

# COMMUNITY

**t i e s**

Alaska Railroad Corporation  
1st Quarter, 2005

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## ISER OUTLINES ARRC ECONOMIC IMPACTS

### Recent research quantifies jobs, payroll attributed to ARRC

A new report by the University of Alaska's Institute for Social and Economic Research (ISER) reaffirms what many railroaders already know - the Alaska Railroad Corporation (ARRC) has a significant, positive impact on the state's economy and the lives of Alaskans. In a nutshell, ARRC spending supports nearly 1,900 Alaskan jobs and pumps more than \$83 million each year in payroll into the state's economy.

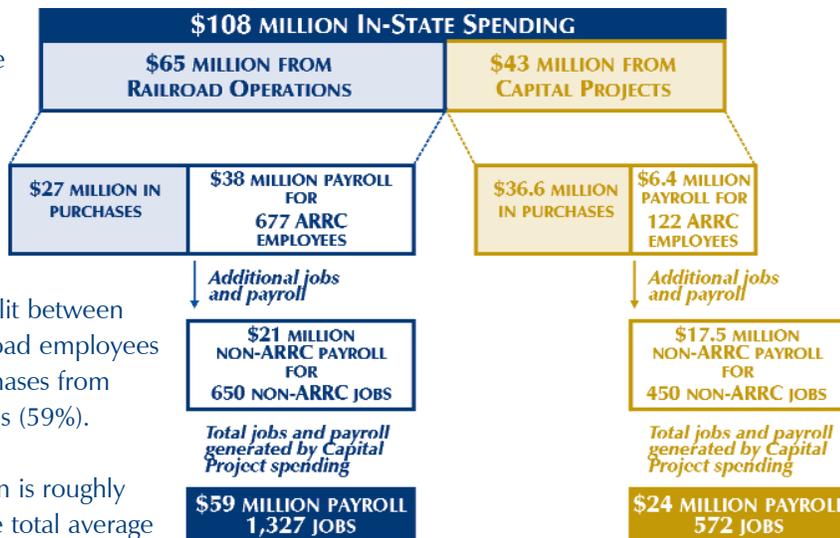
ISER's published report outlines ARRC's economic significance to Alaska by examining Railroad spending for the 2001-to-2003 time period. The review found that ARRC spends an average of \$108 million each year in Alaska; this is split between payroll for Railroad employees (41%) and purchases from Alaska businesses (59%).

The \$108 million is roughly two-thirds of the total average annual ARRC expenditures for 2001, 2002 and 2003. In addition to an

average of 800 ARRC employees, this in-state spending also supports approximately 1,100 non-Railroad Alaskan jobs ranging from health care services to restaurants to retail trade.

In addition to fiscal value, the ISER report discusses other benefits that stem from the Railroad's existence. For example, ARRC enables economic development by providing an efficient transportation link necessary for Alaska businesses.

A report summary is included in this issue of Community Ties. The full ISER report is available on ISER's website at [www.iser.uaa.alaska.edu](http://www.iser.uaa.alaska.edu). ●



Alaska Railroad  
Ongoing Projects:

Fairbanks Intermodal Facility

Collision Avoidance System

Fish Passage Improvements

Anchorage-to-Wasilla  
Track Realignment

Anchorage Rail Capacity Study

Whistle Noise Reduction System

Anchorage Yard Ops Center

Ship Creek Intermodal Center

Improved Sidings & Signals

Whittier Development Planning

Seward Loading

For updates or comments on these projects, visit the Alaska Railroad web site at [www.AlaskaRailroad.com](http://www.AlaskaRailroad.com)

# 2004 PRODUCES RECORD EARNINGS

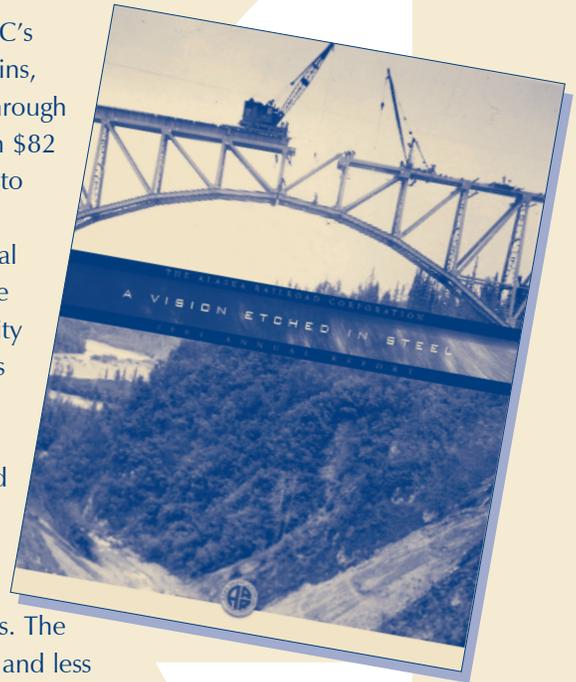
## Alaska Railroad releases its 2004 Annual Report

The Alaska Railroad's 2004 Annual Report is now available on-line at the railroad's web site — [www.alaskarailroad.com](http://www.alaskarailroad.com). Printed copies are available after April 15 by contacting ARRC's Public Affairs Officer Tim Thompson, 265-2695.

The picture-packed document features a review of the Alaska Railroad's major accomplishments in passenger and freight operations, capital improvements, community investments, and financial performance. With total revenues of \$129.5 million and total expenses of \$114.1 million, the Alaska Railroad netted \$15.4 million in 2004. Net income, which is all invested back into the railroad, provides the

critical component to ARRC's efforts to modernize its trains, tracks and infrastructure through capital projects. More than \$82 million was spent in 2004 to upgrade bridges and the railbed, and to build several new facilities, including the Fairbanks Intermodal Facility and Anchorage Operations Center.

In addition to financial and infrastructure milestones, the railroad's safety results were right on par with 2003's record-setting levels. The Alaska Railroad had fewer and less severe injuries, and our train incident rate was substantially lower than the national average. ●



## MOMENT IN HISTORY: TAKE ME OUT TO THE BALL GAME!

By 1917, the Alaska Railroad construction was well underway, and construction crews had peaked at 4,500 workers, many residing in an around the construction town of Anchorage. Pictured is a group



of baseball fans from Anchorage, who are heading to the town of Potter Creek (later called Potter) along Turnagain Arm by way of Alaska Engineering Commission Railway cars. Baseball games were

frequently played in the town of Potter Creek and at the Alaska Engineering Commission Grounds in Ship Creek. Games were later moved to "baseball field," in the new town site of Anchorage. The Alaska Engineering Commission sponsored a number of different sporting events and teams in the early years of the Alaska Railroad.

# COMMUNITY TIES DISTRIBUTION IS UPDATED, REFINED

## Do you want to remain on the newsletter mailing list?

The Alaska Railroad is updating and revising the mailing list for the Community Ties newsletter. It has been five years since the original mailing list was created, and since that time, ARRC realizes that some contacts have moved, changed jobs, or simply may not wish to receive the newsletter.

Community Ties was originally developed to keep community, civic, and government leaders abreast of railroad developments. As such, ARRC will continue to send the newsletter to state legislators, city mayors, assembly, and city council members, along with key planning positions at the state and local level. Executive directors and officers of statewide business and trade organizations (RDC, ATIA, AOGA, AMA, ATA, AGC, etc.) railbelt convention & visitors bureaus, state and local chambers of commerce, railbelt school district superintendents / board officers, and community council presidents will also remain on the list. In addition, Community Ties will continue to be sent to all ARRC land lessees, business customers, and current key project contractors and vendors.

If you are receiving this newsletter, and you do not fall into one of the above-noted categories, but do want to continue receiving *Community Ties*, please:

- Check the “keep on mailing list” box on the back cover, showing your address, and fax to 265-2365.
- Or email your name and address to [wheelers@akrr.com](mailto:wheelers@akrr.com)
- Or call ARRC’s Stephenie Wheeler at 265-2671 with your name and mailing information

## MILITARY ON THE MOVE

### Railroad underscores reliability with transport of Interior’s Army battalion

The Alaska Railroad took part in a recent move for the 4th Battalion, 123rd Aviation Regiment - better known as the Arctic Knights — moving equipment from Fort Wainwright, near Fairbanks, to the Port of Anchorage, where it was then shipped to Kuwait.

101 railcars were used to transport the equipment from the B and C companies of the 123rd.

Soldiers and equipment are being deployed to the Middle East making this the first time since World War II that this many company units have been deployed from Fort Wainwright.

“Our railroad team proved we can be called on for important, time sensitive movements,” said Pat Gamble,

President and CEO. “The U.S. military plays an important role from its strategic location in Alaska. They need to know they can count on us when they get the word to move and move quickly. Our crews can do a great job for the Army.”



**Army rail cars hitch a ride on the Alaska Railroad.**

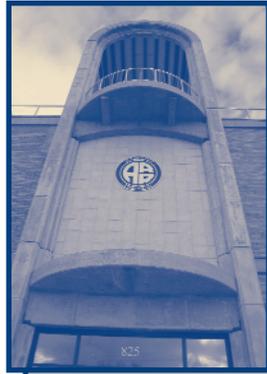
With plans to move more equipment of this size — and possibly bigger — in the near future, the U.S. Army has proof that the railroad can and will meet the military’s shipping needs. ●

# ANCHORAGE OPERATIONS CENTER OPENS

## Railroaders move into ARRC's new nerve center for rail operations

**T**he new Alaska Railroad operations center was fully functional March 1. Employees began moving in mid-February. The \$9.54 million dollar project was on budget and took only 10 months to complete.

The Operations Center will coordinate and support Anchorage yard operations and railbelt train activities. The new facility is a 23,000 square foot, three story building, spacious enough to accommodate approximately 200 crew and management personnel for passenger and freight operations. Unique features of the building include an observation tower that oversees the rail yard for more efficient train assembly and management.



*The Anchorage Operations Center at 825 Whitney Rd nears completion in February 2005.*

The building, located at 825 Whitney Road, was designed by Kumin Associates. The principal construction contractors included Alaska Mechanical, Inc., Architects Alaska, AMC Engineers and BBFM Engineers. ●

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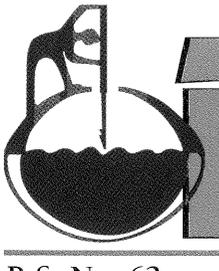
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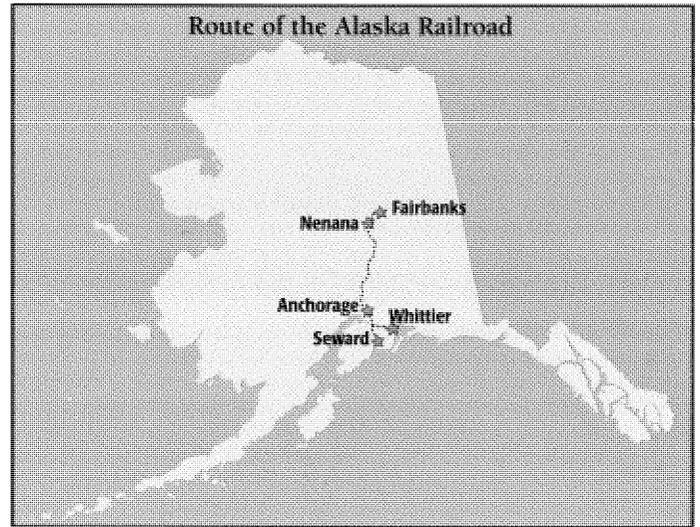
# RESEARCH SUMMARY

## Alaska Railroad Pulls Jobs and Income Into State Economy

The Alaska Railroad supports nearly 1,900 Alaska jobs and \$83 million in payroll. As Figure 1 shows, 42 percent of those jobs are railroad jobs and 58 percent are in other Alaska businesses. Of the payroll, 53 percent goes to railroad employees and 47 percent to employees of other Alaska businesses.

Those jobs and income result from the \$108 million the railroad spends in Alaska annually, to operate trains and build facilities. The spending supports jobs and income both directly and indirectly. When railroad employees spend their paychecks, they generate additional jobs and income in Alaska. Likewise, when the railroad buys supplies or services from Alaska businesses, those purchases help support jobs and income throughout the state economy.

The railroad benefits Alaska in other ways, besides spending money, but we can't quantify those other benefits. The railroad helps—or in some cases makes possible—certain economic developments, by providing a cheaper, more efficient way to transport heavy, bulk commodities like gravel and coal.



Also, by hauling jet fuel from the refinery near Fairbanks to Anchorage, the railroad helps support the refinery and provides Anchorage's international airport with an in-state source of fuel at competitive prices.

The railroad helps Alaska's tourism industry, by offering another way for tourists to travel and see areas not accessible by road. Such benefits are real, but because we can't measure them in jobs or income generated, the economic effects reported here are just the effects of railroad spending.

This summary is based on *Economic Significance of the Alaska Railroad*, an ISER report by Bradford Tuck and Mary Killorin (see back page). The railroad contracted with ISER to do the analysis.

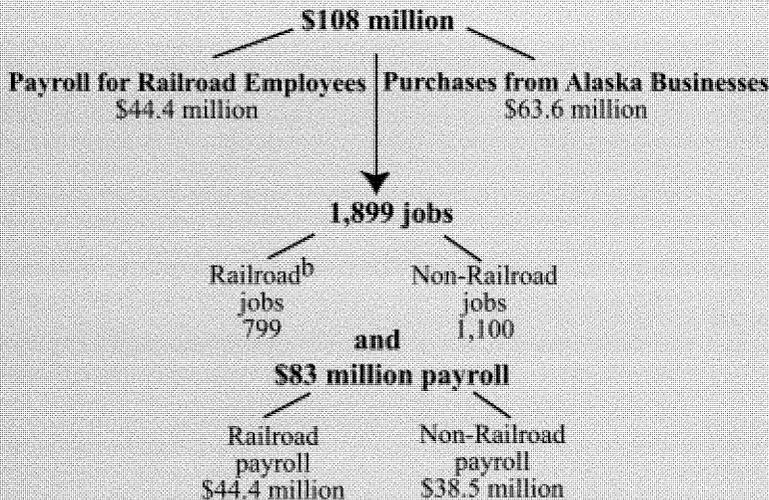
### BACKGROUND

The Alaska Railroad runs from the Kenai Peninsula—where it has terminals at the ports of Seward and Whittier—north to Anchorage and then on to Nenana and Fairbanks in the Interior.

The railroad has been a state-owned corporation since 1985, when the State of Alaska bought it from the federal government, and its operations are self-supporting. The U.S. Congress established the railroad in 1914, to boost economic development by providing a way to get gold and other minerals from the Interior to port for shipment south.

**Figure 1. Economic Effects of Current Railroad Spending in Alaska<sup>a</sup>**

(Annual Average, 2001-2003)



<sup>a</sup>Doesn't include all railroad transactions. This is our best estimate of spending that goes into the Alaska economy. It excludes out-of-state spending and some in-state accounting charges (like depreciation on assets) that don't reflect spending in the Alaska economy.

<sup>b</sup>Full-time equivalent of 40-hour per week jobs, which is higher than actual head-count of employees because of overtime hours.

Source: ISER estimates, based on Alaska Railroad data

**Figure 2. Economic Effects of Railroad Spending for Operating Costs and Capital Projects in Alaska**  
(Annual Average, 2001-2003)

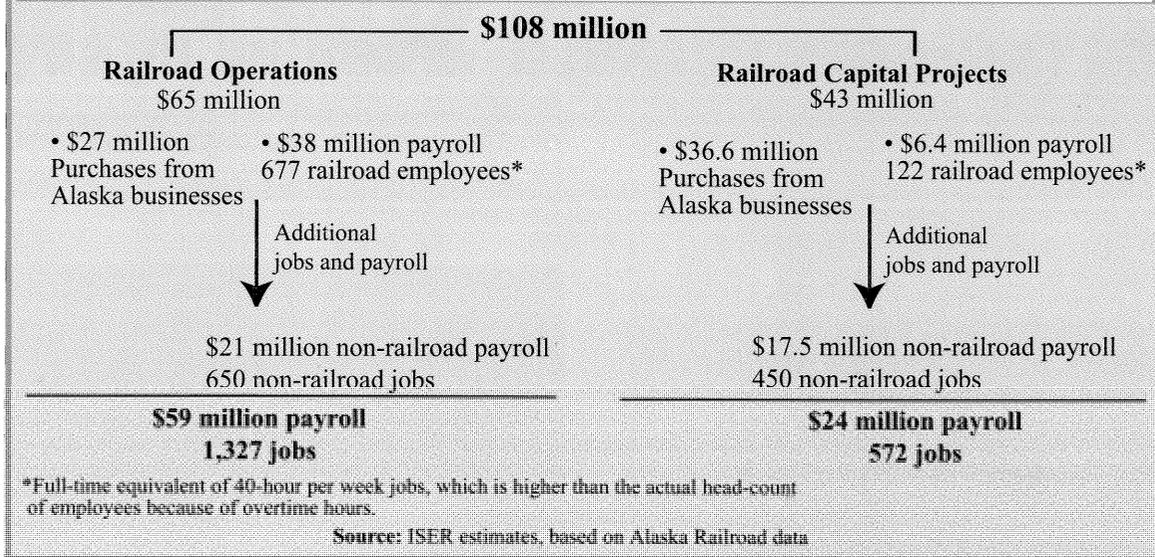


Figure 2 shows more detail about the economic effects of annual railroad spending, dividing the \$108 million of in-state spending into \$65 million of operations spending and \$43 million of capital spending.

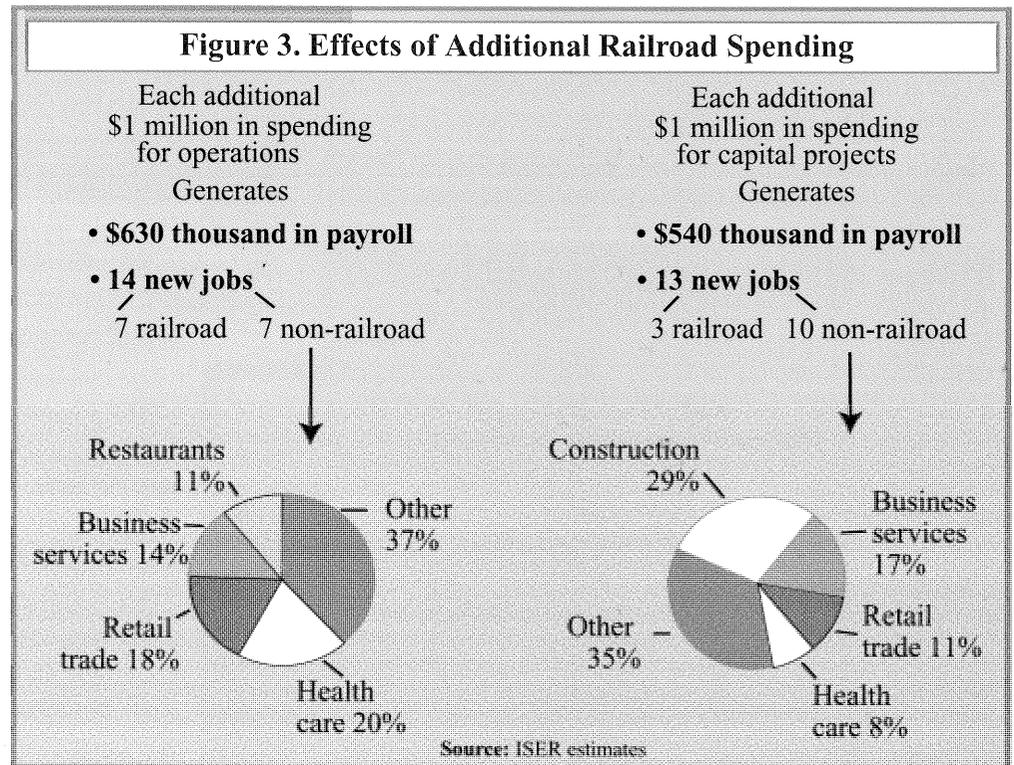
Operations spending—that is, spending to run the railroad—directly generates 677 railroad jobs, \$38 million in railroad payroll, and \$27 million in purchases from Alaska businesses. That spending in turn generates another 650 jobs and \$21 million in Alaska payroll.

Capital spending—for building railroad facilities or infrastructure—supports 122 railroad jobs, \$6.4 million in railroad payroll, and nearly \$37 million in purchases from Alaska businesses. Indirectly, it supports another 450 jobs and \$17.5 million in payroll for Alaska.

Those figures are based on current spending; if the railroad were to generate more revenue and therefore put more money into the economy, additional jobs and income would follow. Figure 3 shows how a \$1 million increase in spending for operations or for capital projects would translate into additional Alaska jobs and income.

A \$1 million increase in operations spending would create 14 new jobs—half with the railroad and half in other businesses. A \$1 million increase in capital spending would create about 13 jobs—3 with the railroad and 10 in other Alaska businesses.

**Figure 3. Effects of Additional Railroad Spending**



Spending for projects creates relatively more non-railroad jobs, because in many cases railroad employees don't build new facilities or infrastructure—the railroad contracts much of that work out to Alaska businesses.

The mix of jobs created by operating or capital spending also differs. As you'd expect, a big share of the non-railroad jobs from new capital spending—nearly a third—would be in construction. By contrast, the biggest shares of non-railroad jobs supported by new operations spending would be in health care (like jobs in medical clinics) or in grocery or department stores or other retail trade places.

## IN- AND OUT-OF-STATE SPENDING

As Figure 4 shows, in-state railroad spending of \$108 million a year makes up around two-thirds of total railroad spending. The other one-third goes largely (1) to barge and rail services outside Alaska, for transporting rail cars and other equipment to and from Alaska, and (2) for purchasing new rail cars and other supplies and equipment not available here.

## SOURCES OF REVENUE

Where does the railroad get its money? Figure 5 shows income from railroad activities, with freight accounting for 75 percent. Passenger services generate about 13 percent of the income from activities and real estate holdings another 11 percent. The railroad leases some of its land for commercial and residential uses, and it also issues permits for some uses (like fiber-optic cables) along its right-of-way.

Figure 6 shows the breakdown of freight by the share of revenue generated. Petroleum products (including jet fuel and unleaded gasoline) account for nearly half the revenue from freight. Interline freight makes up nearly a third of freight value. Such freight includes a wide range of products and commodities that either come into or go out of Alaska and travel part way on the Alaska Railroad and part way on barges, other railroads, or trucks.

Figure 7 (page 4) shows where the railroad got the money for a number of major construction projects in recent years, including a new passenger station at Anchorage's airport. Federal grants made up 71 percent of recent capital funds. The railroad's retained earnings—earnings beyond what the railroad needs for daily operations—made up another 26 percent, with the remaining 3 percent from borrowing.

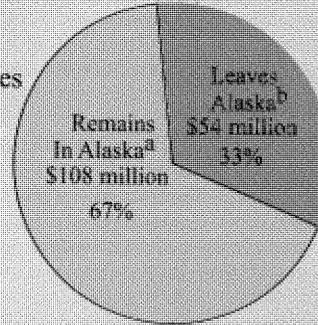
Since 1996, federal grants have increased sharply, but the railroad doesn't necessarily receive or spend grants the same year they're appropriated. So the federal grant numbers in Figure 8 are mainly intended to show the magnitude of change in recent years, rather than money spent in specific periods. Some federal grants require the railroad to match funds—for example, grants from the Federal Transit Administration currently require the railroad to put up 9 cents for every dollar of federal money.

### Figure 4. Total Alaska Railroad Spending

(Annual Average, 2001-2003)

#### Major Expenses

- Payroll for employees
- Purchases from Alaska businesses



#### Major Expenses

- Payments for barge, rail, and other services
- Purchases of railroad cars and other major equipment and supplies

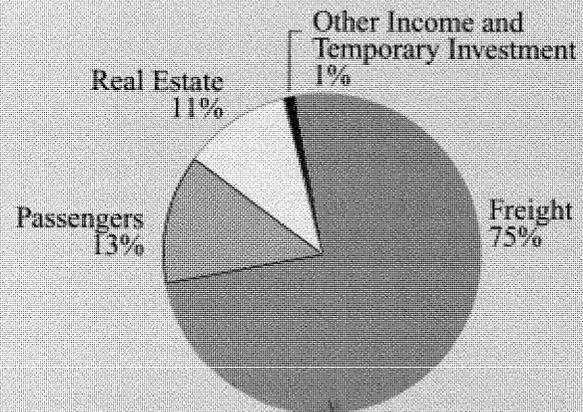
<sup>a</sup> Doesn't include all railroad transactions. This is our best estimate of spending that goes into the Alaska economy. It excludes out-of-state spending and some in-state accounting charges (like depreciation on assets) that don't reflect spending in the Alaska economy.

<sup>b</sup> Excludes spending for federal tax withholding and some other transactions. It is our estimate of railroad spending for goods and services purchased outside Alaska, based on railroad vendor reports.

Source: ISER estimates, based on Alaska Railroad data.

### Figure 5. Alaska Railroad Revenues by Activity

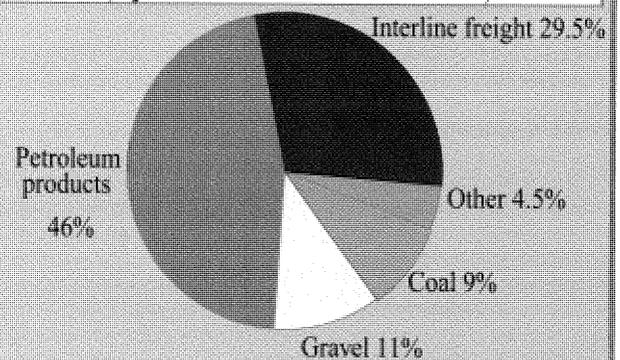
(Annual Average, 2001-2003)



Source: Alaska Railroad data

### Figure 6. Composition of Freight

(By Share of Revenue Generated)



Source: Alaska Railroad data

## CONCLUSIONS

Our estimates of the economic effects of railroad spending in Alaska are based on annual average spending of \$108 million from 2001 through 2003. If railroad spending increased, it would support more jobs and income; if spending dropped, it would cost the state jobs and income.

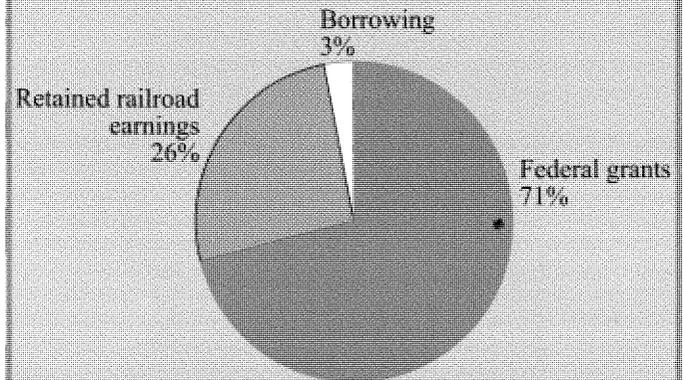
Also, the economic effects would change if the mix of spending for operations and for capital projects changed. Railroad operations require relatively more railroad employees, and many of the non-railroad jobs that rely on operations spending are in health care and retail trade. Capital projects create relatively more non-railroad jobs, about a third of which are in construction.

Finally, it's impossible to predict future capital spending. About 40 percent of the railroad's in-state spending in recent years was for capital projects, which it pays for almost entirely with federal grants and retained earnings. We know that federal grants can vary a lot from year to year, and that the railroad's retained earnings depend on how much money it makes on its operations and real estate holdings.

Linda Leask: Editor

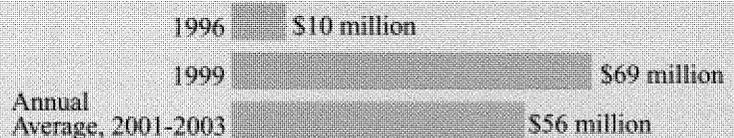
Clemencia Merrill: Graphic Artist

**Figure 7. Sources of Capital Funding**  
(Annual Average, 2001-2003)



Source: Alaska Railroad data

**Figure 8. Federal Grants To Railroad\***



\*Federal grants are not necessarily received or spent the same year they're appropriated. This figure is intended to show their magnitude and variability by year.

Source: Alaska Railroad data

The 45-page report summarized here, *Economic Significance of the Alaska Railroad*, was prepared by Bradford Tuck and Mary Killorin of ISER for the Alaska Railroad. The report is available from ISER for \$4.50, plus postage if required; call 907-786-7710. It is also available on ISER's Web site at [www.iser.uaa.alaska.edu](http://www.iser.uaa.alaska.edu)

### Research Summary (No. 63)

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2nd Quarter, 2005

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## SAFETY: RAILROAD MEASURES UP

### Midway through 2005, ARRC is on track to meet safety goals

With the year half over, the Alaska Railroad is measuring up to its 2005 corporate safety goals. Railroad employees are operating more safely than ever, even as the work tempo has accelerated given new and expanded services. Injury frequency is the lowest in history at mid-year – 1.68 per 200,000 man-hours; and total days lost due to injuries remains below the 30.0 goal. Worker compensation costs continue to decline, due to one of the shortest lists ever

of injured, off-work employees. On the equipment side, ARRC is on track to reduce vehicle and heavy equipment accidents by 25 percent, and the ARRC train accident rate is on par with the national average.

From mid-June to early September passenger and freight train activity are at peak levels. At the same time, ARRC must accomplish the bulk of its track maintenance, facility construction and repair. Not surprisingly, there has been a traditional spike in accidents during the busy summer months.

see "Safety..." on page 3



The Spirit of Fairbanks locomotive breaks through a giant ribbon during a May 26 celebration of the opening of the new Fairbanks Depot. See photo-story inside. (Photo by Al Grillo.)

### Alaska Railroad Ongoing Projects:

Eielson Branch Realignment

Northern Rail Extension

Fairbanks Intermodal Facility

Collision Avoidance System

Fish Passage Improvements

Anchorage-to-Wasilla  
Track Realignment

Anchorage Rail Capacity Study

Whistle Noise Reduction System

Crossbuck Illumination Test

Ship Creek Intermodal Center

Improved Sidings & Signals

South Wasilla Rail Realignment

Seward Coal Loading Facility

For updates or comments on these projects, visit the Alaska Railroad web site at [www.AlaskaRailroad.com](http://www.AlaskaRailroad.com)



*Hurricane Gulch is a 1920s marvel.*

## MOMENT IN HISTORY

This Aug. 15, 1921 photo shows the Alaska Engineering Commission Railway construction of the Hurricane Gulch bridge, which used 1500 tons of steel and cost \$1.5 million.

“Confidence ran high during construction of the enormous hinged arch, buttressed as it was against solid rock on both sides. On-site photographs of the project at Hurricane defy belief. Crews, like trapeze artists suspended hundreds of feet in the air, rendered exacting performances as they moved about the unconnected scaffolding. Steam shovel operators, with their frosted mustaches and multiple layers of thick clothing, tirelessly dug excavations for the approach spans, leaving splotches of dirt on the carpet of snow in their wake. A four-ton cable way transferred unwieldy construction materials back and forth across the gulch, another adaptation of measures once used in Panama. American Bridge Company crews began fabrication and cantilever erection of the 918-foot span on June 8, 1921. Sixty working days later, the first train passed over it.

*Editor's note: Excerpted from the book, "Get Mears," by Anchorage author Katharine Carson Crittenden.*

# INTERIOR STUDIES UNDERWAY

## Railroad considers rail realignment and extension

The Alaska Railroad is taking a closer look at two projects in Alaska's Interior. About \$14 million in funding from the U.S. Defense Department made it possible to do design and study potential environmental impacts associated with realigning the railroad track around Fort Wainwright and North Pole, as well as for extending the track from North Pole on down to Fort Greely / Delta Junction. Both studies got underway in late spring.

The realignment — known as the *Eielson Branch Realignment* — proposes to realign up to 16 miles of branch track around commercial, residential, and military areas between Fairbanks and North Pole, as well as upgrade another 3-4 miles along the project corridor. Several alternatives are being considered for realignment through Fort Wainwright and crossing the Richardson Highway. Once south of the highway, the track will likely be on, or adjacent to, the flood dike along the Tanana River. The railroad hired URS to carry out the Environmental Assessment (EA) work, which kicked off with public and agency fact-finding meetings held in late June and early July. The railroad anticipates an EA document will be ready for public review early next year, pending approval from the Federal Railroad Administration (FRA) and Federal Transit Administration (FTA), the lead federal agencies.

The extension — known as the *Northern Rail Extension* — would extend the track from Eielson AFB, about 80 miles southeast to Fort Greely, near Delta Junction. This project is directed at meeting the growing training and mobility needs of military forces in Alaska. Extended rail would afford year-round access to the Tanana Flats and Donnelly military training areas, and connect them to other military installations in Alaska, as well as to the Port of Anchorage. Due to the project's extensive nature, an Environmental Impact Statement (EIS) (as opposed to an EA) is being prepared. Because the project involves new railroad construction, the Surface Transportation Board (STB) is preparing the EIS, while the FRA administers the funding. The project team anticipates a draft EIS will be ready in late 2006 with a final EIS and Record of Decision completed by late 2007.

Fact sheets and additional information, including public meetings schedules, on both projects are available at [www.alaskarailroad.com/projects](http://www.alaskarailroad.com/projects).

## New FRA Train Horn Rule in Effect

Beginning in late June, the Federal Railroad Administration new train horn rule went into effect, requiring train engineers to sound the horn at least 15-20 seconds before a crossing and to continue sounding the horn until the crossing is reached. More information is available at [www.fra.dot.gov](http://www.fra.dot.gov), and on ARRC's *Whistle Noise Reduction System Test* fact sheet at [www.alaskarailroad.com/projects](http://www.alaskarailroad.com/projects).

# NEW FAIRBANKS INTERMODAL FACILITY OPENS

With historical roots, new depot offers a fresh gateway into Interior Alaska

A small crowd gathered at 1745 Johansen Expressway on May 26. At precisely 4:00 p.m., everyone turned to stare east down the tracks as the *Spirit of Fairbanks* locomotive rolled toward them. Inching forward, the train broke through a giant ceremonial ribbon stretched

across the tracks, celebrating another milestone in the Railroad's quest to modernize its infrastructure. The new Fairbanks Intermodal Facility and Depot was in fact open 10 days prior to the depot dedication event, in time to service the first of thousands of train passengers who will come to the Interior this summer. ●



ARRC Chair John Binkley, North Pole Mayor Jeff Jacobsen, Fairbanks Mayor Steve Thompson, ARRC Track Inspector Clifford Giles and ARRC President/CEO Pat Gamble cut the dedication ribbon.



The new depot's architecture is steeped in tradition, harkening back to railroad stations existing at the turn of the century in Alaska.



Alaskan Made: From design, to engineering, to construction — the new depot is the product of Alaskan craftsmanship.



The Tanana Valley Model Railroad Club, a cornerstone tenant of the old depot for years, has set up shop in the new depot.



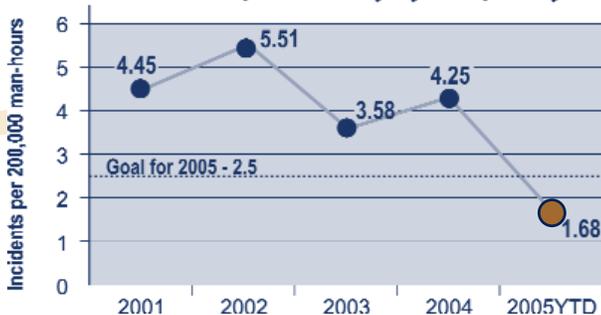
As passengers disembark the train, they walk straight into the spacious 12,500 square foot terminal.

## SAFETY

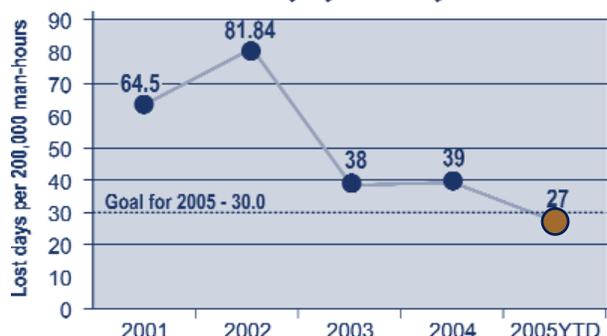
The railroad has worked hard to buck that trend. Over the past two years — especially last year — railroaders have flattened out the traditional summer spike,

recording the two best years ARRC has ever had for safety — and, not coincidentally, the two most profitable years in ARRC history. ●

ARRC Reportable Injury Frequency



ARRC Injury Severity Rate



# ARRC BOARD WELCOMES TWO NEW MEMBERS

## Governor appoints Anchorage and Fairbanks civic leaders to Railroad Board

Governor Murkowski recently appointed retired General Joe Ralston of Anchorage and Orié Williams of Fairbanks to the Board of Directors of the Alaska Railroad.



**General Joe Ralston**



**Orié Williams**

General Ralston served 37 years in the Air Force, finishing his distinguished career as Commander, U.S. European Command and the Supreme Allied Commander of NATO. He previously served as Vice Chairman of the Joint Chiefs of Staff. Earlier in his career, General Ralston headed the Alaska Command and the Alaskan NORAD Region. Upon his retirement in 2003, he and his wife returned to Anchorage. He currently serves as Vice Chairman of The Cohen Group, an international

strategic business consulting firm. Ralston fills a seat designated for a member from the third judicial district. His term expires October 3, 2008.

Orié Williams is President/CEO of Doyon, Limited. He is a Doyon shareholder and was previously a member of the Doyon Board of Directors. He serves on the Board

of Native American Contractors Association and recently chaired the Advisory Board on Alcoholism and Drug Abuse. He has been involved with the Nenana Tribal Council, the Bureau of Land Management Land Managers' Task Force, and other civic and charitable organizations. Williams fills a seat designated for a member from the fourth judicial district. His term expires October 3, 2009.

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3rd Quarter, 2005

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## ARRC PASSENGER BUSINESS BOOMS

Gold Star first class service popularity exceeds expectations



*The notably taller new double decker dome cars provide a distinctive first-class experience, which began with the 2005 summer passenger season. (Photo by Tim Thompson)*

The 2005 passenger rail season was one of the railroad's best in terms of passenger volume and revenue. Ridership on daily trains — the *Denali Star* (Anchorage-Fairbanks), *Coastal Classic* (Anchorage-Seward) and *Glacier Discovery* (Anchorage-Whittier-Spencer Glacier-Grandview) — increased by nearly 8,000 segments over 2004. Revenue for 2005 from ARRC's own railcar/package sales was up about \$1.7 million over 2004.

About half of the Alaska Railroad's total passenger revenues come from pulling rail cars belonging to cruise companies. The successful new Princess "Direct to Wilderness" program is one example of growth in this segment of the passenger business. In total, passenger revenue increased about \$3 million over 2004.

The advent of the first class Gold Star service aboard the ARRC's new double-decker dome cars was partly responsible for the boost in passenger revenues. The Gold Star service — offered as part of the *Denali Star* — was clearly a popular option for independent travelers who booked rail packages in particular. The railroad sold more than 14,500 Gold Star upgrades, beating the budget by 2,000 segments.

With the summer passenger season wrapped up, the charter season begins in earnest. More than a dozen charters were scheduled in September and October, including a new "Blues Train" featuring an overnight stay in Seward. During the winter months, the railroad offers once-weekly passenger service between Anchorage and Fairbanks, and the once-monthly Hurricane Turn. ●

Alaska Railroad  
Ongoing Projects:

Eielson Branch Realignment

Northern Rail Extension

Fairbanks Intermodal Facility

Collision Avoidance System

Fish Passage Improvements

Anchorage-to-Wasilla  
Track Realignment

Anchorage Rail Capacity Study

Whistle Noise Reduction System

Crossbuck Illumination Test

Ship Creek Intermodal Center

Improved Sidings & Signals

South Wasilla Rail Realignment

Seward Coal Loading Facility

For updates or comments on  
these projects, visit the Alaska  
Railroad web site at  
[www.AlaskaRailroad.com](http://www.AlaskaRailroad.com)

# PROJECTS AND THE PUBLIC

## ARRC offers “face time” in Interior, Southcentral



*Loop Track in service 1918-1951.*

### MOMENT IN HISTORY

This 1923 picture offers a view of Bartlett Glacier from under the loop trestle, a circular structure that crossed the railroad over itself, and was built to overcome the Kenai mountains’ steep grades. The loop was a feature of the Grandview area, which, at an altitude of 1,060 feet, is the highest point reached by the ARRC.

The name Grandview was given by early Alaska pioneer Nellie Lawing (“Alaska Nellie”) because of the area’s grand view. Due to its beauty, Grandview has since been favored by Nordic skiers, as well as rail passengers whom the railroad accommodates with regular stops for picture-taking.

During the railroad’s construction, the Alaska Engineering Commission (AEC) was tasked with reconditioning the loop. Alaska Nellie operated a roadhouse in the area to house and feed AEC railroad construction workers. Meals cost 50 cents and overnight accommodations cost a dollar.

The loop was rendered safe for travel in 1918 and continued to carry passengers until 1951. By then, Bartlett Glacier had receded, and a more stable route was built on ground that had been covered with 75 to 100 feet of ice. ●

*Sources: Alaska Museum of History & Art, ARRC VP Jim Blasingame, and Katharine Carson Crittenden’s book, Get Mears.*

Several Alaska Railroad projects are moving into phases that call for public awareness and input. In response, ARRC project teams have organized recent meetings that offer one-on-one interaction with citizens most likely to be interested.

**S Interior** – ARRC’s proposed Northern Rail Extension from Eielson to Delta Junction is expected to move into an environmental analysis and preliminary engineering phase that will be overseen by the Surface Transportation Board (STB). In the meantime, the rail-road has accomplished some aerial photography and preliminary land surveys to help delineate extension route alternatives. This activity has spurred interest from communities along the extension corridor. On September 19-20, the railroad visited Salcha, North Pole and Delta Junction to talk with local government and private landowners who may be affected by various route alternatives. The meetings were well-attended, allowing residents to ask questions, while the railroad gleaned valuable local insight.



*More than 100 landowners attend meetings to discuss route options with Northern Rail Extension project manager Brett Flint (center).*

**Anchorage** – The Ship Creek Intermodal Transportation Center project has moved into the final design phase. In August, the ARRC Board of Directors approved a design concept that preserves the historic depot as a centerpiece, and provides for safer, smoother pedestrian traffic flow between downtown and Ship Creek recreational opportunities. The project team organized an open house October 6 to unveil the design via presentations. About 80 people attended the presentations, asked questions of the project manager and architect, and viewed display boards and a scaled model.



*Ship Creek Intermodal project manager Deb Allen discusses the scale model.*

**Wasilla** – The railroad invited Mat-Su Valley residents to a public meeting October 18 to discuss the findings of an environmental assessment (EA) of the railroad’s South Wasilla Track Realignment. The project would improve safety and efficiency of railroad operations by straightening about four miles of mainline track in the southeast portion of Wasilla. About \_\_\_\_\_ residents showed up to discuss the findings of the EA, which describes the alternatives considered, and the related environmental, social and economic impacts of the proposed project. Public comment will be accepted through Nov. 2. ●

# ARRC RESPONDS WELL TO SPILL DRILL

## Railroad receives high marks for teamwork, technology, commitment

The ARRC received high marks during its annual spill drill Oct. 6. The Environmental Protection Agency (EPA) and Alaska Dept. of Environmental Conservation (ADEC) observed and participated in the drill, which is required by the ARRC's spill contingency plan.



*Fast water boom is deployed to confine the simulated oil spill.*

The drill scenario involved a southbound fuel train that hit a broken rail and derailed at Billion Slough, just north of Talkeetna. The drill simulated two of the fuel cars falling into Birch Creek, which runs into the Susitna River. Tank car "damage" resulted in a simulated release of oil into the creek, requiring deployment of fast water boom and oil collection systems to bring the situation under control.

As with any real world situation, the drill presented challenges that required flexibility. For example the late season's extreme low water level forced relocation of the response site. EPA and ADEC feedback emphasized the ARRC response team's adaptability, a strong mobilization effort, and productive communications between on-site and command center responders.

"Teamwork between the agencies and the railroad was the best it has ever been," added ARRC COO Matt Glynn. "EPA and DEC responders were visibly pleased and impressed with our new Anchorage Operations Center's layout and technology, expertise of our Incident Management Team, and commitment the railroad has obviously made to spill response capability. They also offered excellent suggestions and coaching, providing ARRC with good direction and ideas for improvement."

## A TALE OF TWO RAILROADS

### Coal brings Alaska Railroad and Eielson Railroad together

The Alaska Railroad is not alone. There's another freight-hauling railroad in Alaska, and it happens to start where ARRC terminates — Eielson AFB.

The medium that brings the ARRC and the Eielson Railroad (ERR) together is coal. The Alaska Railroad hauls about 185,000 tons of the stuff to Eielson to fuel the base's Central Heat and Power Plant (CH&PP).

"I know the challenges the railroad faces and I know they are doing the best they can, given factors beyond their control," said Bill Havard, CH&PP Operations and Maintenance Superintendent. ARRC Fairbanks Terminal Superintendent Mike Olson lists a few of the challenges associated with extreme cold: air brake limitations demand shorter trains; rail cars creak in protest as grease frozen nearly solid falls short of its job as a lubricant; switches and air hoses get stiff; and ice fog makes the cold permeate, sapping the strength of train crews.

"Cold weather just slows the railroad down, and the folks at Eielson understand that," said Olson. That empathy undoubtedly stems from running their own little railroad in support of the coal-fired power plant. ERR has 10 miles of track, two GP-40 locomotives, and a handful of coal cars.

Eielson's power plant is unique in the Air Force because very few military bases have their own rail system. "I do a lot of VIP tours of this plant," said Havard. "Folks are really interested, plus everyone just likes trains. I see full-bird colonels who pilot fighter jets get really excited about riding the train."

Certainly getting coal to Eielson's plant is critical to the base populace, but how important is the coal movement to the Alaska Railroad? In a word, "very," said Olson. "The coal contracts on this end of the line provide a solid, steady, year-round revenue flow. ARRC also supplies Ft. Wainwright and Fairbanks power plants." ●

# RAILROAD SPECIAL AGENT ARRESTS FUGITIVE

## Indicted “Papa Pilgrim” learns the perils of ARRC property trespass: capture!

**T**respassing along the railroad tracks might just be even riskier than you’d think. In the case of fugitive John Hale – AKA Papa Pilgrim – entering railroad property ended up cutting short his time on the lam.



Hale during a routine check of railroad property in the area. Although Hale had gained some notoriety from his high-profile dispute with the National Park Service over access to his land inside Wrangell-St. Elias National Park, Waychoff had not heard of Hale until he was handed a flier with Hale’s photo just hours before the encounter.

Hale had slipped away before State Troopers could arrest him following a September 22 indictment on 30 felony charges including sexual assault and incest. Early afternoon on October 5 Hale was driving his blue camper van on Eklutna Park Drive in Eagle River, which dead-ends onto railroad property. Alaska Railroad Special Agent John Waychoff crossed paths with



**Top: A handcuffed John Hale awaits Troopers on the tailgate of a railroad security pickup. Bottom: Agent Waychoff talks to Channel 2.**

Recognizing Hale from the flier that still lay on the dash of the railroad pickup, Waychoff motioned for Hale to stop, and then used the pickup to block the road, preventing an escape. After handcuffing Hale, Waychoff called the State Troopers to pick up their fugitive. ●

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## MOOSE SALVAGE BENEFITS ALASKANS

### New agreement between ARRC, Corrections and Food Bank

A recently signed Memorandum of Understanding (MOU) between the Food Bank of Alaska, Alaska Department of Corrections (DOC) and the Alaska Railroad (ARRC) is aimed at more effectively salvaging, processing and distributing moose meat to lower income Alaska families and individuals this winter. The MOU covers moose killed along 68 miles of track between Wasilla and Talkeetna.

Under terms of the agreement, Alaska Railroad staff will move any salvageable moose carcass to an accessible road-rail crossing within the Mat-Su Borough. The Railroad will then notify the Point Mackenzie Correctional Farm of the moose carcass location. The correctional facility will dispatch an inmate work crew to pick up the carcass under the direct supervision of correctional officers.

The officers and inmates will take the carcass to the farm where it will be prepared and hung in the barn. After proper aging, inmate workers will process the carcass in the farm's kitchen, grinding the meat into one-pound packages and storing them in the freezer.

The Food Bank of Alaska will pick up the frozen packs and distribute them to soup kitchens, pantries, senior centers and charities through March 2006. Formal state or federal inspection of facilities that process game meat is not required.

ARRC is providing a small grant in support of the program. Up to \$1,000 per month will go to the DOC to underwrite the cost of fuel and meat-processing ingredients.

The trial program will run from November of 2005 to March of 2006. ●



*Photo Courtesy: Doug Lloyd, Wasilla AK*

*To see more of Doug's photos visit his Website at: <http://www.douglooy-dphotography.com/4436.html>*

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*"Alaska Nellie" Lawing at her log cabin at Kenai Lake, 1941-1945.*

## MOMENT IN HISTORY

Fifty years ago Anchorage hosted a wintertime Alaska Nellie Week with railroad and city officials and railbelt citizens paying tribute to one of the most remarkable women who ever worked for the railroad. Just a few months later in May 1956, Nellie Neal Lawing passed away.

The company she kept told a lot about her robust character. Joining her at her first Thanksgiving in Alaska – 1915 in Seward – were Pioneer Smith, Post-hole Pete, Malamute Kid, Wild Bill, Snaggletooth Miller, and Tin Can George. The menu included moose, mountain sheep, bear, wine, whiskey and champagne.

A true pioneer on her own in Alaska, Nellie was a cook under contract to the Alaska Engineering Commission as it supervised the railroad's construction. She provided meals and quarters for travelers and construction crews.

Alaska Nellie's last contract with the railroad covered meals and sleeping facilities at Curry, then known as Dead Horse Hill. When construction ended in 1923, and a government hotel replaced the pioneer camp at Curry, Nellie purchased a cabin on Kenai Lake and made it her home. ●

*Source: The Alaska Railroad: Praeger Library of U.S. Government Departments and Agencies, by Edwin M. Fitch, 1967.*

# CAPITAL PROJECT OPEN HOUSES

## Four events offer forum for public participation

The Alaska Railroad is organizing four open house events in January to provide the public with an opportunity to review and comment on plans for capital improvements during 2006. Open houses will showcase continuing and proposed projects in various stages – from conceptual planning to construction. Project managers will be on-hand to explain projects in more detail. The schedule is:

- **Fairbanks** – 4:00-6:30 p.m., Wednesday, January 11, at the Railroad's New Depot, 1745 Johansen Expressway.
- **Seward** – 9:00 a.m. to 2:00 p.m., Saturday, January 20, at ARRC's Passenger Dock Terminal on Port Avenue. This will be held in conjunction with Seward's Winter Festival.
- **Anchorage** – 4:00-6:30 p.m., Tuesday, January 24, at the Railroad's Historic Rail Depot, 411 West First Avenue.
- **Wasilla** – 4:00-6:30 p.m., Thursday, January 26 – Evangelo's Restaurant, 2530 E. Parks Highway.

People unable to attend may visit [www.AlaskaRailroad.com](http://www.AlaskaRailroad.com) for project information. Comments may be emailed to [public\\_comment@akrr.com](mailto:public_comment@akrr.com) or mailed to Alaska Railroad Capital Projects, P.O. Box 107500, Anchorage, AK 99510-7500. For more information, call Public Involvement Officer Stephenie Wheeler at 265-2671. ●

# RAILROAD COMMUNITY GIVING

## ARRC employees surpass United Way goal



Alaska Railroad employees *super-surpassed* the \$75,000 goal for employee pledges to United Way in 2005, raising exactly \$98,343! That's 18% over last year.

"Just as the Alaska Railroad provides reliable and consistent transportation and freight services to our community, it can be counted on as a strong and consistent partner in helping meet our community's health and social service needs," said Michele Brown, President of United Way of Anchorage.

"The Alaska Railroad staff rallies every year to help their neighbors through the United Way campaign," Brown added. "The railroad stands out by making sure that each employee gets the opportunity to contribute in a meaningful way. Campaign coordinators and management alike stress a unified message: "it's not the amount of the gift, but the gift giving in itself that makes a meaningful difference. Thank you, Alaska Railroad employees!" ●

# ARRC MARKS ANOTHER BANNER YEAR

## New facilities, new services, economic support are hallmarks of 2005

The following are highlights of a very successful year. With the focus of a dedicated team of employees, and thoughtful financial stewardship, the Alaska Railroad was able to:

- complete and open a new Anchorage Operations Center
- complete and open a new Fairbanks Intermodal Facility & Depot
- purchase two new double-decker dome cars; and introduce new GoldStar first class service
- increase passenger revenue over last year by 15%
- support Princess in rolling out the "Direct to the Wilderness" service, which connects cruiseship passengers disembarking in Whittier with lodges near Talkeetna and Denali, and visa versa.
- haul over 4 million tons of gravel (second highest in history of ARRC)
- support Usibelli in efforts to expand export coal prospects with spot market shipments
- 54% decrease in derailments since 2002
- fully fund the ARRC pension plan
- move U.S. Army Stryker forces and equipment
- implement the Track Watch security program
- score high marks for performance in oil spill response exercises
- facilitate the opening of the new Bridge restaurant in Ship Creek
- initiate an environmental study as the first step in extending the rail 80 miles from Eielson AFB ●

## 2006 ARRC POSTER 'LIGHTS THE WAY'

### Poster signing slated for January 7 in Anchorage and January 14 in Fairbanks

The 2006 Alaska Railroad print/poster is entitled *Lighting The Way* by Anchorage artist Kurt Jacobsen.

"The Alaska Railroad is an important mode of transportation for Alaska in the winter as well as the summer," said Jacobson. "So the painting shows how the railroad 'Lights The Way' through a snowfall. The scene was created with acrylic paint on canvas.

"I am overjoyed that my art was selected this year," Jacobson added. "I have seen the previous artwork that has been selected as the Alaska Railroad prints over the last 20 years and have been impressed with the quality of art and artists; I am thrilled to have one of my



creations included among them now."

Born and raised in Alaska, Jacobson founded Snowbound Art Studios in 1998. His originals can be found in art galleries in southcentral Alaska and at major art shows in Anchorage.

Prints, posters and pins go on sale at the Anchorage and Fairbanks depots in early January. The posters sell for \$25 and the prints for \$50. Jacobson will be on hand at poster signing events scheduled for 10:00 a.m. to 2:00 p.m. Saturday, January 7, at the Historic Anchorage Depot, and 10:00 a.m. to 2:00 p.m. Saturday, January 14, at the new Fairbanks Depot. ●

# TOUR GUIDES: FACES OF THE RAILROAD

## High school-based program teaches the art of being an ambassador

Do you know the significance of Alaska Railroad milepost 248.5? If not, just ask one of the tour guides aboard the Alaska Railroad's passenger cars, because they know. It's their job.

Scouting for our 2006 season tour guides got underway this fall with open house events in Fairbanks and Anchorage. Nearly 200 people in Anchorage and more than 50 in Fairbanks attended.

The Alaska Railroad Tour Guide Program was created in 1980 to provide workplace skills and exceptional jobs to Alaska's young people. It is a school business partnership that is funded by the Alaska Railroad and local school districts in Fairbanks, Anchorage and Seward. This program is considered one of the most successful school business partnerships nationwide, and received an award from the National Partners in Education.

"Tour guides are the ambassadors for the State of Alaska and the Alaska Railroad," said Graham Houle, ARRC Passenger Operations Supervisor and a former tour guide (pictured in front of the tour guide 'elves'). "Ultimately, passengers will see more of the tour guides than any other employee on the Alaska Railroad. They are essentially the the face of the Alaska Railroad."



**2005 summer season tour guides double as 'elves' on the December 3 Holiday Train from Anchorage to Seward. Their training, summer experience and upbeat personalities helped to get the passengers into the holiday spirit**

That's why high school juniors and seniors that are interviewed and selected must complete a 10-week elective course that teaches customer service skills, public speaking, CPR, First Aid, Alaska history, geography, economics, current issues and biology. More information on the Tour Guide Program is available on the Alaska Railroad's website — [www.alaskarailroad.com](http://www.alaskarailroad.com), employment link. ●

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