

The Alaska Railroad

90 Years of Economic Development

Presentation by
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AlaskaRailroad.com



Alaska Railroad Quick Facts

Organization (following State purchase)

- Independent corporation owned by State
- Managed by a seven-member board of directors appointed by Governor
- Mandated to be self-sustaining, responsible for financial and legal obligations

Operating Data

- 656 Total miles of track
- 1,381 Freight cars (owned & leased)
- 45 Passenger cars
- 51 Locomotives

Operating Statistics (Jan - Dec 2012)

- 415,279 passengers
- 5.56 million tons of freight
- \$190.4 million total revenue (preliminary unaudited)

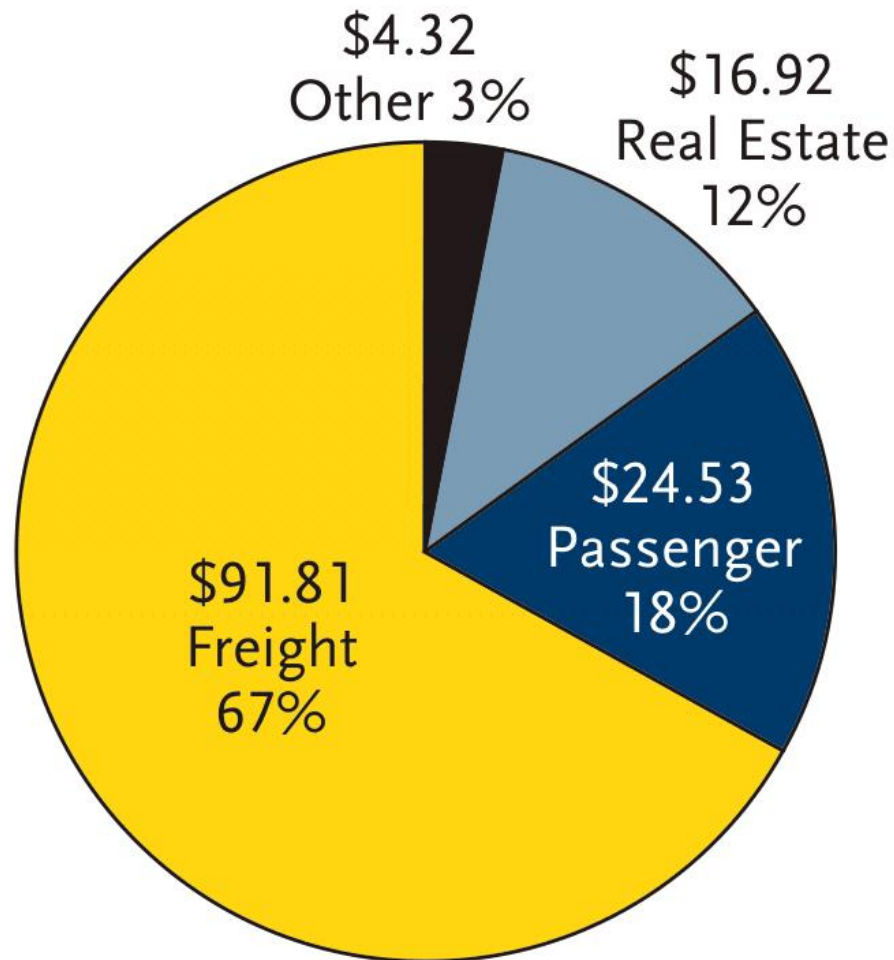
Employees (January 2013)

- 626 year-round employees
- 456 members of 5 unions



2013 Budget Revenue Sources

(millions of dollars)



Enabling Act of 1914

- Congress empowered President Woodrow Wilson to locate, construct, and operate a railroad in Alaska.
- Purpose: open Alaska Territory for economic development
- Established as an independent authority



Seward track-laying gang

Transfer to the State

- Purchased by the state in January 1985 for \$22.3 million.



Chapter 42.40 ALASKA RAILROAD CORPORATION Sec. 42.40.010. Establishment of the corporation.

There is established the Alaska Railroad Corporation. The corporation is a public corporation and is an instrumentality of the state within the Department of Commerce, Community, and Economic Development. The corporation has a legal existence independent of and separate from the state. The continued operation of the Alaska Railroad by the corporation as provided in this chapter is considered an essential government function of the state.

FREIGHT SERVICES



Oilfield Supplies



Petroleum Products



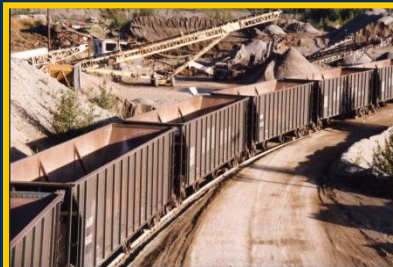
Military



Coal



TOFC/COFC

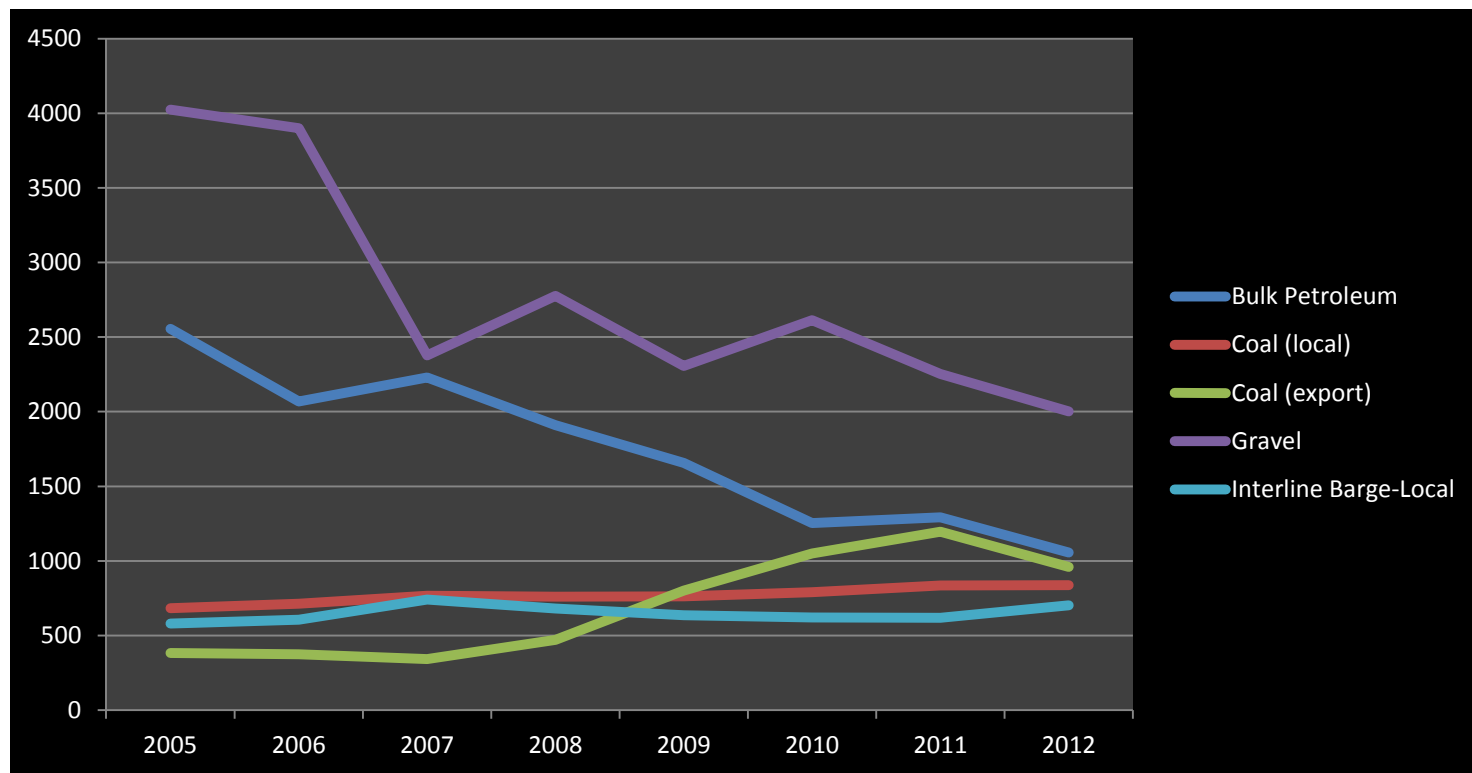


Gravel



Intermodal

Freight 2005-2012 (thousands of tons)



Tons	2005	2006	2007	2008	2009	2010	2011	2012	% Chg 2011-12
	-----in thousands of tons-----								
Bulk Petroleum	2,555	2,068	2,230	1,910	1,657	1,254	1,292	1,057	-18.2%
Coal (local)	683	713	766	761	762	791	836	838	0.2%
Coal (export)	384	374	342	471	801	1,051	1,195	961	-19.6%
Gravel	4,024	3,900	2,377	2,776	2,306	2,614	2,252	2,003	-11.1%
Interline Barge/local	580	607	742	681	637	622	619	702	13.4%
TOTAL	8,226	7,662	6,457	6,599	6,163	6,332	6,194	5,561	-10.2%

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



Intrastate Freight Within Alaska

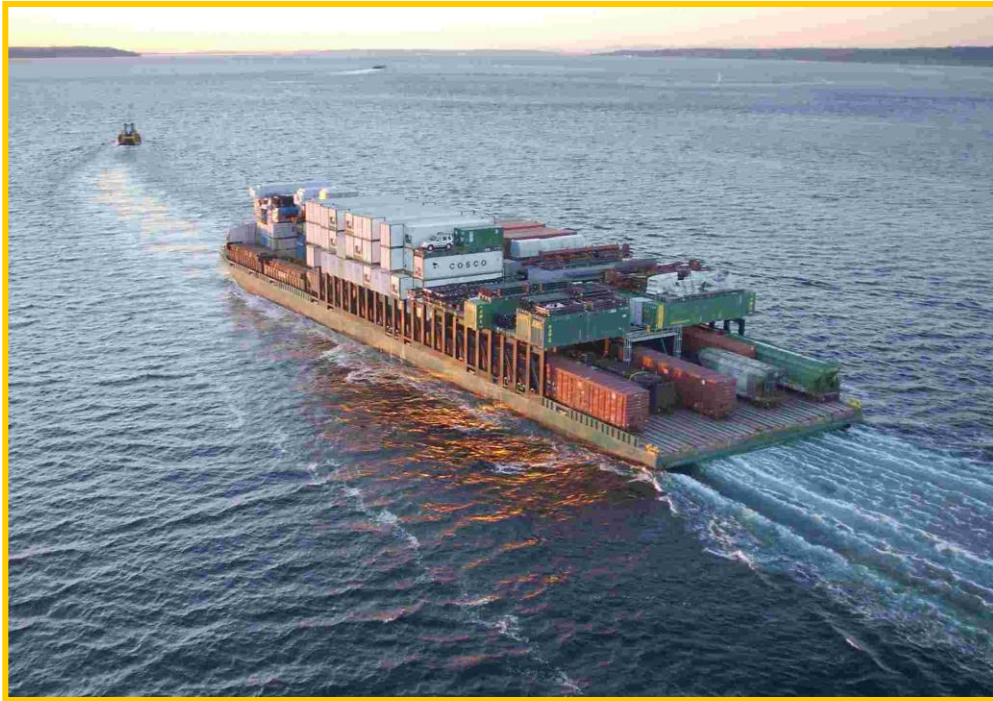
- TOFC & COFC
- Scrap Metal
- Coal (Local & Export)
- Construction Materials
- Gravel
- Jet Fuel



Interstate Freight

Lower 48 to Alaska

Alaska Railbelt Marine



- Seattle – Whittier
- BNSF & Union Pacific
- 52 Voyages/Year
- 7 Day Transit
- 45 – 50 Railcar Capacity
- Railcar Tracking
- Safe, Reliable, Affordable Service

International Freight

Canada to Alaska

Canadian National Railroad



- Prince Rupert – Whittier
- 30+ Voyages/Year
- 4 Day Transit
- 45 – 50 Railcar Capacity

PASSENGER SERVICES

Summer



Winter



Daily Service

Mid-May to Mid-September



Weekend Service

Mid-September to Mid-May

Regularly Scheduled Year-Round Passenger Service

- Full summer schedule of ARR trains and support to cruise passengers
- Hurricane Turn and Aurora winter train
 - Flag stop service
 - Provides critical access for Alaska residents living and playing where there are no roads
- Provides eligibility for federal formula funds



Additional Summer Passenger Service

- Transport over 400,000 visitors a year
- Most trips start and/or end in Anchorage
 - Coastal Classic from Anchorage to Seward
 - Glacier Discovery from Anchorage to Whittier and Chugach National Forest
 - Denali Star from Anchorage to Denali National Park and on to Fairbanks



Access to the parks

■ Chugach National Forest

— Transit in the Parks Program

- Partner with U.S. Forest Service in 2007
- Grants for DMU & construction of 5 whistle stops
- Promote access to Chugach without increasing traffic

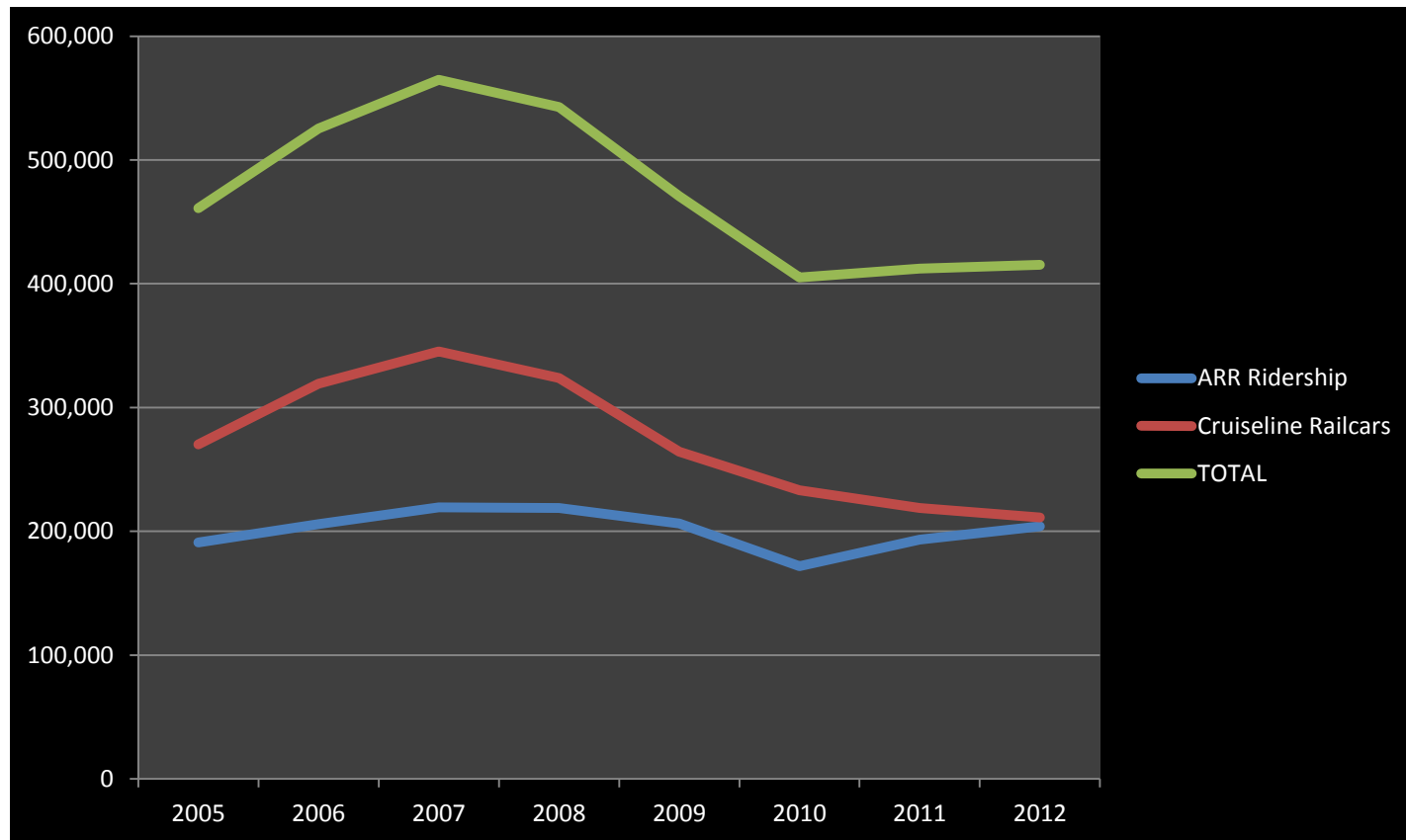


■ Denali National Park & Preserve

- Premier Alaska Destination
- 2004 \$5 million Depot Upgrade



Passengers 2005-2012



Passengers	2005	2006	2007	2008	2009	2010	2011	2012	% Chg 2011-12
ARR Ridership	190,963	205,924	219,370	218,833	206,410	171,975	193,293	204,120	5.6%
Cruiseline Railcars	270,155	319,369	345,430	323,838	264,376	233,160	218,916	211,159	-3.5%
TOTAL	461,118	525,293	564,800	542,671	470,786	405,135	412,209	415,279	0.7%

Real Estate

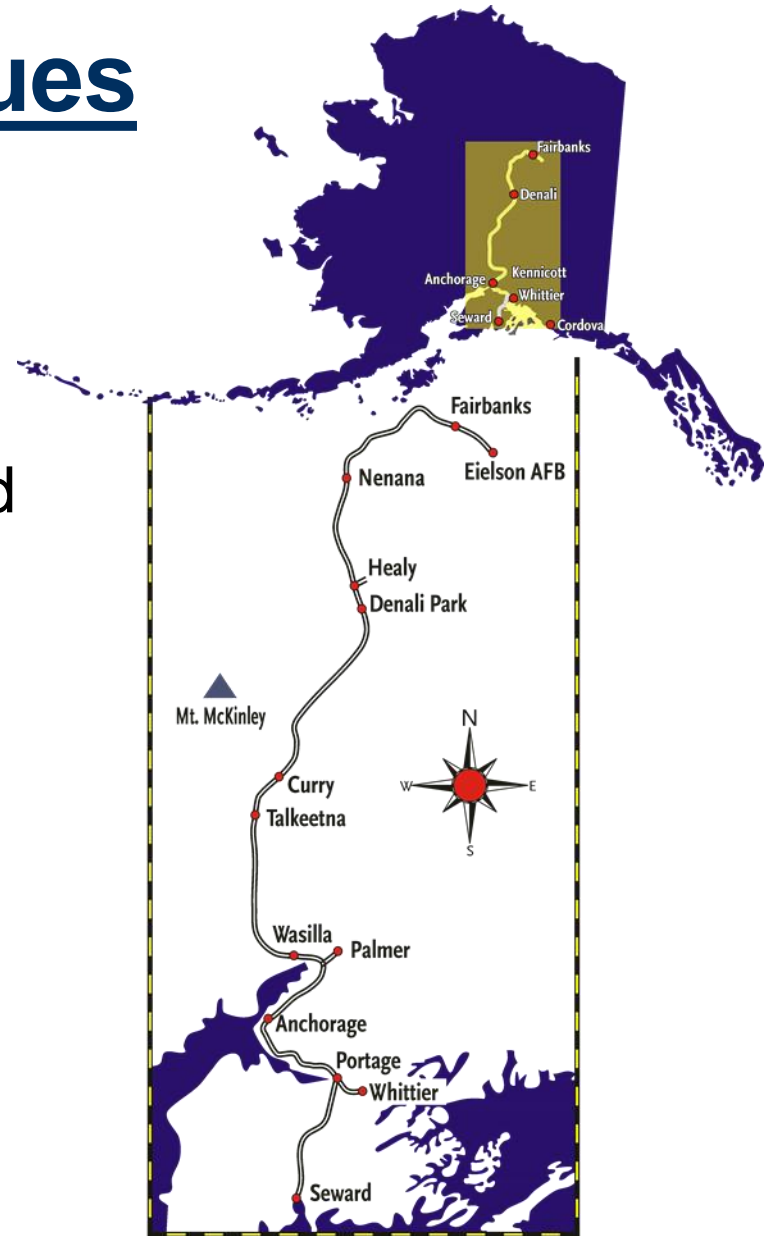
- Property Development
- Leases and Permits
- Dockage and Wharfage
- Facilities Maintenance and Management
- Approximately 36,000 acres



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

State Issues

- **State Rail Plan**
 - In process, to be completed in 2013
 - First since transfer to state
- **Transportation Infrastructure Fund**
 - If created ARRC would like to be included
- **95-Year Lease**
 - Developers appreciate it as a tool
 - No requests yet.
- **System Expansion**
 - Northern Rail Extension
 - Port MacKenzie Rail Extension



Federal Issues

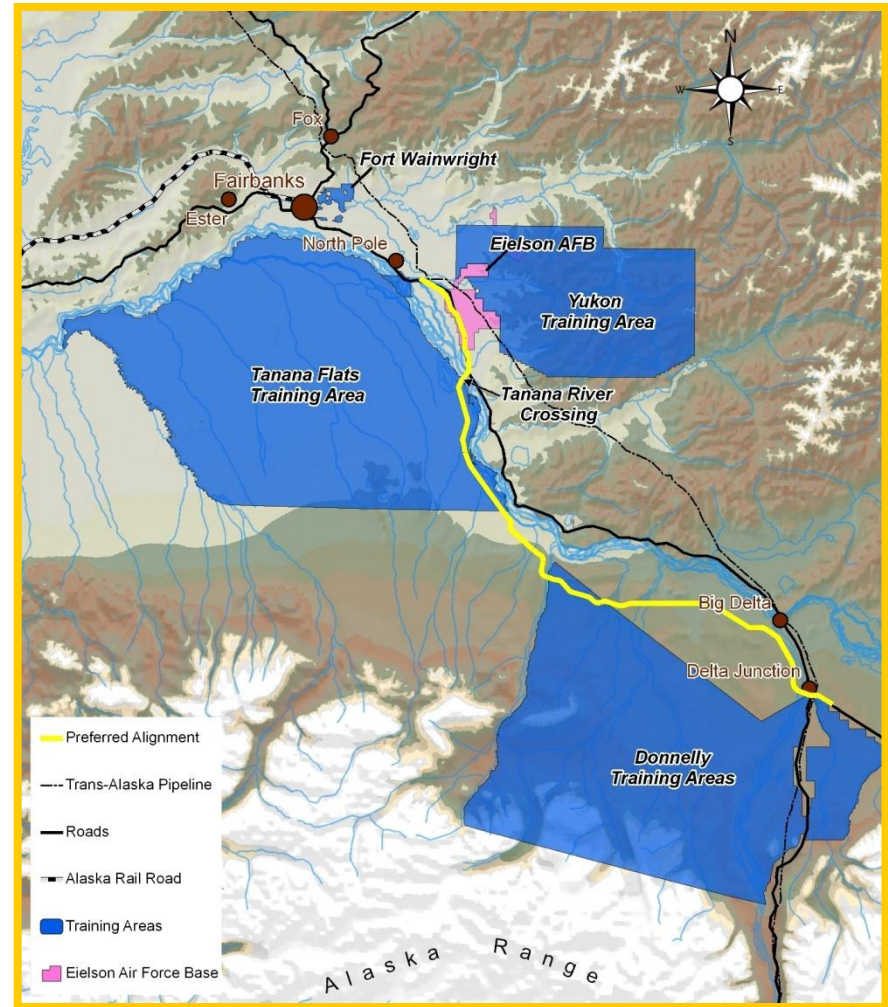
- FTA Formula Funding
 - Significant reduction for 2013 and moving forward
 - Will be up again in 2014
- Positive Train Control
 - Unfunded Federal Mandate
 - Unattainable deadline Dec. 2015
 - \$15 million+/year to 2018 for construction
 - \$5 million+/year for maintenance
 - Would prohibit passenger service if not implemented



ARRC Project News

Northern Rail Extension 4 Phase Project

- 80+ miles of rail from North Pole to Delta Junction
 - **Phase 1 : Bridge over Tanana River, approach road and levee near Salcha**
 - Phase 2 : 13 miles of rail from Moose Creek / Eielson AFB to Tanana River Crossing
 - Phase 3 : 30 miles of rail from Tanana River Crossing to Donnelly Training Area
 - Phase 4 : 38 miles of rail from Donnelly Training Area to Delta Junction



Northern Rail Extension Project Benefits

- Commercial freight and passenger service supporting communities
- Transportation alternative to Richardson Highway
- Connects military at JBER, Wainwright, Eielson, Clear and Delta Junction by rail to each other and to 3 Alaska ports
- Support regional tourism
- Economic and Resource Development Potential
- Future Canadian Connection?



Phase 1 – Tanana River Crossing

- Longest bridge in Alaska
 - 3300 Feet
- Levee to direct river flow
- \$188.2 million total cost
 - \$84.0 million State of Alaska
 - \$104.2 million Department of Defense
- Provide US Military with year round vehicle access to Joint Pacific Area Range Complex



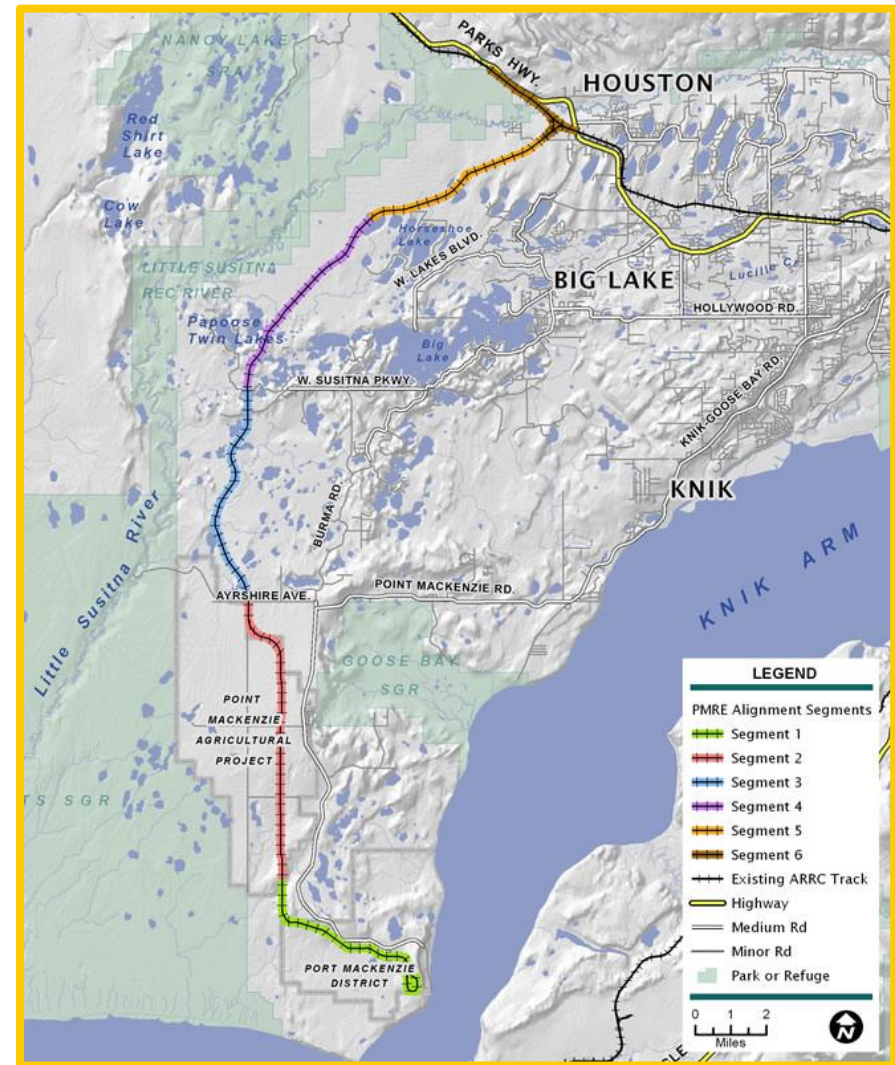
Phase 1 – Tanana River Crossing

- Keeping Alaskans Working
 - 70% Alaskan Hire on Project (2012 3rd Qtr. 86 out of 123)
 - Alaskan Companies Providing Services
- Kiewit Infrastructure West Co. – Construction Management/General Contractor
- HDR Alaska, Inc. – Project Management
 - Rolling Stone Construction
 - Alaska Quality Insulators
 - Statewide Clearing, Inc.
 - Dimond Electric
 - Alaska Drilling
 - JD Steel
 - HC Redimix
 - Code 3 Logistics
 - Bighorn Enterprises
 - Arctic Surveys Company
 - Alaska Industrial
 - HansonAlaska
 - Shannon & Wilson
 - PDC, Inc.
 - MAPPA
 - Northstar Terminal and Stevedore
 - Maynard's Mill & Small Buildings
 - Warwick Surveying
 - Carlile Transportation
 - Accupoint, Inc.
 - Brice, Inc.
 - Brown's Hill Quarry

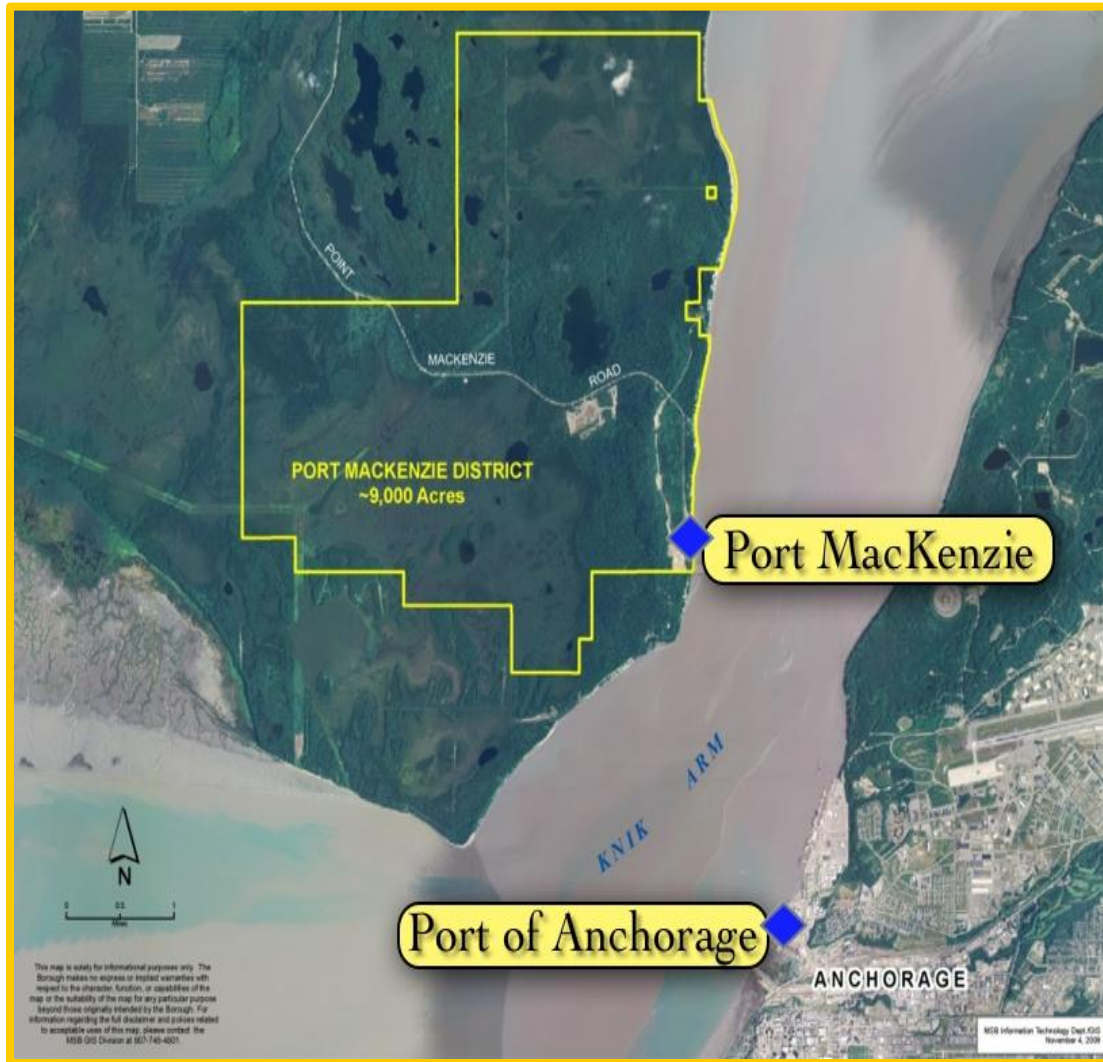


Port MacKenzie Rail Extension

- 32 mile rail extension
 - Houston to Port MacKenzie
 - ARRC serving as program manager to Mat-Su Borough
- All funding from State of Alaska



Port MacKenzie Rail Extension



- 4th Alaska Port served by Alaska Railroad
- 14 square mile Port MacKenzie District
- Staging, storage and industrial area
- Largest port reserve area in Alaska



Port MacKenzie Rail Extension

1 mile – 100 railcar industrial loop

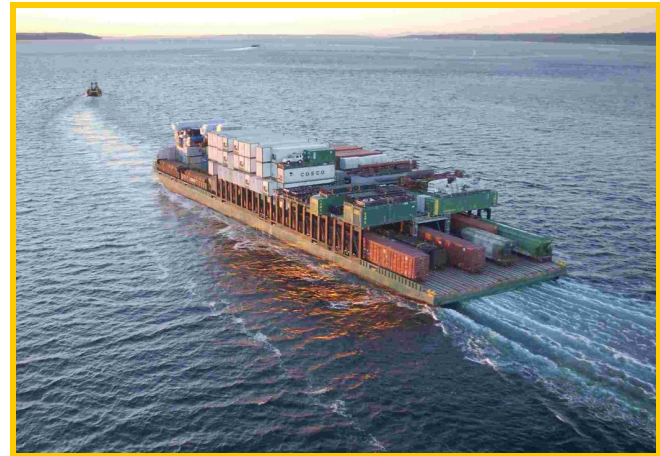


Potential Growth

- East to Canada – Continue NRE
- West to Nome – Access to resources
- North to Prudhoe Bay – Pipeline on Rails
- Corridors to resources
 - Include rail, road, utilities, pipelines, etc.
 - Can build road to railroad geometry
- Development of large resources move more efficiently by rail
- Cross continental passenger service

Economic Development Partner

- 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
- New Coal



Thank you!

