ALASKA RAILROAD CORPORATION PRESS KIT



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RAILROAD

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Alaska Railroad Corporation (ARRC) | Corporate and External Affairs Department ARRC Headquarters / General Office Building (GOB)

Physical: 327 W. Ship Creek Avenue | Anchorage, Alaska 99501 Mailing: P.O. Box 107500 | Anchorage, AK 99510-7500

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MEDIA SOURCES AND RESOURCES

Media contact for corporate information:

Christy Terry
External Affairs Director
Alaska Railroad Corporation
P.O Box 107500
Anchorage, AK 99510-7500
(907) 265-2357
TerryC@akrr.com



Meghan Clemens
Marketing Communications Manager
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, AK 99510-7500
(907) 265-2453
ClemensM@akrr.com

PHOTO GALLERY

Click above to view Alaska Railroad photography available for editorial use. AlaskaRailroad.com > Corporate > news-media > railroad-imagery

PRESS RELEASES

Click above to view Alaska Railroad current and archived press releases. AlaskaRailroad.com > Corporate > news-media > press-media

BUSINESS FACTS

Click above to access Alaska Railroad at-a-glance and business factsheets. Alaska Railroad.com > Corporate







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CORPORATE OVERVIEW

The Alaska Railroad Corporation (ARRC) is a full-service railroad serving ports and communities from the Gulf of Alaska to Fairbanks. Owned by the State of Alaska, ARRC is a self-sustaining corporation operating without state subsidy and providing year-round passenger, freight and real estate services.

THE ALASKA RAILROAD'S MISSION

Through excellent customer service and sound business management practices, provide safe, efficient, and economical transportation and real estate services that support and grow economic development opportunities for the State of Alaska.

THE ALASKA RAILROAD'S VISION

Building a Great Railroad across a Great Land

THE ALASKA RAILROAD'S CORE VALUES

Safety, Service excellence, Sustainability, Integrity and Teamwork



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ARRC AT-A-GLANCE

Unlike most state-owned entities, the Alaska Railroad Corporation (ARRC) is incorporated and run like a business. Appointed by the governor, a seven-member board of directors governs railroad policy and direction.

ARRC receives no operating funds from the state, nor are railroad employees state employees. The railroad's freight, passenger and real estate services generate revenue to cover personnel, employee benefits, operations and maintenance expenses. The railroad also receives federal funding to augment its capital program. ARRC employs approximately 600 Alaskans year-round and more than 700 during the peak summer season.

The Alaska Railroad is a powerful economic engine, transporting products and people between Railbelt communities. Annually, trains haul millions of tons of freight, including groceries and other retail commodities, and construction materials for home building and commercial real estate. Freight services also support critical resource industries, such as coal, mining, oil and natural gas. Passenger trains transport more than a half million people annually.

The railroad invests tens of millions of dollars each year on capital improvements aimed at "Building a Great Railroad across the Great Land."

• For quick facts about the railroad's finances, assets, employment, operations and services, read the *ARRC At-a-Glance Fact Sheet* (found at AlaskaRailroad.com > Corporate).



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ALASKA RAILROAD LEADERSHIP

President & CEO William G. O'Leary



William "Bill" O'Leary assumed the railroad's helm on Nov. 1, 2013. He is responsible for the daily management and operations of the corporation.

Previously, O'Leary served as the railroad's chief oper-

ations officer, responsible for the oversight of rail transportation, engineering, mechanical, safety, labor relations, marketing, customer service and grant administration functions. From July 2001 to March 2013, O'Leary was the Alaska Railroad's vice president of finance

and chief finance officer. In this capacity he was responsible for the financial activities of the corporation as well as human resources and supply management functions. He also served as interim president and CEO from April 1 to Sept. 22, 2010.

A certified public accountant and lifelong Alaskan, O'Leary has worked in a variety of financial positions since 1988. Before joining the railroad, he was controller of the Alaska International Airport System. Born and raised in Fairbanks, O'Leary earned a bachelor's degree in accounting from the University of Alaska Fairbanks.

Board Chairman John Shively



Governor Mike Dunleavy appointed John Shively to the Alaska Railroad Board of Directors in November 2019. Fellow directors elected Shively as chair in September 2021.

He is board chair for Pebble

Mines Corporation. Earlier, he played a significant role in developing the Red Dog Mine while serving as chief operating officer for NANA Regional Corporation (1992 - 1994). In public service, Shively served as chief of staff

to Alaska Gov. Bill Sheffield (1983 - 1985), and as the Commissioner of Natural Resources under Gov. Tony Knowles (1995 - 2000).

He's been a trustee for the Alaska Permanent Fund, regent at the University of Alaska and board member for the Alaska State Chamber of Commerce and the Resource Development Council of Alaska.

He earned a bachelor's degree in political science from the University of North Carolina at Chapel Hill. Degree in hand, he came to Alaska in 1965 as a VISTA volunteer for one year. Instead, he adopted Alaska as home.

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Board of Directors



Board Chair:
John Shively
Chairman of the Board,
Pebble Mines
Corporation



Board Vice-Chair: Judy Petry President and General Manager, Farmrail System, Inc.



Julie Sande Commissioner, Alaska Department of Commerce, Community and Economic Development



Ryan Anderson Commissioner, Alaska Department of Transportation and Public Facilities



John Binkley Vice President, Godspeed, Inc.



Gale "T.J." Dinsmore Conductor / Engineer Alaska Railroad



John Reeves Owner Fairbanks Gold Company, LLC

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ALASKA RAILROAD HISTORY

Constructed decades before the Territory of Alaska earned statehood, the Alaska Railroad has profoundly impacted the 49th addition to the United States. The railroad has also played a pivotal role in our country's military and economic endeavors. Indeed, military and mining needs drove interest in a railroad.

President Woodrow Wilson put the wheels in motion in 1914, forming the Alaska Engineering Commission to determine the best route. Construction on the nearly 500-mile route began in 1915 and concluded in July 1923. In 1985, the state purchased the railroad from the federal government, and the Alaska Railroad remains a state asset today.

Some intriguing construction tidibts:

 The steepest grade on the Alaska Railroad is 3%, between Spencer and Grandview on the way to Seward.

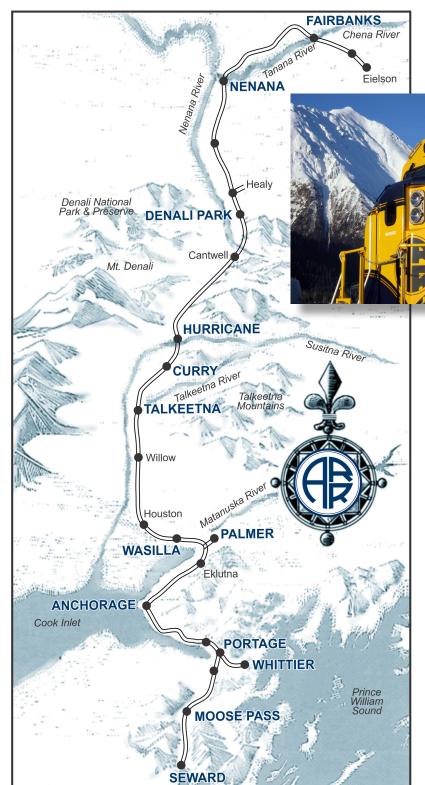
- The bridge over Hurricane Gulch, the most dramatic bridge on the line, was built in 1921 using more than 100,000 rivets. It extends 915 feet across the canyon and soars 296 feet over Hurricane Creek.
- Some of the same equipment used to build the Alaska Railroad was used in construction of the Panama Canal.

More History Information Resources

- The <u>ARRC Historic Timeline</u> lists Alaska Railroad milestones and highlights from conception and construction, to early operations, to today's business lines. Found at <u>AlaskaRailroad.com</u> > <u>Corporate</u>.
- ARRC Annual Reports document financial highlights and key milestones. Dating back to 1982, reports are available online at AlaskaRailroad.com > Corporate > Leadership > Reports



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TRAIN SERVICES

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More than 100 years ago, President Woodrow Wilson pursued a vision to

open up the territory's interior with a rail transportation corridor between Seward and Fairbanks. Today, the Alaska Railroad continues to move residents, visitors and resources from the Gulf of Alaska to the Interior region.

THE ROUTE

The Alaska Railroad's mainline track is about 470 miles long. The northern end of the mainline is in Fairbanks. Mile one of the railroad is in Seward, although technically, the first mile and a half was wiped out by the 1964 Good Friday earthquake.

Branch lines include track leading to Whittier, Palmer, Healy and Eielson / North Pole. For freight, the railroad's route extends to Seattle, where a railbarge service connects the Lower 48 states to Alaska.

The Alaska Railroad is one of the only railroads in North America that provides both passenger and freight service.

This requires logistical innovation and the right equipment. More than half of

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ARRC's locomotive fleet is comprised of 28 modern 4000+ horsepower SD70MAC engines with capacity to haul heavy freight loads. The SD70MAC head-end power (HEP) units generate power to meet the electrical requirements for passenger cars. For more information, see the <u>SD70MAC Locomotive Fact Sheet</u> (found at AlaskaRailroad.com > Corporate > News/Media > Press/Media).

PASSENGER TRAIN SERVICE

The Alaska Railroad offers year-round passenger rail transportation with Adventure Class and premium *GoldStar* service. More than a half million passengers ride Alaska Railroad trains each year. The summer season is mid-May to mid-September and includes daily service on most routes. The winter season is mid-September to mid-May, and includes weekend and some midweek service.

The Alaska Railroad offers rail transportation and rail travel packages, with the option to create a personalized rail excursion, complete with lodging, tours and activities. The Alaska Railroad also offers a flagstop service, the last of its kind in the United States. Special events trains operate around seasonal holidays, festivals and events and typically offer themed onboard entertainment.

Sources of more information:

- More information on passenger train services, routes, equipment and ridership is available on the <u>ARRC Passenger Service Fact Sheet</u> (found at AlaskaRailroad.com > Corporate).
- People can plan rail trips, buy rail tickets and reserve rail vacation and tour packages online at AlaskaRailroad.com > Ride-a-Train.



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FREIGHT TRAIN SERVICE

The Alaska Railroad provides seamless freight operation between shipping points in the Lower 48 to many destinations in Alaska. Port facilities in Seattle, Whittier, Seward and Anchorage provide crucial links between marine and land transportation modes. Rail yards in Seward, Whittier, Anchorage and Fairbanks serve as centralized distribution hubs for other transportation modes.

Freight is the railroad's bread-and-butter, generating more than half of its operating revenues. The Alaska Railroad moves major commodities, including petroleum products, chemicals, oilfield supplies, gravel, coal and dry goods.

Sources of more information:

- More information about freight train services, equipment and lines of business is available in the
 <u>ARRC Freight Service Fact Sheet</u> (found at AlaskaRailroad.com > Corporate).
- Businesses can get more freight service details online at <u>AlaskaRailroad.com > Freight</u>.
 Find information on freight routes, customer tools, shipping schedules, customer support and freight service contacts.







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REAL ESTATE BUSINESS

The federal government transferred land to the Alaska Railroad to accommodate transportation infrastructure and to generate income that helps maintain self-sufficiency. The railroad owns the right-of-way (ROW) that typically extends 100 feet on either side of the track. ARRC also owns land reserves in Seward, Crown Point, Portage, Whittier, Anchorage, Talkeetna, Curry, Hurricane, Healy, Clear, Nenana, Fairbanks, Valdez, Birchwood and Eagle River.

The ARRC Real Estate & Facilities Department is responsible for developing railroad property, leasing and permitting land, renting and leasing railroad-owned buildings, maintaining and managing railroad facilities, and managing the use of dock facilities in Whittier, Seward and Seattle.

Real estate holdings total about 36,000 acres. Nearly 14,000 acres (38%) are devoted to the track bed and ROW. By permit, the corridor is also used to locate fiber, cable, pipe and other conduits for utility transmissionto. Another 1,000 acres (3%) are used for railroad operations, such as rail yards. The remaining land is available for long-term lease or shorter-term permitted use.

Sources of more information:

- More information about the Real Estate business is available in <u>ARRC Real EstateFact Sheet</u> (found at AlaskaRailroad.com > Corporate).
- Find more information about real estate services, including land and facility leasing, permitting and depot rentals at <u>AlaskaRailroad.com > Real Estate</u>



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CAPITAL INVESTMENT

Railroading is a capital-intensive industry, annually requiring significant infrastructure investment. The railroad spends tens of millions of dollars each year to improve and enhance track safety, equipment and facilities. ARRC's program of projects also strives to integrate new products and services and to complement the economic development goals of railbelt cities and the State of Alaska. Funding comes from railroad business income, federal grants and formula funds, bonds and occasionally debt.

New fact sheets are developed, and existing fact sheets are updated annually to share information about capital projects that are significant in terms of investment, scope or public interest. Capital project fact sheets are available online at <u>AlaskaRailroad.com > Corporate > Projects</u>.

On Dec. 1 each year, the railroad publishes a *Report to the State* that describes how ARRC is building a safer, more efficient railroad to meet Alaska's growing transportation needs. The report includes an updated summary of ARRC's 5-year Capital Improvement Plan. The plan lists major projects by funding source, along with estimated cost and timing. The report is distributed electronically to lawmakers and key state officials, and made available online at <u>AlaskaRailroad.com</u> > <u>Corporate</u> > <u>Leadership</u> > <u>Reports</u>.

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BLUE & GOLD MAKE GREEN

One of the railroad's core values is stewardship, both financial and environmental. As it turns out, environmental and financial stewardship often go hand-in-hand. The railroad saves money and resources while taking steps to reduce facility energy consumption, to conserve train and vehicle fuel, and to reuse and recycle materials.

GREEN STAR

The Alaska Green Star program recognizes and encourages this win-win pro-business and pro-environment approach. The Alaska Railroad was one of the program's earliest participants, having earned a Green Star Award in 1993. Green Star (http://www.akforum.com/green-star/) recognizes organizations that demonstrate an ongoing commitment to reducing waste, preventing pollution, and conserving energy. The railroad has repeatedly recertified as a Green Star Award recipient and earned an additional Green Star Air Quality Award in 2007. In 2011, Green Star Inc. presented the Alaska Railroad with its premier new Super Nova Award recognizing a higher level of leadership and commitment to doing business in an environmentally responsible manner. ARRC continues to pursue programs and initiatives that promote environmental stewardship.



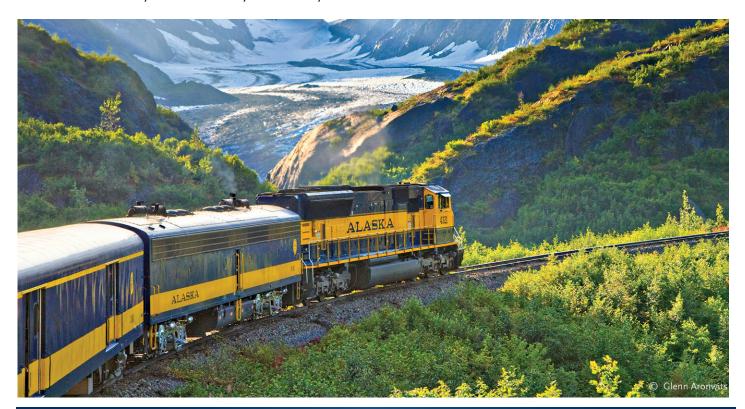
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A GREENER TRANSPORTATION OPTION

Railroad transportation is a relatively green option. Thanks to locomotive and other technology advancements, railroad fuel efficiency is up 106% since 1980. A freight train can carry the load of 280-plus trucks. According to the American Association of Railroads, a freight train moves a ton of freight an average of 484 miles on a single gallon of fuel. According to a independent study for the Federal Railroad Administration, railroads on average are four times more fuel-efficient than trucks.

If Alaska Railroad trains were not transporting passengers, many more motorcoaches and other vehicles would be on the road adding to congestion, particularly from May-September, when recreational and construction traffic increases substantially. Based on more than a half million passengers typically carried on ARRC trains each year, and considering the industry average of 36 passengers per motorcoach, the Alaska Railroad keeps more than 14,000 motorcoaches off the road annually. This decreases safety and maintenance issues created by higher levels of highway traffic. Moreover, the Alaska Railroad offers low-impact transportation to such public land treasures as:

- Denali National Park and Preserve: About a fourth to a third of all park visitors arrive via train.
- Chugach National Forest: As a *Transit in the Parks* partner with the U.S. Forest Service, ARRC provides people of all physical abilities safe access to remote wilderness areas of the forest that are only reachable by foot or by rail.



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COMMUNITY

Since 1914, the Alaska Railroad Corporation has been a partner in Alaska's economic growth, providing a means for communities to develop and flourish along the Railbelt. This includes supplying the Fairbanks gold fields, helping to build the Alaska Highway, supporting war efforts as well as hauling pipe and supplies for the construction of the Trans-Alaska Pipeline.

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 business development, economic growth and commerce, ranging from tourism to mining. As a good neighbor, the Railroad also supports charitable nonprofits that enhance educational opportunities, promote community quality of life and assist Alaskans in need.

Most ARRC contributions are in-kind. These range from donation of rail travel and promotional items (posters and pins), to use of ARRC rail service, railcars, materials and facilities. The railroad works to improve the quality of life for residents along the railbelt by leasing land to communities at less than fair market value for parks, bike trails and other public interest uses.

Alaska's transportation infrastructure is sparse with 64O square miles of land for every mile of paved road. Only 2O percent of Alaska's roads are paved versus 91 percent average for the other 49 states. Many places in Alaska have no road access and are accessible only by air, ferry or rail. 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 (October through April) *Aurora* winter train service.



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