

COMMUNITY



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Alaska Railroad Corporation
4th Quarter, 2003

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RAILROAD DRAWS PRAISE FROM TAIWAN

Governor picks ARRC to showcase Alaska to Taiwan President

When Taiwan President Chen Shui-Bian stopped in Alaska November 5, on his way home from a trip to New York and Panama, Governor Murkowski had at his disposal all of the assets of the State of Alaska to showcase the state. He chose the Alaska Railroad to do this.



Governor Murkowski and Taiwan President Chen Shui-bian with salmon from an Alaskan business. Photo by Al Grillo.

“Our employees feel particularly proud of this, and take it as a great compliment,” said Matt Glynn, ARRC COO & VP Operations.

Indeed, compliments were voiced by President Chen who said, “The Alaska Railroad provides a fantastic opportunity to view glaciers, mountains and wildlife. I look forward to sharing my experience and encouraging people in Taiwan to visit this beautiful destination.”

According to Glynn, railroad employees pulled together a first-class operation for nearly 400 very influential visitors and residents on an expedited schedule. “It was the product of good planning, cooperation, communication and execution,” he said.

“Everyone knew we were in the spotlight, and the opportunity to shine was not lost,” he said.

“The Alaska Railroad was a natural first choice for the meeting we had in mind with President Chen Shui-bian,” said Governor Murkowski. “The scenery, the food service, and the accommodations were perfect. The Taiwanese were able to have productive meetings with Alaska producers of fish, timber, oil and gas, coal and other minerals — in a setting that was conducive to good conversation, leading to business agreements. I hope we are able to do this again in the future.” ●

On behalf of the

Alaska Railroad's

700 employees,

We wish all of our

customers, vendors

and supporters a

joyous, safe holiday

season, and a

prosperous year

in 2004.





The privately owned Alaska Central Railroad under construction.

MOMENT IN HISTORY

The first try at what would become the Alaska Railroad was the Alaska Central Railroad, begun at Seward in 1904. The line made it only a few miles north and construction shut down well before it reached Turnagain Arm. The U.S. Congress picked up the job in 1914. In December 1920, the crew near Nenana was blitized by an influenza epidemic. The labor was hard, under tough conditions, but work continued throughout the winters. The men were quarantined for up to eight weeks and 75 people died, including 11 railroad employees. Construction was complete in 1923.

United Way drive surpasses goal

Alaska Railroad employees surpassed their United Way goal of \$67,000, raising nearly \$70,000. The Alaska Railroad matches employee contributions dollar-for-dollar. (The railroad does not receive any state funding). "Once again our railroaders proved their commitment to the United Way by surpassing our goal," said ARRC United Way Chair Kevin Bergsrud, a railroad engineer. "It is an effort we can all be proud of."

GETTING INTO THE 'SAFE ZONE'

Employees benefit from fewer, less severe injuries

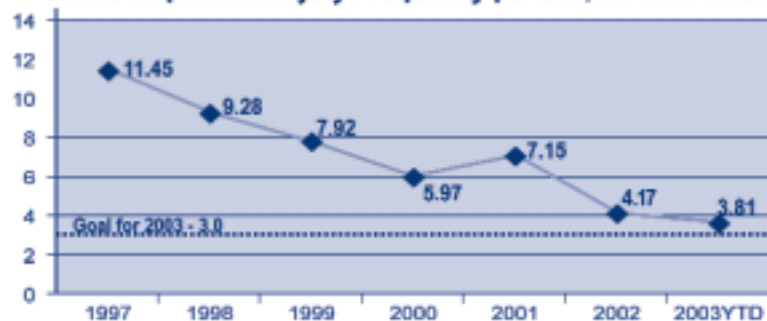
The railroad's focus on continually improving safety is yielding remarkable results. The frequency of reportable injuries has steadily declined, from 11.45 per 200,000 man-hours in 1997 to 3.5 in 2003 (year to date). Injury severity, measured by lost days per 200,000 man-hours, has also dropped significantly — from 152.85 in 1999 to just 14.58 this year.

Ideally, the railroad would like to post zeros in both categories, which is why safety remains the number one goal. Toward that end, railroaders were introduced to a new perspective on safety last quarter — the Safe Zone. The concept goes beyond traditional programs through which safety is imposed via workplace policies and procedures. Instead, each worker is asked to create their own safety buffer.

"The Safe Zone is personal responsibility at it's most basic," said Ernie Piper, Assistant VP, Health, Safety & Environment. Step One is taking charge of your own "personal zone." Step Two is recognizing a "shared zone" with co-workers. Step three is taking advantage of the "help zone" — those people and places an employee can access for information to keep safe.

The zone concept is the brainchild of heavy equipment operator Dwight West. His job involves constant monitoring of his machine, as well as the people, track equipment, trains, overhead wires, buried cables, vehicles, and everything else in the surrounding area. ●

ARRC Reportable Injury Frequency per 200,000 man-hours



ARRC Injury Severity (Lost Days) Rate



FORT RICH MILESTONE

Straightened track links to main

The Alaska Railroad closed the mainline track for 18 hours on October 29 to accomplish a “lineover” operation that hooked a brand new 10,000-foot stretch of track into the mainline system. The new straight segment traversing Fort Richardson replaces an old curvy alignment that was part of the railroad’s original route.

The Fort Richardson project is part of the railroad’s five-year program to straighten about 70 curves between Anchorage and Wasilla. Work on the Army post began last summer (on the heels of the track-straightening project on Elmendorf Air Force Base). Contractors literally had to move a mountain — about 1.2 million cubic yards of earth — to create a level new rail bed.

The lineover involved a crew of 22, who began work at the crack of dawn to replace four 200-foot sections of track. These were located where the two alignments tied together and where they intersected. ●



Crews tie the new track alignment into the mainline.

FREIGHT UP IN 2003

Gravel, fuel experience growth

The Alaska Railroad’s freight operations have had an extraordinary year in 2003. Year-end estimates place gravel and petroleum at some of the highest volumes in railroad history.

It was a huge year for gravel, with regular service hauling nearly four million tons — that’s the highest volume for gravel in the past decade. In addition, ARRC hauled about two million tons for the Alaska Dept. of Transportation & Public Facility’s Bird Point project, bringing total gravel moved to six million tons.

The petroleum business soared, with a remarkable 795 million gallons of fuel (equivalent to 25,000-26,000 rail fuel cars) hauled from Fairbanks to Anchorage and other places along the railbelt. ●



The railroad’s petroleum business soared in 2003. Photo taken in Fairbanks by Sam Harrel.

RAILROAD INVITES PUBLIC TO FOUR CAPITAL PROJECT OPEN HOUSE EVENTS

The Alaska Railroad invites the public to any of four open house events occurring early next year for an opportunity to review and provide comment on a proposed Program of Projects (POP) for 2004. Open houses will showcase continuing and proposed capital improvement projects that are in various stages — from conceptual planning to construction. Project managers will be on-hand to explain

projects that are located all along the railroad system from Seward to Fairbanks. Open Houses are:

- **Anchorage:** 4:30-6:30 p.m. Tuesday, January 6
- **Fairbanks:** 4:30-6:30 p.m. Friday, January 9
- **Wasilla:** 4:00-6:30 p.m. Tuesday, January 13
- **Seward:** 1:00-7:00 p.m. Friday, February 13

For details, visit www.alaskarailroad.com/projects

ARRC RELEASES COMMEMORATIVE POSTER IN JANUARY

2001 railroad poster artist selected for 2004 “return engagement”

Alaskan artist James Havens has completed the painting that will serve as the basis for the 2004 Alaska Railroad commemorative print and poster. This year’s poster depicts a southbound intermodal train traveling to Whittier along Turnagain Arm. In the foreground are a pair of breaching Orcas (killer whales), which occasionally appear in the area.

The artist also painted the railroad’s 2001 poster. That poster, depicting a ram on the cliffs above Turnagain Arm and the train, was one of ARRC’s most popular, having sold out in short order.

“It was an honor to do the railroad poster again,” Havens said. “This is somewhat of a continuation of the last one I did, showing the Turnagain Arm area and its inhabitants. I wanted the train to be shown as a *part* of the environment rather than something that dominates the environment.”

Havens came to Alaska by way of his father’s military career. His father retired from the Air Force in 1980-81, when Havens was in junior high school. Havens graduated from Wasilla High School and attended the Art Center College of Design in Pasadena, California. He owns an art studio and gallery in Anchorage.



The first Alaska Railroad poster, created by John Van Zyle, was printed in 1979. Since then, the annual (except 1984) poster has become a popular collector’s item, with requests coming from all over the world.

Approximately 4,500 posters and 750 prints are published. The posters sell for \$25 and the prints for \$50. A matching lapel pin is also available for \$5.

Prints, posters and pins go on sale at the Anchorage and Fairbanks depots in early January. Poster signing events will take place 10:00 a.m. to 2:00 p.m. Saturday, Jan. 3, at the Anchorage Depot, and 10:00 a.m. to 1:00 p.m., Saturday, Jan. 10, at the Fairbanks Depot. ●

2004 COMMUNITY TIES MAILING LIST UPDATE

We need your help to update our newsletter mailing list. Please let us know if you wish to be removed from our list. Also please make any corrections needed to your contact information. Send changes via fax to (907) 265-2365 or email to wheelers@akrr.com.

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