



Status of 2022 Strategic Goals & Initiatives

100% complete

Delayed / Partial

No progress /At risk

Strategy #1: Expand business by growing and diversifying revenue.		Status
Freight Business Initiatives and Goals	Notes and explanation	
Increase freight business revenue by 16% compared to 2021.	Unaudited 2022 Freight revenue increased 42.1% over 2021. 2022 Freight revenue was \$110 million vs \$77.5 million in 2021.	
Update Freight Marketing Plan, outlining strategies and tactics.	In progress. Continuing goal for 2023 with completion by end of first quarter.	
Complete <i>Freight Service Strategic Plan</i> by Q1 2022.	In progress. Continuing goal for 2023 with completion by end of first quarter.	
Evaluate Seattle ARMS barge gateway for service continuity/business support.	Completed evaluation of condition. Established plan to address future needs.	
Establish major customer expectation & service-level agreements.	Service level agreements all ongoing and will be renewed with 2023 pricing increase completion.	
Passenger Business Initiatives and Goals	Notes and explanation	
Increase passenger business revenue by 82% compared to 2021.	Accomplished. Passenger revenue increased by 100.1%. For comparison unaudited 2022 revenue was ~\$45 million vs 2021 \$22.5 million.	
Update Passenger Marketing Plan, outlining strategies and tactics.	Completed.	
Establish major customer expectation & service-level agreements.	Service level agreements in place. Updated summer agreements will be completed in spring 2023.	

Real Estate Business Initiatives and Goals	Notes and explanation	
Increase Real Estate business revenue by 2% compared to 2021.	Revenue increased 25% from 2021 to 2022, mostly due to return of cruise ships to Seward. Revenue growth without cruise dock growth is 2%, attributable to lease, permits and royalties.	
Update Real Estate Marketing Plan, outlining strategies and tactics.	In progress. RE networks with business, government and commercial real estate organizations throughout the railbelt	
Strategy #2: Improve profitability by optimizing cost structure.		Status
Revenue and Earnings Goals	Notes and explanation	
Improve corporate revenue per employee by 12% compared to 2021.	Corporate revenue per employee grew over 2021 by 24.8%	
Operating wage expense 40% or less than operating revenue.	ARRC's forecast reflects an expectation that we will meet goal as stated.	
Grow earnings before interest, tax, depreciation and amortization (EBITDA) by 59% to \$36.9 million.	ARRC's forecast reflects an expectation that we will meet goal as stated.	
Business Intelligence Initiatives and Goals	Notes and explanation	
Develop/Implement digital elements of Passenger Marketing Plan	New phone system, digital marketing executed and rapid on-line sales achieved. On-going for 2023.	
Strategy #3: Balance Capital Program to optimize safety, revenue and efficiency.		Status
Capital Project Execution Goals	Notes and explanation	
Complete approved capital program within planned timeframe and within budget.	Administrative delays associated with implementing federally funded projects prevented full execution of the capital program in 2022.	
Continue developing Vital Functions and Precision GPS components of PTC.	Vital Functions development progressed in 2022. Next step is field testing in October 2023. Precision GPS development progressed in 2022, with equipment installed in locomotives and hyrail trucks. Completion estimated fall 2023	
Continue to assess and mitigate cybersecurity risks to safeguard operations, data and computer systems.	Nearly a dozen cybersecurity protections were implemented in 2022. Remote worker protections and other cybersecurity-focused projects coming in 2023.	

Continue Seward Freight Dock expansion project, with permits and final design complete by 2023.	Continue Seward Freight Dock expansion project, with permits and final design complete by 2024. Environmental Assessment in process.	
Capital Strategic Planning Initiatives	Notes and explanation	
Continue Strategic Long Range Land Use Planning initiative related to acquisition and existing property (operations and real estate).	Planning has occurred with the south end of the railroad conceptually complete. Work on the north end will continue through 2023	
Continue implementing Transit Asset Management initiative, with plans to enhance capital programs after bonds repaid in 2023.	Met requirement to develop a Transit Asset Management Program (TAMP). Multi-year asset plans are complete. Refining TAMP with technology solutions to improve processes.	
Invest and further develop federal grant capabilities.	Administrative delays associated with moving federally funded projects prevented full capital program obligation in 2022. Exploring more capital project funding opportunities created by Infrastructure Bill. Increased staffing resources for grant applications/management, enhancing capacity.	
Strategy #4: Build a proactive culture of safety and engagement.		Status
Safety Initiatives and Goals	Notes and explanation	
Continue implementing the Incident Free Culture (IFC) program.	Continuing COVID impacts and busy summer season delayed beginning reboot of IFC implementation until early 2023.	
Achieve safety goals for reducing injuries, incidents and lost time.	The majority of Safety goals were met but incidents in December brought our FRA casualty rate to 4.6 (goal is 4.2).	
Personnel and Engagement Initiatives and Goals	Notes and explanation	
Continue next phase of succession planning for key positions.	Initiated Phase 1 focused on Chiefs/VPs/Superintendents to identify potential successors and prepare multiple candidates. Created some employee development plans, and will further implement employee executive level training courses in 2023.	
Develop and meet or exceed corporate training key metrics.	Established 9 key metrics, with 8 used to develop baselines in 2022. Exceeded LMS course completion goal of 85,000 with 93,665 (includes historical training) as reflected on employee transcripts	

Develop and implement Diversity, Equity & Inclusion (DEI) initiatives.	In 2022, HR presented to several minority groups and staffed a table at AFN to generate a more diverse applicant pool. Sent first Employee DEIB survey to gauge interest in affinity groups and other initiatives. Provided new Unconscious Bias training multiple times in 2022. Work in this area will continue in 2023.	
Continue employee engagement improvement efforts.	Employee app advanced. Cultural survey findings spurred morale events and initiated improvement planning. Departure of External Affairs position delay Improvement Plan presentation.	
Strategy #5: Enhance economic development, stewardship and stakeholder relations.		Status
Community Relations Goals	Notes and explanation	
Continue supporting Alaskan non-profits through in-kind donations and encouraging employee participation.	In 2022, continued charitable donations of rail tickets, prints and posters, used ties, freight hauling, special charters, non-profit event support, and Denali Car. United Way campaign raised over \$17,000. Food drives generated 673 lbs. of food.	
Continue outreach to public / private entities to aid economic development projects	Dock projects in Seward and Whittier master planning project evolved in 2022. Attended meetings and coordinated with local and statewide chamber of commerce, community councils, elected and appointed officials for mutually beneficial projects.	