

Railroad At a Glance

ORGANIZATION

History, Ownership & Operation

- Federal government built the railroad 1914 -1923 in order to open the territory to development.
- State purchased railroad in 1985 for \$22.3 million.
- Independent corporation managed by a 7-member board of directors appointed by the governor.
- State law mandates self-sustaining operations and responsibility for financial and legal obligations.

Mission

- Provide safe, quality transportation and real estate services.
- Operate profitably to be self-sustaining.
- Foster economic development (infrastructure and services).

Assets

- 656 total miles of track
- 702 freight revenue railcars
- 45 passenger railcars
- 51 locomotives + 2 power cars
- Yards: Seward, Anchorage, Whittier, Fairbanks

Employees

- Not part of state personnel system.
- **2021 Benefits & Wages:** \$64.2 million
- **Year-round:** 609 • **Seasonal:** ~120
- **Average Age:** 43.0 • **Ave Years of Service:** 10
- **Male:** 595 (82%) • **Female:** 133 (18%)
- **Veterans:** 108 (15%) • **Resident Hire:** 90+%
- **Union represented:** 498 (68%)
 - AFGE/Alaska Railroad Workers 272
 - Alaska Train Dispatchers Association 8
 - TCU/Brotherhood Railway Carmen 41
 - International Brotherhood of Teamsters 58
 - United Transportation Union 119

FINANCIAL

Financial totals for 2021 are audited as of April 1, 2022.

- **2021 Assets:** \$1.08 billion
- **2021 Revenue:** \$198.02 million (including \$65.55 million in grant revenue)
- **2021 Net Income:** \$30.9 million
- **2022 Forecast Net Income:** \$45.3 million

Railroading is capital-intensive, requiring substantial annual investment to adequately maintain equipment and infrastructure. Revenue in excess of expense (net income) is reinvested in capital improvement projects and infrastructure maintenance programs.

BUSINESS LINES

Freight Business

- **Freight:** 3.49 million tons in 2019
- 2.5 million tons in 2021

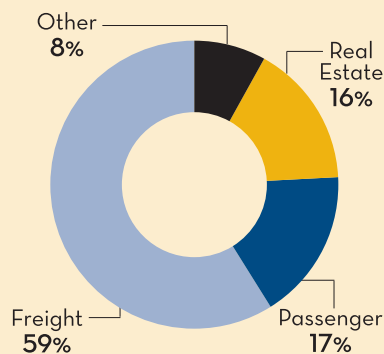
ARRC hauls natural resources including coal, gravel and petroleum products; and commodities including industry chemicals and supplies, dry goods, hazardous materials, pipe, lumber, heavy equipment and specialty items. ARRC offers seamless freight service between shipping points in North America to many Alaska destinations. Crucial to this link is Alaska Rail Marine, a rail-barge operating between Seattle and Whittier.

Passenger Business

- **Passengers:** 522,101 in 2019 • 200,381 in 2021

ARRC typically transports a half million passengers annually. The pandemic severely reduced ridership in 2020 (32,069 passengers), while 2021 saw a partial rebound. ARRC offers year-round regularly-scheduled rail transportation. Mid-May to mid-September, trains run daily between Anchorage-Seward, Anchorage-Whittier, and Anchorage-Denali/Fairbanks. In winter (mid-September to mid-May), trains operate between Anchorage and Fairbanks primarily on weekends.

2021 Alaska Railroad Operating (non-grant) Revenue Sources



Real Estate Business

Real estate holdings: approximately 36,000 acres:

- 38% (~14,000 acres) for track bed and right-of-way
- 3% (~1,000 acres) for other railroad operations (rail yards)
- remaining 59% for long-term lease or permit use

RAILROAD CONTRIBUTIONS

Transportation Link

Alaska's transportation infrastructure is sparse with 640 square miles of land for every mile of paved road. Only 20% of Alaska's roads are paved versus 91% average for the other 49 states. Many places in Alaska have no road access and are accessible only by air, ferry or rail.

Based on 522,101 rail passengers in 2019 (a typical year) and an industry average of 36 passengers per motorcoach, the Alaska Railroad keeps about 14,500 motorcoaches off single-lane highways during a typical year, decreasing safety and road maintenance issues.

Rail offers low-impact public transport to public treasures like Denali National Park and Chugach National Forest. Thus, people of all physical abilities gain safe wilderness access.

- **Denali National Park:** In 2019 (a typical year), 104,372 (17%, or about one in six) of the park's estimated 601,152 visitors arrived by train. As park visitation rebounded in 2021, trains delivered 59,861 (26%, or one in four) of the park's 229,521 visitors.
- **Chugach Forest:** In 2021, 50,530 passengers rode the *Glacier Discovery* train into forest areas; and 15,793 people experienced the Whistle Stops south of Portage.

ARRC subsidizes essential public transportation services to roadless areas where thousands of people live and recreate. This includes the year-round *Hurricane Turn* flagstop service and the Anchorage-Fairbanks winter (October through April) *Aurora* train service.

Community Involvement

- The railroad operates through 13 municipalities and boroughs. ARRC is a member of the state and local chambers of commerce along the railbelt, and a supporter/sponsor of dozens of civic organizations that promote economic growth and commerce, ranging from tourism to mining.
- ARRC enhances the quality of life for Alaskans around the state with annual in-kind donations of rail transportation services valued at just over \$1 million, on average. Each year, ARRC supports up to 400 charitable, civic and community non-profits with rail tickets, posters/prints, used ties, chartered use of the historic *Denali Car*, and other in-kind donations.

- ARRC prioritizes programs benefitting youth / education:
 - Discounts for school groups during the school year.
 - Provides in-kind donations and, volunteers and supports educational activities as a school-business partner.
 - Since 1981, ARRC has partnered with school districts to offer a vocational program to train high school students to serve as hosts onboard summer passenger trains.
- The Alaska Railroad also supports the military community:
 - In-kind rail travel donations to the Armed Services YMCA "Y on Rail" program.
 - In-kind donations to support military morale activities.
 - 20% discount for active duty military members, retirees and their dependents.

Environmental Stewardship

- **Green Star:** ARRC is a long-time Green Star awardee. A program of the 501(c)3 non-profit Alaska Forum, Green Star provides technical assistance and recognition to businesses and organizations that practice waste reduction, pollution prevention and energy conservation. In 2011, Green Star presented ARRC with its top *Super Nova* award for setting high environmental standards.
- **Recycling:** The Alaskans for Litter Prevention and Recycling (ALPAR) organization has twice honored ARRC with ALPAR awards (2006 and 2011) for supporting backhaul of recyclable materials. ARRC has repeatedly donated gondolas to haul scrap metal out of rural communities along the Yukon River, and transported truck trailers that backhaul materials for recycle in the Lower 48.
- **Freight Impacts:** Rail mitigates highway congestion and safety issues, reduces roadway wear and lowers emissions. On average, one freight train can carry the load of 280+ trucks. ARRC carried the equivalent freight of over 190,844 trucks in 2021:
 - In 2021, ARRC transported 22,069 hopper and tanker railcars (gravel, coal and petroleum), from mines or facilities to various distribution points. This equates to about 148,002 trucks traveling 16.4 million highway miles.
 - In 2021, ARRC carried 21,421 cargo-filled trailers and containers on trains moving from Anchorage, Seward and Whittier ports to distribution points all along the railroad. This equals 42,842 truck movements.
- **Fuel Efficiency:** According to the American Association of Railroads, a freight train can move a ton of freight nearly 500 miles on one gallon of fuel. Thanks to technology improvements, railroad fuel efficiency has greatly improved since 1980. According to a study commissioned by the Federal Railroad Administration (FRA), railroads are 3-4 times more fuel-efficient than trucks, on average.