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February 17, 2010

Senator Bert Stedman  
Senate Finance Co-Chair  
State Capitol, Room 516  
Juneau, AK 99801-1182

Senator Lyman Hoffman  
Senate Finance Co-Chair  
State Capitol, Room 518  
Juneau, AK 99801-1182

Dear Senators Stedman and Hoffman:

Thank you for providing Pat Gamble, Alaska Railroad President and CEO, and Bill O'Leary, Alaska Railroad Vice President Finance, with the opportunity to update the Senate Finance Committee about Railroad finances, business issues any other topics of interest on February 3, 2010.

There were questions relating to fuel transportation and Alaska Railroad fuel use that we promised to get back to committee members on once we gathered the data. Attached are a couple of charts that I hope provides the information requested. If we need to provide further information or clarification on the issues please let me know. My direct line is 265-2498.

Please share this information with other members of the Senate Finance Committee.

Best regards,

Wendy Lindskoog  
Vice President Corporate Affairs

### **2003 - 2010 Flint Hills Gallons Shipped on ARRC**

| <u>Year</u> | <u>Total Gallons</u> | <u>Jet A Gallons</u> | <u>Jet A Percent of Total Gallons</u> |
|-------------|----------------------|----------------------|---------------------------------------|
| 2003        | 819,081,795          | 558,864,051          | 68.2%                                 |
| 2004        | 799,135,479          | 553,911,663          | 69.3%                                 |
| 2005        | 769,031,275          | 549,213,459          | 71.4%                                 |
| 2006        | 614,657,062          | 521,634,687          | 84.9%                                 |
| 2007        | 659,605,949          | 574,763,681          | 87.1%                                 |
| 2008        | 565,819,252          | 492,006,916          | 87.0%                                 |
| 2009        | 492,562,861          | 390,200,581          | 79.2%                                 |
| 2010 Plan   | 410,241,174          | 304,509,240          | 74.2%                                 |

### **2005-2009 ARRC Fuel Purchases** **Quantities In Gallons**

|                        | <u>2005</u>      | <u>2006</u>      | <u>2007</u>      | <u>2008</u>      | <u>2009</u>      |
|------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>LOCOMOTIVE FUEL</b> |                  |                  |                  |                  |                  |
| Flint Hills            | 6,205,214        | 5,604,483        | 5,519,803        | 5,241,340        | 5,187,077        |
| Other Vendors          | 137,393          | 98,755           | 201,403          | 232,340          | 236,308          |
|                        | <u>6,342,607</u> | <u>5,703,238</u> | <u>5,721,206</u> | <u>5,473,680</u> | <u>5,423,385</u> |
| <b>EQUIPMENT FUEL</b>  |                  |                  |                  |                  |                  |
| All Vendors            | 193,976          | 235,403          | 242,164          | 264,233          | 260,613          |
| <b>VEHICLE FUEL</b>    |                  |                  |                  |                  |                  |
| Automotive Rentals Inc | 216,204          | 332,644          | 335,488          | 300,262          | 316,058          |
| <b>Total</b>           | <u>6,752,787</u> | <u>6,271,285</u> | <u>6,298,858</u> | <u>6,038,175</u> | <u>6,000,056</u> |