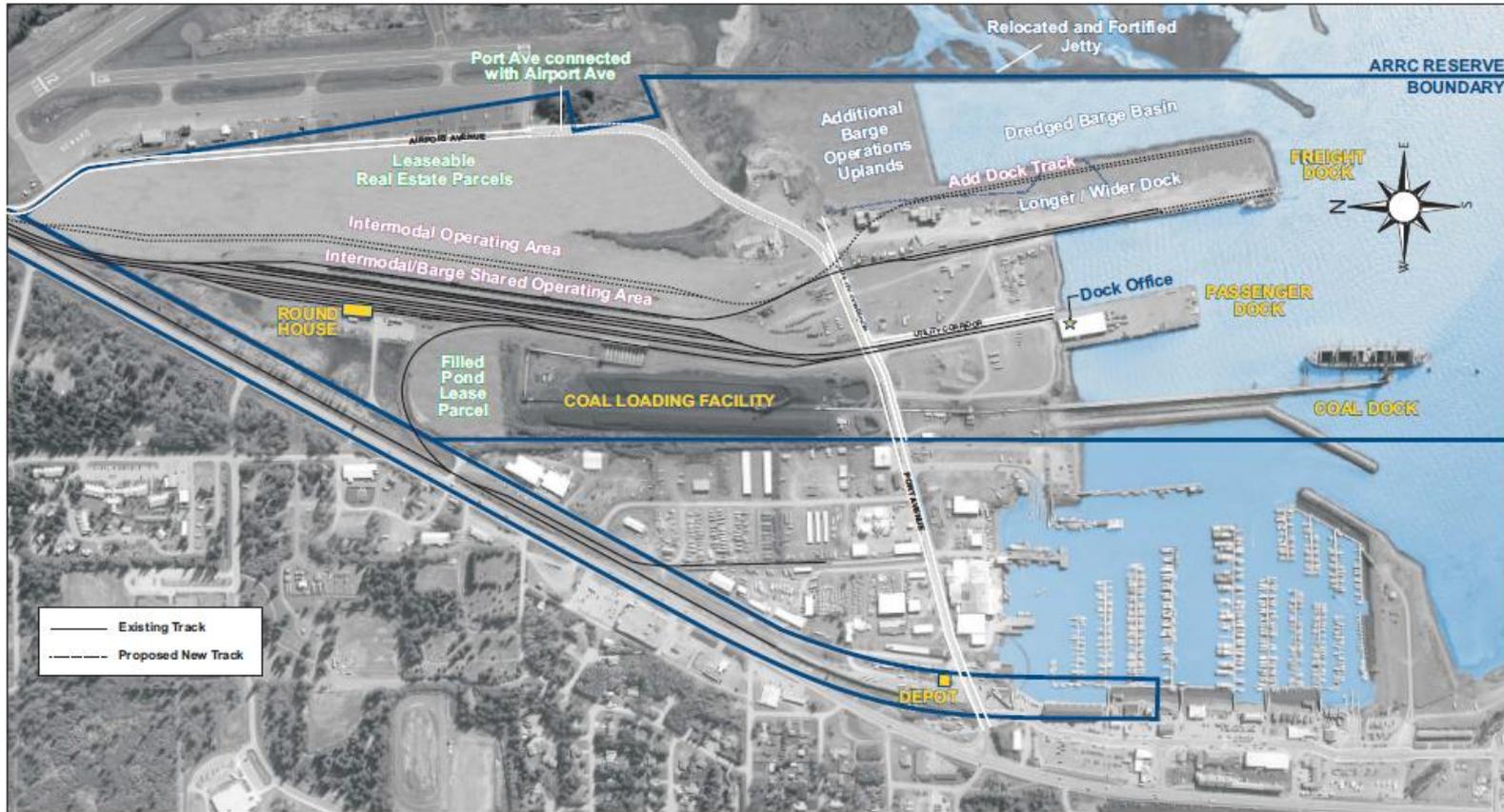
- Port Mackenzie
  - Cook Inlet Keeper, Sierra Club and Alaska Survival
  - First suit against Surface Transportation Board
    - Denied by 9<sup>th</sup> Circuit Court
  - Second suit against Army Corp of Engineers
    - Allege violations of Clean Water Act
    - 9<sup>th</sup> Circuit denied preliminary injunction
    - 9<sup>th</sup> Circuit denied motion to enjoin construction



# Seward Master Plan



# Seward Master Plan



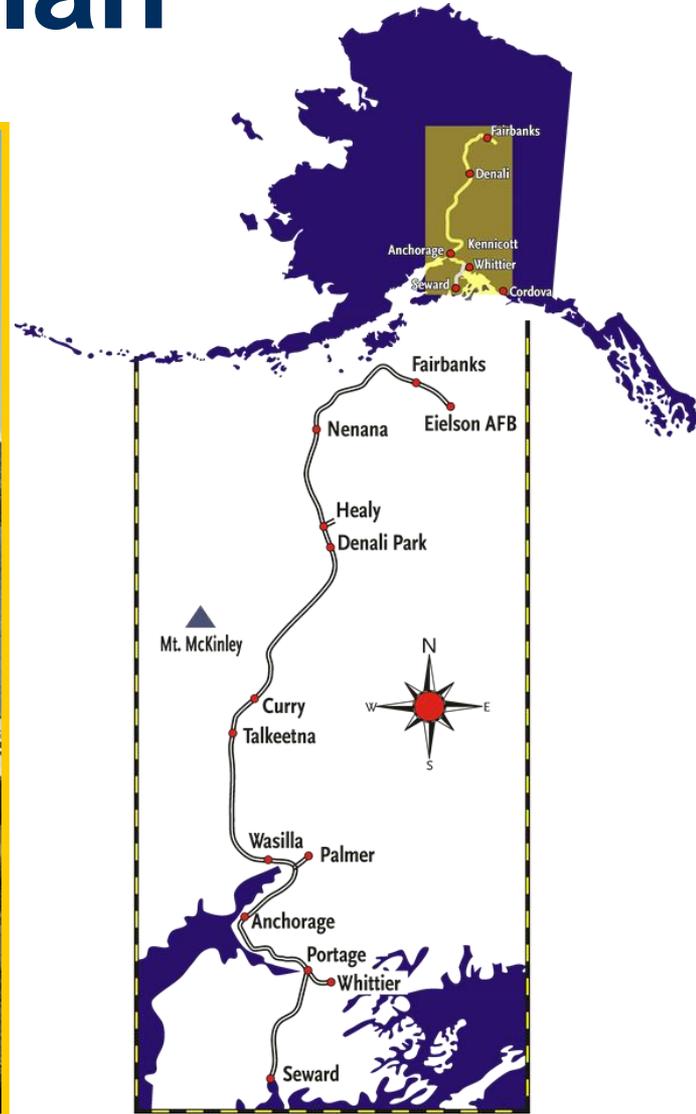
- Waterfront Development: Wider/Longer Freight Dock, Dredged Basin, Relocated Jetty, New Uplands
- Leaseable Real Estate Development for Commercial and Light Industrial Uses and extended Port Avenue
- Intermodal Development: Expanded Intermodal Operating Areas, and Additional Track
- Increase rail operating area by about 30 acres and increase dock/lease area also by about 30 acres

# Litigation

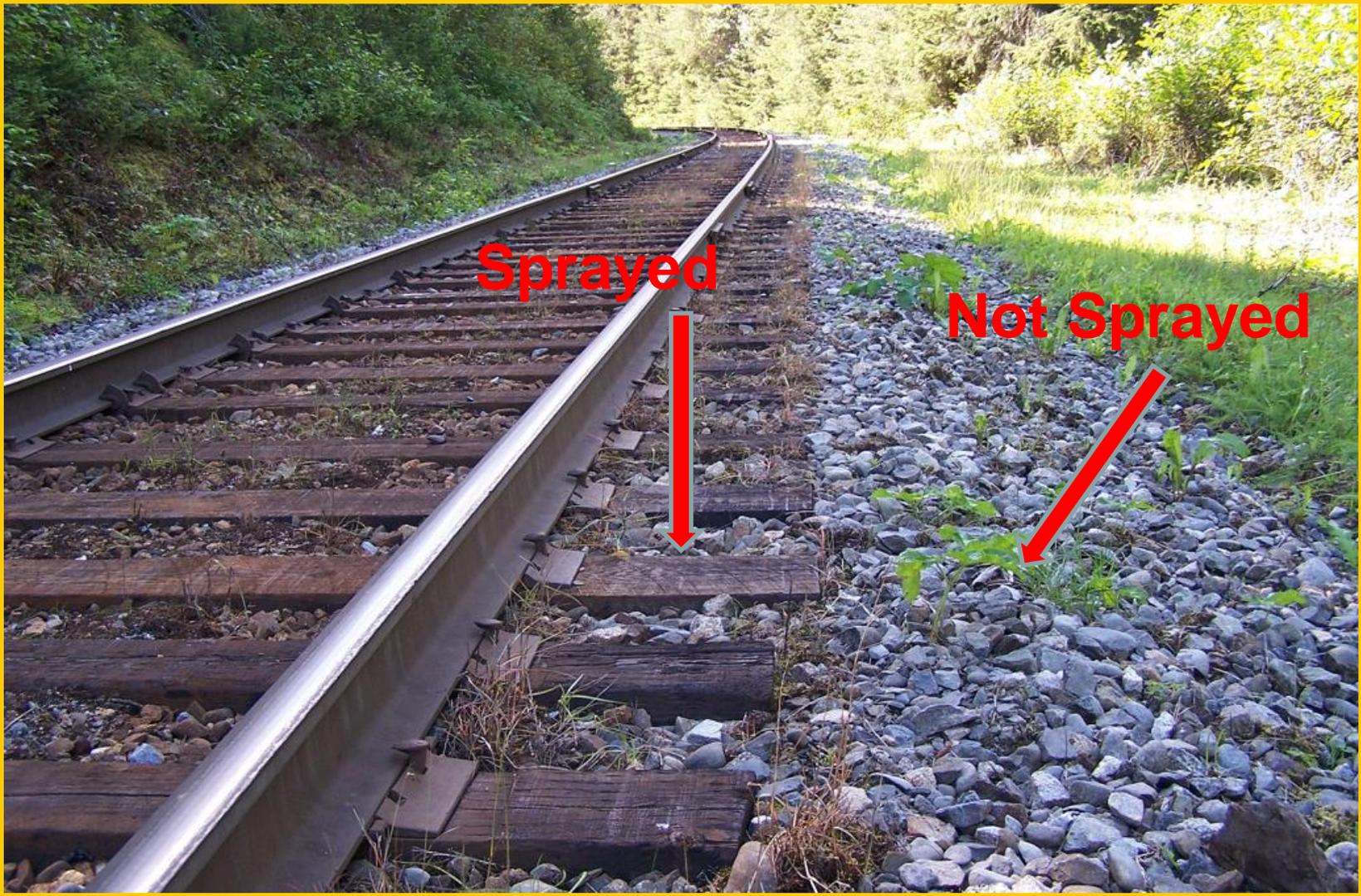
- Seward Coal
  - Sierra Club v. ARRC & AES - 2009
  - Federal District Court
  - Alleges violations of the Clean Water Act
  - EPA tried to intervene for Sierra Club at the last minute
  - Judge denied EPA intervention and motions
  - Judge dismissed 2 of 3 claims and most of the 3<sup>rd</sup>



# State Rail Plan



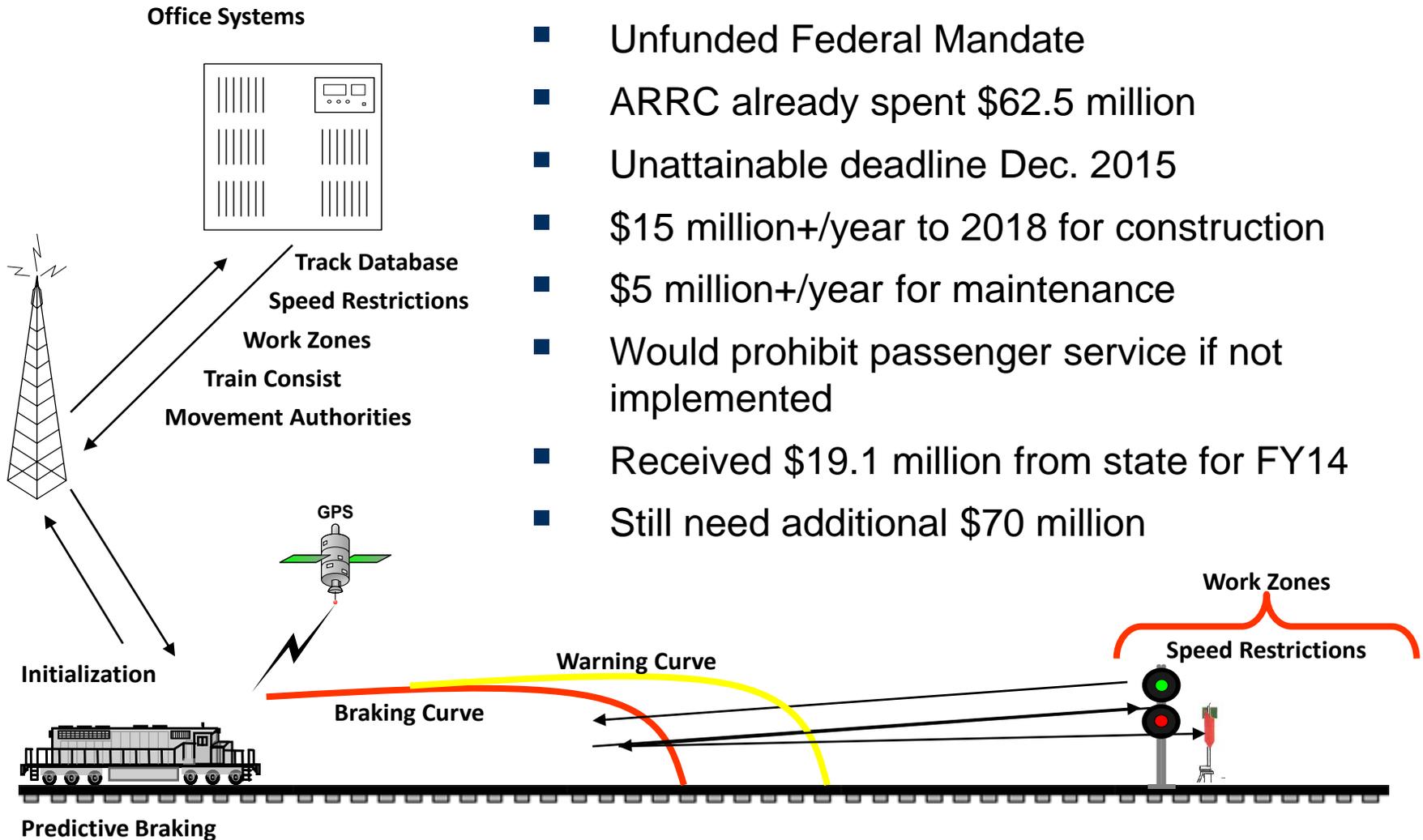
# Regulations



# FTA Formula Funds

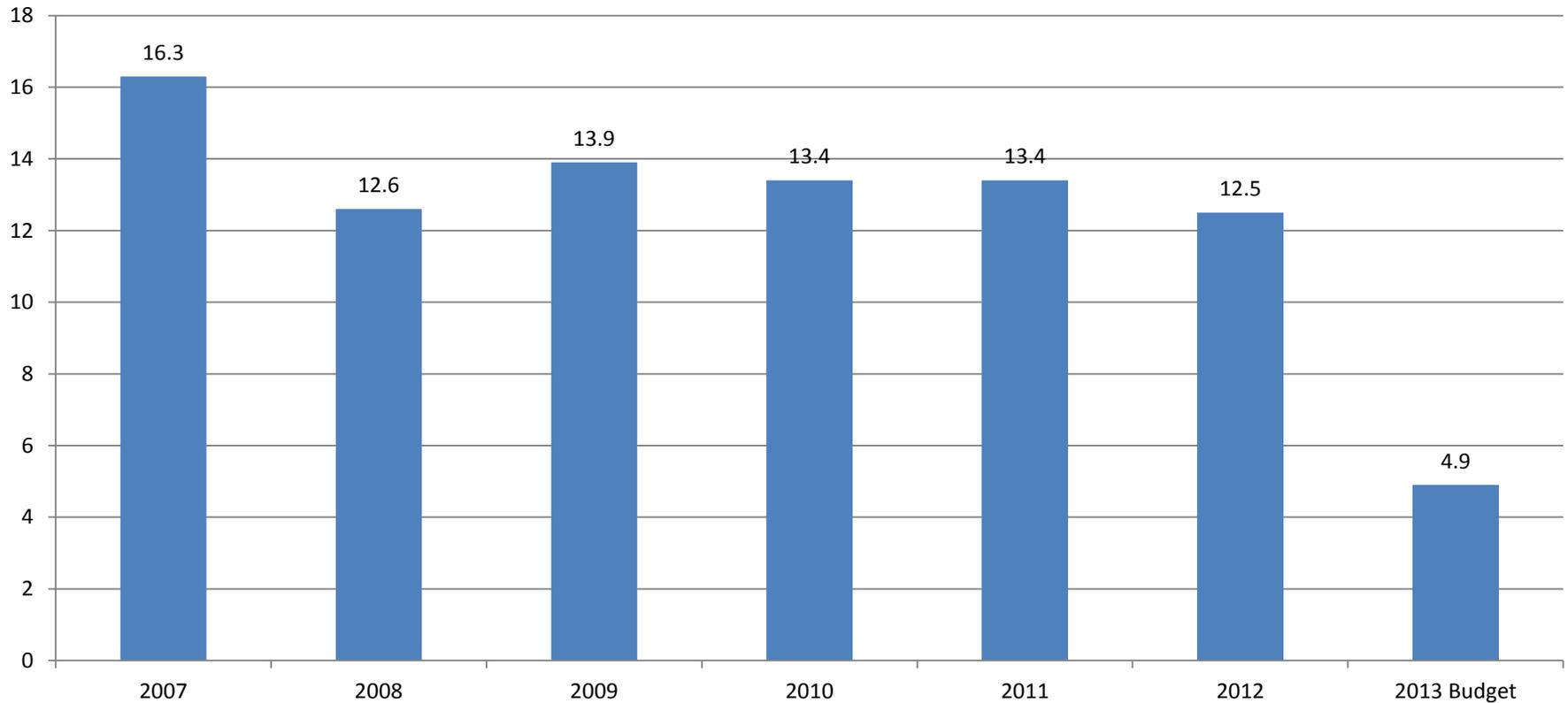


# Positive Train Control

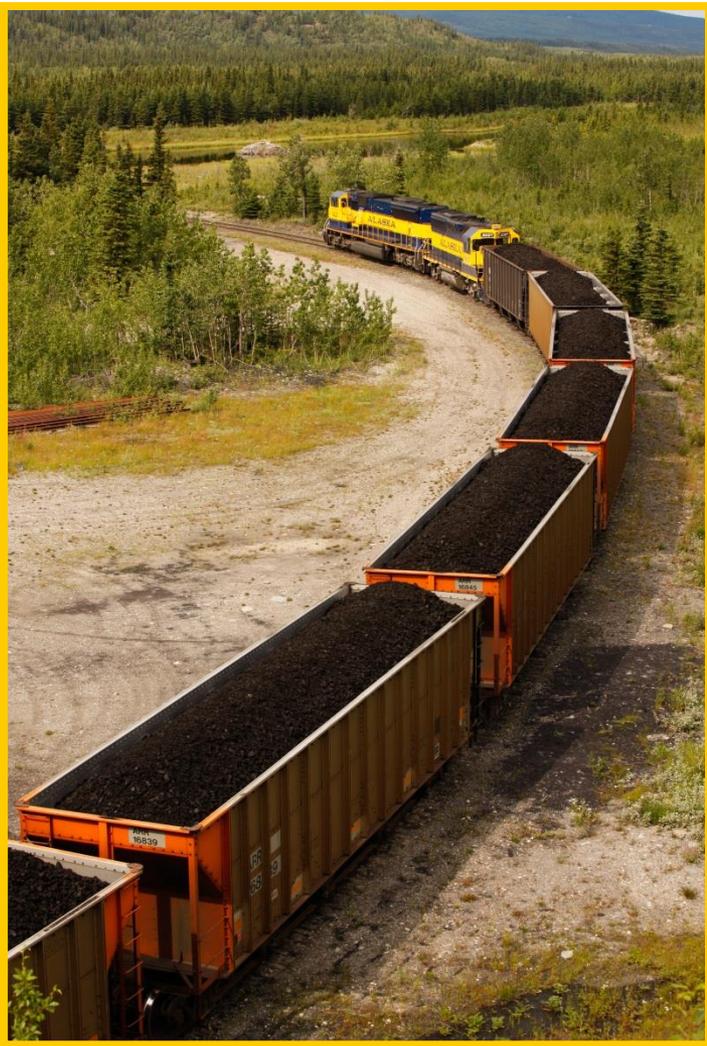


# ARRC Net Income

(in \$ millions)



# Topline Opportunities



- New Flint Hills contract with State of Alaska
- Seward Master Plan
- Double Stacks
- Corridors to resources
  - Include rail, road, utilities, pipelines, etc.
  - Can build road to railroad geometry
- MEA Generator Move

# Topline Opportunities

- Intermodal, Interstate & International Shipping
  - Supplies for exploration, drilling and development
  - OCS, ANWR, NPR-A Pipelines
  - Natural Gas Pipeline
- Pipeline on Rails
  - LNG
  - Crude Oil
  - Refined Oil
- Renewable Energy Development
  - Watana-Susitna Dam
  - Future Wind Projects
- Coal



# Reducing Costs

- 54 Positions eliminated – 8% of ARRC work force
  - 25 unfilled due to Nov 2012 hiring freeze
  - 29 individuals let go
- 20 management positions – 12% of management
  - 37% of total cuts
  - 2 Vice President and 5 Director positions eliminated
- 300 positions cut since 2008
- Streamline Operations
- Ensure the Railroad doesn't look different from the outside

# Bright Spots



# The best way to see Alaska

20% off for Alaska Residents



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