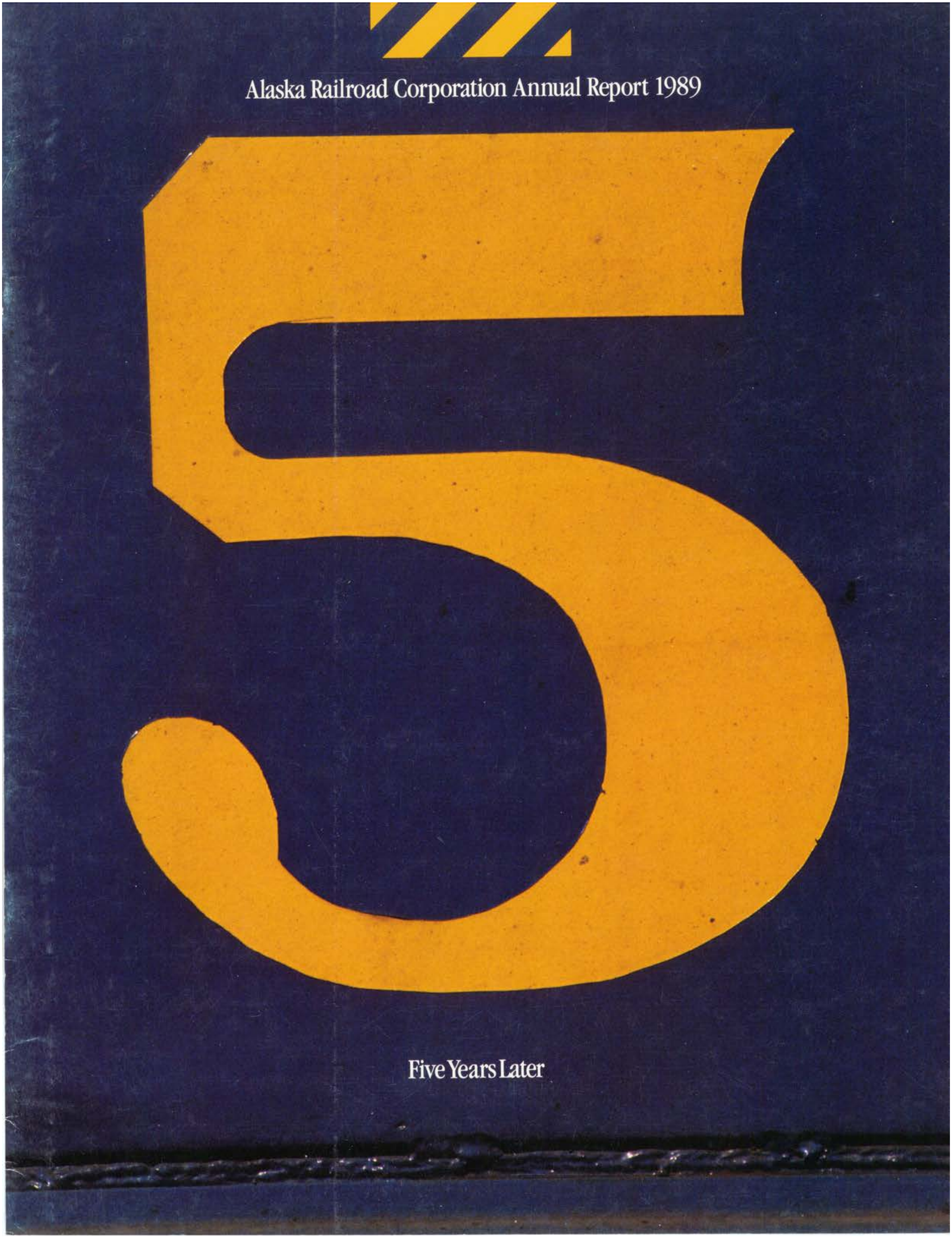
Alaska Railroad Corporation Annual Report 1989



Five Years Later

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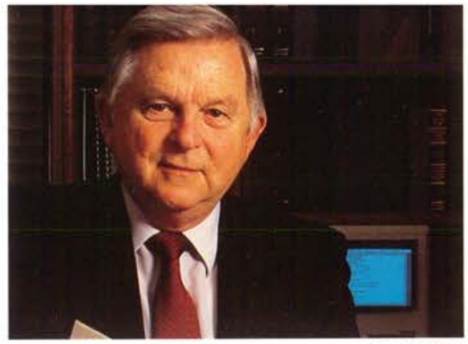
Nearly $400,000 in capital improvements were made to bridges in 1989, including work on the Riley Creek Bridge at Denali Park.



Frank G. Turpin

Why Are We Here?

We have asked ourselves that question many times over in the past five years. When we say "we" we mean the men and women of the Alaska Railroad Corporation and the track that extends from Seward to Fairbanks. Why is the railroad here?

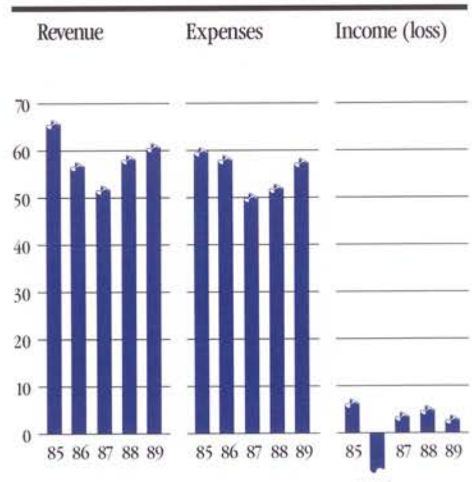
The short answer to the question is that we run trains. But there's a long answer too; a corporate mission. And that's what this annual report is about.

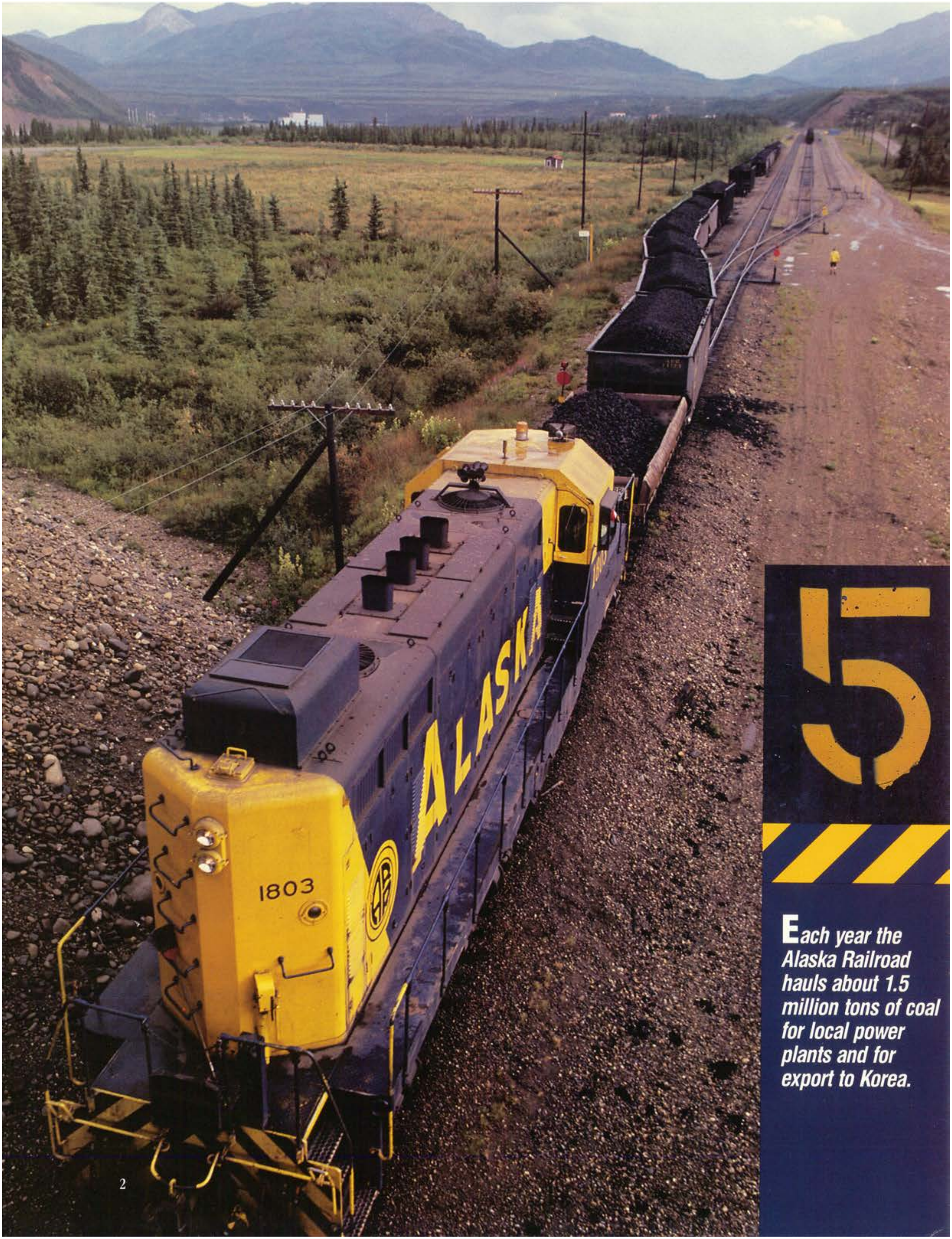
I believe it's important for you to know what the Alaska Railroad means for this state and its residents and where this corporation is going. It's important that you understand why we're here so we can continue the work we've set out to do. We have done a credible job of establishing this corporation and managing it like a private business. We've met some opposition along the way. We've also had considerable support along the way. We've faced financial ups and downs, like most businesses in our state. Through it all we've kept our eyes on the goal.

This is our mission and this is why we're here: to provide safe, dependable and economical transportation for passengers and freight throughout Alaska. As you read through this annual report, consider it a report card on the corporation since state ownership. I hope you'll agree that five years later we've earned good marks.

Frank G. Turpin
President and Chief Executive Officer

FINANCIAL ANALYSIS 1985-1989 (In Millions)





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Each year the Alaska Railroad hauls about 1.5 million tons of coal for local power plants and for export to Korea.

This Was Our Start

In 1914 Congress commissioned the building of the Alaska Railroad to connect two existing small railroads into one continuous system from Seward to Fairbanks.

For more than 60 years the line was operated by the federal government. Where we went, people did too. The railroad was a vital transportation link between the seaport of Seward and the interior of the state. There were few roads; it was the railroad that carried people and their much needed goods and supplies.

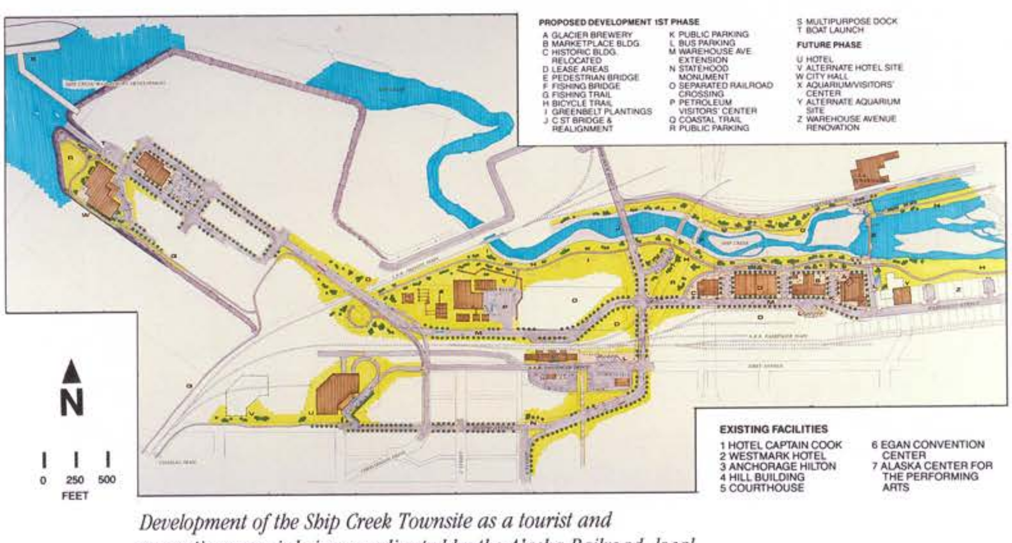
Soon cities and towns sprang up along our track, including Anchorage, which became the state's largest city and the railroad headquarters. The last addition to the line came in World War II when a tunnel was punched through the Chugach Mountains to Whittier for a military port to supplement Seward. Today Whittier is an important port for freight and passenger water carriers arriving in Alaska from the Lower 48 and Canada.

In 1985 the federal government sold the railroad to the state of Alaska for $22.3 million. A public, for-profit corporation was established to run the system and a board of directors was appointed by the governor to oversee the corporation.

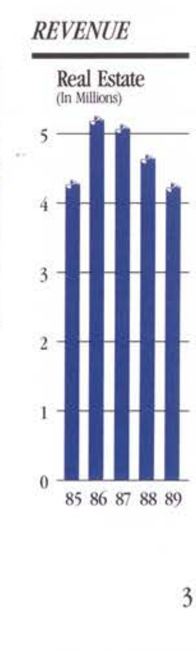
Today more than 70 percent of all Alaskans live along our route from Seward to Fairbanks. We haul all manner of goods from groceries to gasoline and jet fuel, from heavy machinery to oil field supplies, from automobiles to building supplies. And we carry people; 366,000 passengers rode the rails in 1989. Some are local residents who need transportation; most are visitors who have come to enjoy the Greatland.

The railroad also has been an economic development tool. We haul coal and timber for export to the Pacific Rim. We're the seventh largest employer among Alaskan owned companies, creating a steady source of jobs for Alaskans. We're also the eleventh largest Alaskan company in terms of revenue, earning nearly $60 million each year.

We've come a long way since Congress approved construction of the line. We've helped do what those early visionaries hoped, opening the state for growth and development.



Development of the Ship Creek Townsite as a tourist and recreation area is being coordinated by the Alaska Railroad, local businesses and the Anchorage Economic Development Corporation.



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Installation of nearly 122,000 new crossties in 1989 represented a capital investment of more than $5.5 million.

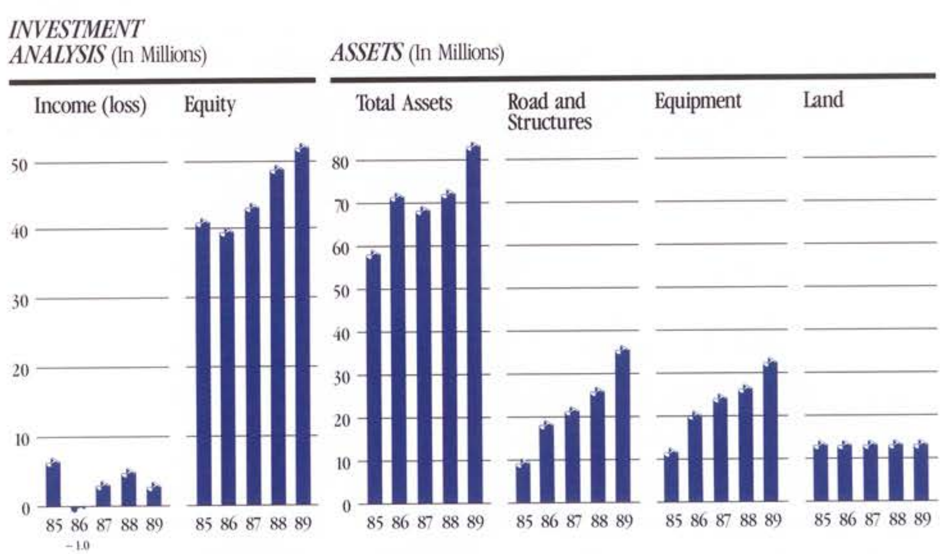
This Was Our Concern

When the state took ownership of the railroad there were seven different labor contracts in effect. They varied widely in terms of work rules, benefits and policies. Each craft had negotiated its own set of rules. How could we get all these groups to agree as one? To work as one?

There are always differences of opinion between management and labor. But after nearly 18 months of joint talks, a Master Agreement was adopted in 1987 that provided under one contract equal benefits and policies for all represented employees. Appendices were negotiated to accommodate work rules specific to a craft.

Since the Master Agreement was adopted there have been differences of opinion between management and labor. But little that couldn't be resolved. Both sides have had to work together closely to insure that the contract is mutually beneficial. And in 1989, management and the unions agreed to extend the labor contract for another year through May 1991.

Our work force has been stable for the past few years, averaging about 550 employees. But in 1986 and 1987, the corporation, like much of Alaska, was suffering through tough economic times. Some jobs had to be eliminated, others were reduced to part time. Eventually all our employees took a voluntary 10 percent pay cut. Rapid steps taken to counteract the economic decline eventually guided the corporation back to financial stability. In 1988, our second most profitable year ever, we were able to partially compensate employees for the salary adjustment they took and for supporting the railroad through its lean times.



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Eight new passenger cars were received in 1989. The cars were manufactured in Korea and arrived by ship in Seward.

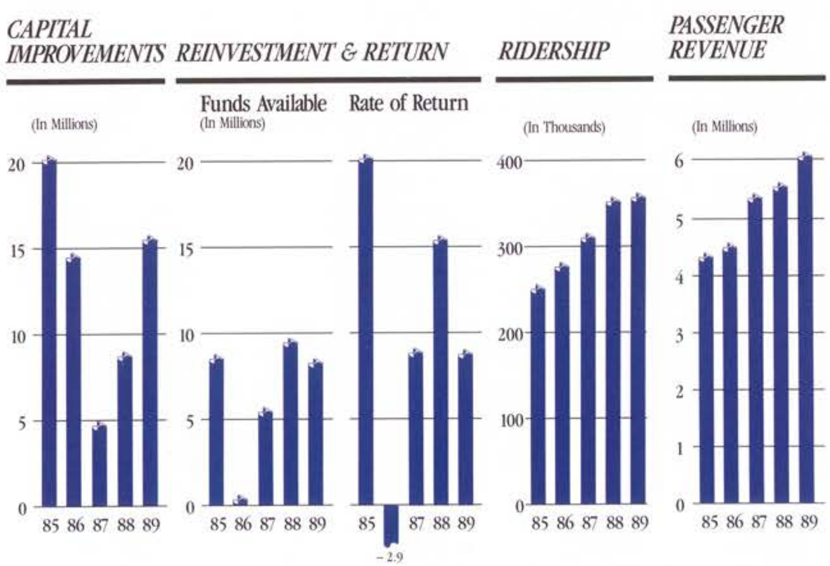
What Have We Done?

We've accomplished plenty. In 1985, when the state purchased the railroad, it had serious problems. The track structure needed maintenance and improvement, facilities were not up to building codes, very few systems were computerized, and seven widely different union contracts were in place.

Over the past five years things have changed. In that time $66.2 million has been invested in capital programs to improve the track structure, build new facilities, purchase equipment and computerize systems. We bought 13 locomotives, which average about $1 million each. We bought 80 hopper cars, 45 new flat cars, eight new passenger cars and over $5 million worth of heavy and specialized equipment essential in maintaining our track.

And where was the money derived to support this massive redevelopment? The answer lies in one of our top goals: to carry out our responsibilities on a self-sustaining basis. Through effective management of our work force, replacement of critical components of our equipment fleet and aggressive marketing of our services, we have averaged a net income of $4 million each year for the past five years. These funds, along with our depreciation and some borrowed money, were plowed back into our physical plant, equipment fleet and administrative programs.

The result has been a steady growth in our assets from $33.2 million in 1985 (purchase price plus start-up funds) to nearly $84 million at the end of 1989. That's a healthy 10 percent return on the state's investment.



Petroleum products are the top revenue producers on the Alaska Railroad. Revenue from jet fuel, gasoline, heating oil and diesel fuel totaled $14.9 million in 1989.

This Is Our Strength

Our shippers and our riders are what make the Alaska Railroad work. These are the people who have discovered us. They have learned what we mean.

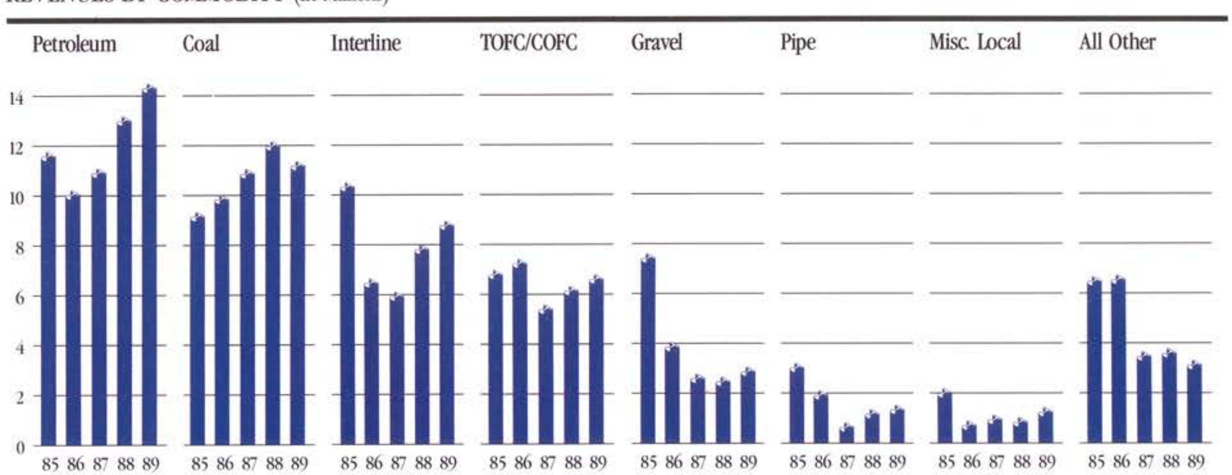
What we mean, of course, is affordability. Railroads are uniquely qualified to haul goods over long distances at low cost because of the economies of scale. For instance, it would take more than 300 trucks to move the same amount of coal hauled by a single Alaska Railroad train. That translates into savings for the shipper as well as the consumer who ultimately would have to pay for the cost of highway maintenance and who would have to vie with trucks for space on Alaska's roads.

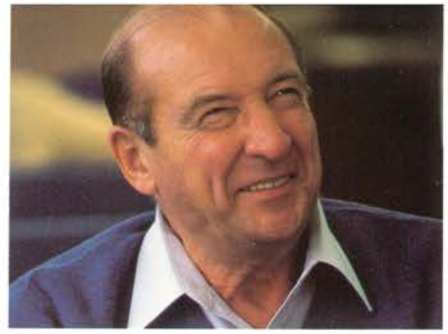
Shipping by rail also offers our customers reliability and flexibility in scheduling, which other transportation modes don't have. These services come not only from our people but also from our investments in new equipment and improved track. For example, our overnight express trains, initiated in 1985, have been highly successful. Our customers receive their goods each morning from overnight shipments between Anchorage and Fairbanks. Groceries are one of the top commodities shipped overnight and consumers reap the advantage of our fast, reliable service when they shop for fresh produce and meats at their local stores.

Passengers, too, are an important part of our business. Each year we open great scenic vistas to tourists from all over the world. They travel in carefree comfort without the stress of traffic or cramped seating. For some Alaskans the railroad also means accessibility because their homesteads or recreational property can't be reached except by train.

So the benefits we offer are our greatest strength; we're affordable, dependable, comfortable and provide easy access. These are the foundations for our business and the platform from which we work each day.

REVENUES BY COMMODITY (In Millions)





George M. Sullivan

So Why Are We Here?

The Alaska Railroad is here to contribute to the well-being of our state. We're here to provide a valuable service for businesses and individuals. We're here to provide safe, dependable and economical transportation. That's what we have been doing and together we can make our state grow and develop beyond almost everyone's expectations.

It's pretty basic, really. We know it has promise for everyone. That's our pledge and commitment to you.

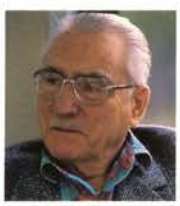
George M. Sullivan
Chairman of the Board

BOARD OF DIRECTORS

Dale Lindsey

Mark Hickey

Larry Merculieff



Frank X. Chapados

Myron Christy

Gerald D. Valinske

The Alaska Railroad Corporation board of directors manages the corporation and sets policy. The board consists of seven members, including the commissioners of commerce and economic development and of transportation and public facilities as well as five members appointed by the governor. Each serves a five-year, staggered term.

Former Alaska state legislator **George M. Sullivan** is chairman of the board of directors. Most recently, he worked as a senior partner in the consulting firm The Sullivan Group. Sullivan is a World War II Army veteran and has served on numerous boards and city councils in Fairbanks and Anchorage prior to serving as mayor of Anchorage from 1967 to 1982.

A lifelong Alaskan who got his start with the Alaska Railroad Corporation, **Dale Lindsey** of Seward is president and CEO of Harbor Enterprises, a petroleum product marketing and distributing firm with facilities throughout Southcentral and Western Alaska. He is also part owner and managing partner of two commercial fishing vessels.

Department of Transportation and Public Facilities Commissioner **Mark Hickey** has been with the department for 13 years as a planner, researcher, special assistant for external affairs, and deputy commissioner before this appointment as commissioner in 1987. Hickey managed the state's acquisition of the Alaska Railroad and has provided policy and legislative support related to the state's transportation and land management needs.

Larry Merculieff has been the commissioner of the Department of Commerce and Economic Development since 1988. Merculieff has 20 years of experience in the development and management of business enterprises and economic activities in Alaska, including serving as director of the state Division of Business Development, director and subsequently chairman of the board of the Aleut Corporation and chief executive officer of the Tanadgusix Corporation.

Former legislator and board vice chairman **Frank X. Chapados** is another lifelong Alaskan. He previously owned H & S Forwarders, Inc. in Fairbanks, a moving and freight forwarding business. He is past president of the Fairbanks Chamber of Commerce and worked in law enforcement for the U.S. Fish & Wildlife Service and as a U.S. Marshal in Fairbanks.

The out-of-state board member is **Myron Christy** of San Francisco. He fulfills the legislative mandate requiring one board member have ten years of management experience in the railroad industry outside Alaska. The consultant/former director for U.S. Leasing International, Inc. was also an executive with Western Pacific Railroad Company for more than 20 years.

A member of the United Transportation Union, **Gerald D. Valinske** represents the corporation's union employees on the board. A 17-year Alaska resident, Valinske has been a conductor with the Alaska Railroad since 1975. Prior to moving to Alaska he was a brakeman with the Milwaukee Railroad.

STATEMENT OF MANAGEMENT'S FINANCIAL RESPONSIBILITY

February 16, 1990

Management is responsible for the preparation, integrity and objectivity of the Corporation's financial statements and other financial information appearing in this report. The financial statements are prepared in conformity with generally accepted accounting principles and in the judgement of management, present fairly and consistently the Corporation's financial position and results of operations.

Throughout 1989 the Corporation maintained a system of internal accounting controls and procedures which are continually reviewed and supported by written policies and guidelines and supplemented by audit review. The system provides reasonable assurance that assets are safeguarded against loss from unauthorized use and that the books and records reflect the transactions of the Corporation and are reliable for the preparation of financial statements. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgements by management.

The Board of Directors pursues its oversight responsibilities for the financial statements and corporate conduct through its Audit Committee. The Audit Committee is composed of directors who are not officers of the Alaska Railroad Corporation. It meets regularly with members of management and the independent accountants to discuss the adequacy of the Alaska Railroad's internal controls and financial statements.

The Corporation's financial statements are audited by Ernst & Young, independent certified public accountants, who are appointed by the Board of Directors. Their audit is conducted in accordance with generally accepted auditing standards which include a study and evaluation of the Corporation's system of internal accounting controls. The report of the independent accountants is below.

Marvin J. Yetter

Marvin J. Yetter
Vice President, Finance

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Alaska Railroad Corporation

We have audited the accompanying balance sheets of the Alaska Railroad Corporation as of December 31, 1989 and 1988, and the related statements of income, equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alaska Railroad Corporation as of December 31, 1989 and 1988, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Ernst + Young

Anchorage, Alaska
February 16, 1990

BALANCE SHEETS

December 31, 1989 and 1988

	1989	1988
	(In Thousands)	
Assets		
Current Assets		
Cash and temporary investments—Note C	$ 814	$ 1,862
Accounts receivable, less allowance for bad debts of $203,000 in 1989 and $425,000 in 1988	6,828	7,598
Operating materials and supplies	2,534	2,497
Other current assets	309	278
	10,485	12,235
Property and Equipment—Note E		
Road	37,548	27,374
Equipment	33,558	27,478
Road materials and supplies	2,291	1,701
Construction in progress	1,216	1,145
	74,613	57,698
Less accumulated depreciation	(15,566)	(11,084)
	59,047	46,614
Land—Note D	13,850	13,850
	72,897	60,464
Other Assets		
Restricted lease proceeds—Note E	220	220
	$ 83,602	$ 72,919
Liabilities and Equity		
Current Liabilities		
Accounts payable	$ 2,665	$ 2,039
Payroll liabilities	4,444	3,351
Notes payable—Note F	3,400	
Other accrued liabilities	2,089	1,772
Deferred revenues	310	344
Current portion of capital lease obligations—Note E	2,655	2,411
Current portion of long-term debt—Note F	450	290
	16,013	10,207
Long-Term Debt, less current portion—Note F	6,617	2,362
Capital Lease Obligations, less current portion—Note E	8,850	11,205
Equity		
Contributed capital	34,174	34,174
Retained earnings	17,948	14,971
	52,122	49,145
	$ 83,602	$ 72,919

See notes to financial statements.

STATEMENTS OF INCOME

December 31, 1989 and 1988

	1989	1988
	(In Thousands)	
Operating revenue:		
Freight—Note H	$ 48,343	$ 44,871
Passenger	6,025	5,601
Other	3,083	3,683
	57,451	54,155
Operating expense:		
Transportation	15,645	14,214
Ways and structures	11,248	11,263
Equipment	12,044	11,077
General and administrative	13,977	10,974
Depreciation and amortization	4,495	3,878
	57,409	51,406
Income from Operations	42	2,749
Other income (expense):		
Real estate, less direct expenses of $286,000 in 1989 and $315,000 in 1988	3,932	4,438
Interest income	207	145
Interest expense	(1,204)	(1,526)
	2,935	3,057
Net Income	$ 2,977	$ 5,806

STATEMENTS OF EQUITY

	Contributed Capital	Retained Earnings
	(In Thousands)	
Balance at December 31, 1987	$ 34,174	$ 9,165
Net income for the year ended December 31, 1988		5,806
Balance at December 31, 1988	34,174	14,971
Net income for the year ended December 31, 1989		2,977
Balance at December 31, 1989	$ 34,174	$ 17,948

See notes to financial statements.

STATEMENTS OF CASH FLOWS

December 31, 1989 and 1988

	1989	1988
	(In Thousands)	
Operating Activities		
Net income	$ 2,977	$ 5,806
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,495	3,878
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	770	(508)
Decrease (increase) in operating materials and supplies	(37)	(294)
Decrease (increase) in other assets	(31)	898
Increase (decrease) in accounts payable and payroll liabilities	1,719	(268)
Increase (decrease) in other accrued liabilities	317	260
Increase (decrease) in deferred revenues	(34)	(73)
Net Cash Provided by Operating Activities	10,176	9,699
Investing Activities		
Purchase of road and equipment	(15,967)	(7,051)
Decrease (increase) in road materials and supplies	(590)	(263)
Decrease (increase) in construction in progress	(71)	(588)
Net Cash Used in Investing Activities	(16,628)	(7,902)
Financing Activities		
Proceeds from short-term debt	4,000	
Payments on short-term debt	(600)	(1,665)
Proceeds from long-term debt	4,837	2,402
Payments on long-term debt	(422)	(248)
Payments on capital lease obligations	(2,411)	(2,339)
Net Cash Provided by (used in) Financing Activities	5,404	(1,850)
Decrease in Cash and Cash Equivalents	(1,048)	(53)
Cash and cash equivalents at beginning of year	1,862	1,915
Cash and Cash Equivalents at End of Year	$ 814	1,862

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1989

Note A—Organization and Operations

Congress authorized construction of the Alaska Railroad (Railroad) in 1914 and operations began in 1923. The federal government operated the Railroad until its sale to the State of Alaska in January 1985. The sale of the Railroad to the State of Alaska was authorized under the Alaska Railroad Transfer Act of 1982 (ARTA), which was signed into law on January 14, 1983. The Alaska Railroad Corporation (ARRC) is a public corporation created by the State of Alaska legislature to own and operate the Railroad and manage the Railroad's rail, industrial, port, and other properties. The ARRC commenced operations on January 6, 1985 and adopted the accounting policies of a commercial enterprise.

The ARRC operates 525 route miles, providing both freight and passenger services. The ARRC serves the Alaska cities of Anchorage and Fairbanks as well as the ports of Whittier, Seward, and Anchorage; Denali National Park; and military installations. Vessel and rail barge connections are provided from Seattle, Washington, and Prince Rupert, British Columbia.

Note B—Significant Accounting Policies

Materials and Supplies Inventories: Operating materials and supplies are carried at the lower of cost (average cost) or market. Road materials and supplies include rail, ties, ballast, and other track materials. Because these items will generally be capitalized when placed into service, they are included in property and equipment.

Property and Equipment: Property and equipment are stated at cost. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the related assets. Preacquisition depreciable property has been depreciated on a straight-line basis over its estimated original remaining life of five years.

Capitalized Interest: The ARRC capitalizes interest costs as part of the cost of constructing major facilities and equipment. Interest costs of $312,000 and $114,000 were capitalized in 1989 and 1988, respectively.

Income Taxes: As a public corporation, the ARRC is exempt from federal and state income taxes.

Note C—Cash and Temporary Investments

For purposes of the Statements of Cash Flow, cash and cash equivalents include time deposits, certificates of deposit and repurchase agreements with original maturities of three months or less. Temporary investments are carried at cost which approximates market value.

All cash and temporary investments bear interest at competitive rates and are summarized at December 31, 1989 as follows, in thousands:

	Carrying Amount	*Bank Statement Balance*
Checking accounts	$ (879)	$ 485
Repurchase agreements	1,693	1,693
Total Cash and Temporary Investments	$ 814	$ 2,178
Insured by FDIC	$ 100	$ 100
Uninsured and uncollateralized	$ 714	$ 2,078

Note D—Land

Certain parcels of land are leased under agreements which are cancelable upon 90 days notice by the lessee. The lease terms vary from two to fifty-five years. Annual rentals on the leases were approximately $4,219,000 in 1989 and $4,753,000 in 1988.

Note E—Leases

The ARRC leases certain locomotives, freight cars, computer equipment and other property under capital leases. Future minimum lease payments for capital leases as of December 31, 1989 are summarized as follows, in thousands:

Year Ending December 31, 1990	$ 3,584
1991	3,410
1992	3,283
1993	2,371
1994	990
Thereafter	127
Total minimum lease payments	13,765
Less interest	(2,260)
Present value of net minimum lease payments (including $2,655 classified as current)	$ 11,505

During 1989, the ARRC acquired additional equipment under capital lease agreements in the amount of $300,000. The cost of equipment held under capital leases aggregated $20,166,648 and $20,318,351 at December 31, 1989 and 1988, respectively. The related accumulated amortization was $5,202,275 and $4,146,811 at December 31, 1989 and 1988, respectively. Amortization expense is included in depreciation expense in the statement of income.

A lease for freight cars requires that $220,000 be kept on deposit with a financial institution for the term of the lease agreement.

Note F—Long-Term Debt

Long-term debt at December 31, 1989 consists of the following, in thousands:

Note payable, unsecured by equipment, paid through freight credits, including interest at 8 percent	$ 1,862
Note payable, secured by equipment, due in semi-annual payments of $156,642 beginning 1992 plus interest at the two-year Treasury Note rate. Interest is accrued at 9 percent until 1992.	4,073
Other notes payable, secured by equipment, with varying maturities through 1997 with interest from 7.82 percent to 8.75 percent	1,132
	7,067
Less current portion	450
	$ 6,617

Long-term debt maturities are as follows, in thousands:

Year Ending December 31, 1990	$ 450
1991	275
1992	2,314
1993	511
1994	507
Thereafter	3,010
	$ 7,067

ARRC has arrangements for short-term borrowing up to $20,000,000 with two banks at December 31, 1989. The amount outstanding on the first line is $2,000,000 at December 31, 1989 with interest at the prime rate of a major bank. The amount outstanding at December 31, 1989 on the second line is $1,400,000 with interest at 85 percent of the prime rate of the bank.

Note G—Pension Plan

The ARRC has a defined benefit pension plan (the Plan) that covers all nonrepresented permanent employees who have not remained in the Civil Service Retirement System and permanent employees who are members of collective bargaining units which have bargained to become covered by this plan. Benefits under this plan are generally based upon the employee's years of service and final average compensation. The ARRC's funding policy is to contribute to the Plan for each year the amount equal to the net periodic pension cost. Contributions are made continuously throughout the year.

The funded status of the pension plan at December 31, 1989 and 1988 is as follows, in thousands:

	1989	*1988*
Actuarial present value of benefit obligations:		
Accumulated benefit obligation-vested	$ (2,739)	$ (1,528)
Accumulated benefit obligation-nonvested	(620)	(1,370)
	$ (3,359)	$ (2,898)
Projected benefit obligation for service rendered to date	$ (4,787)	$ (3,602)
Plan assets at fair value	5,233	3,032
Projected benefit obligation in excess of (less than) plan assets	446	(570)
Unrecognized net transition obligation	730	791
Unrecognized net gain	(1,176)	(221)
Pension Liability	$ -0-	$ -0-

Net pension costs at December 31, 1989 and 1988 are included in the following components, in thousands:

	1989	*1988*
Service cost—benefits earned during the period	$ 631	$ 1,463
Interest cost on projected benefit obligation	369	287
Return on plan assets	(640)	(171)
Net amortization and deferral	370	55
Net Periodic Pension Costs	$ 730	$ 1,634

Actuarial assumptions used in 1989 and 1988 to develop net periodic pension costs were:

	1989	*1988*
Assumed discount rate	8.0%	8.5%
Assumed salary increase rate	5.5%	6.0%
Expected long-term rate of investment return	8.0%	8.0%

Assets of the ARRC's pension plan are invested in fixed income securities and common stocks.

Federal employees who transferred to the ARRC will continue participation in the Civil Service Retirement System. The contribution required of the ARRC is 7 percent of the transferred employees' base pay. Pension expense related to the Civil Service Retirement System is $1,065,732 and $1,084,533 for 1989 and 1988, respectively.

Note H—Major Customers

Two ARRC customers accounted for 27 percent and 12 percent of freight revenue for the year ended December 31, 1989. In 1988, two customers accounted for 24 percent and 15 percent of freight revenue.

Note I—Contingencies

On December 13, 1989, a quantity of toluene spilled from a tank car located in the ARRC yard in Fairbanks. Although responsibility for the incident has not been determined, a reserve has been established, which management considers to be adequate to cover full restoration costs. The ARRC will pursue reimbursement from third parties and, if successful, the amount provided could be reduced or eliminated.

The ARRC is a defendant in legal proceedings related to the conduct of its business. Provision has been made in the financial statements for possible losses from litigation. In the opinion of management, the outcome of the litigation will not have a material effect on the financial position of the ARRC.

Note J—Insurance

The ARRC is self-insured to certain limits for employee health benefits, and personal property and casualty damage. The ARRC is also self-insured against workers' compensation claims. The ARRC employs a full time "Risk Manager" who monitors all cases involving ARRC liability.

Officers

Frank G. Turpin
President and Chief Executive Officer

Arnold T. Polanchek
Vice President, Operations

Marvin J. Yetter
Vice President, Finance

Richard J. Knapp
Vice President, Marketing

Larry D. Wood
General Counsel

James B. Blasingame
Director, Administration

Ronald W. Stocker
Director, Personnel

Terry R. Blackwell
Superintendent of Transportation

Francis C. Weeks
Chief Engineer

John E. Kincaid
Chief Mechanical Officer

Vivian M. Hamilton
Corporate Communications Manager

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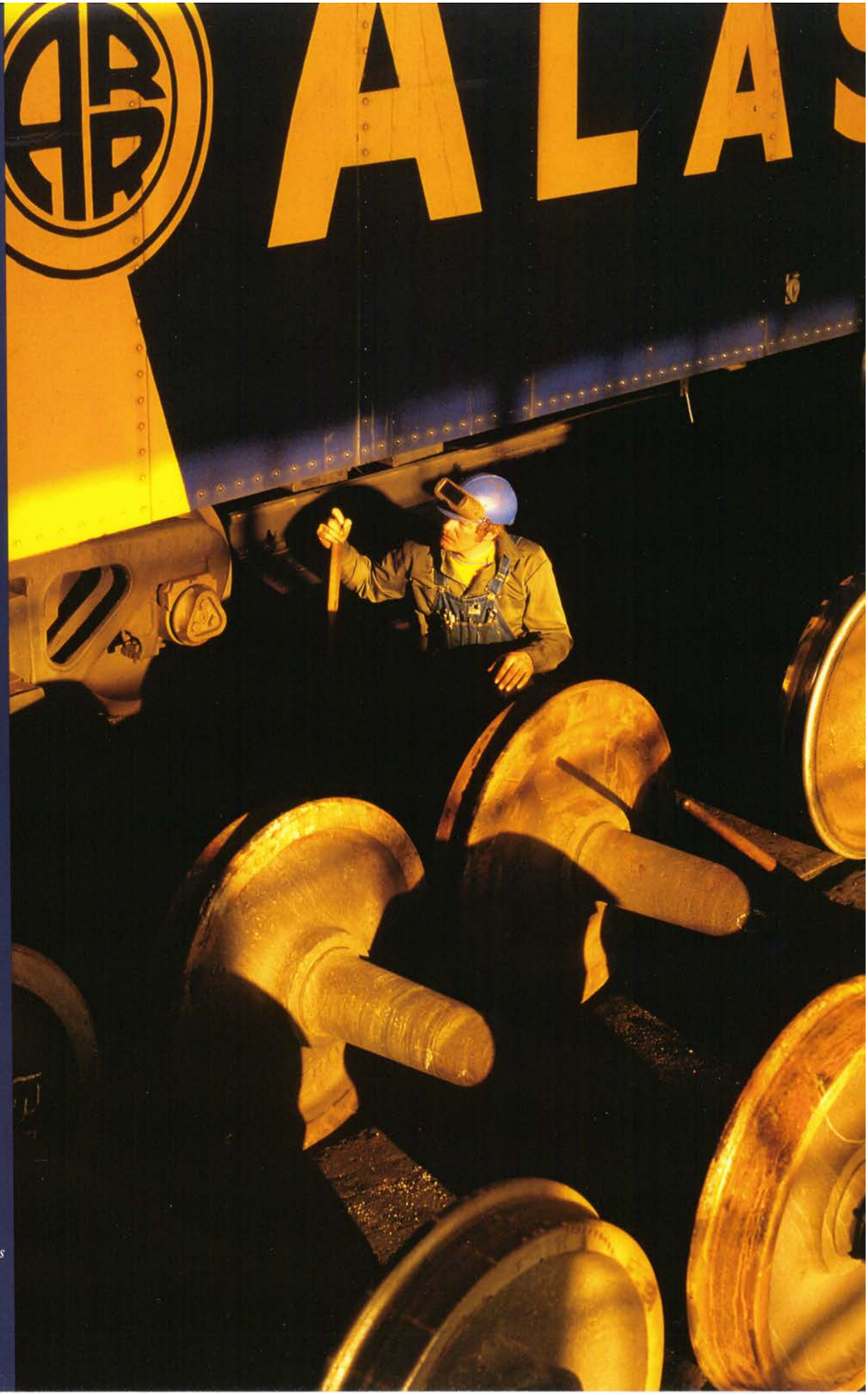

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