

ALASKA RAILROAD

1984 Annual Report



FINAL FEDERAL REPORT

This Annual Report covers the Federal 1984 fiscal year from October 1, 1983, through September 30, 1984.

Since the Railroad was transferred from Federal to State ownership on January 5, 1985, the report incorporates some data pertaining to the October 1, 1984, through January 5, 1985, period. For example, the completion of the Seward Coal Terminal in December 1984 is included in the Overview and Operations narratives. Additionally, the balance sheet (Table IX) reflects a January 5, 1985, column. All statistical comparisons relate to the normal 12-month Federal fiscal year.

COVER PHOTO

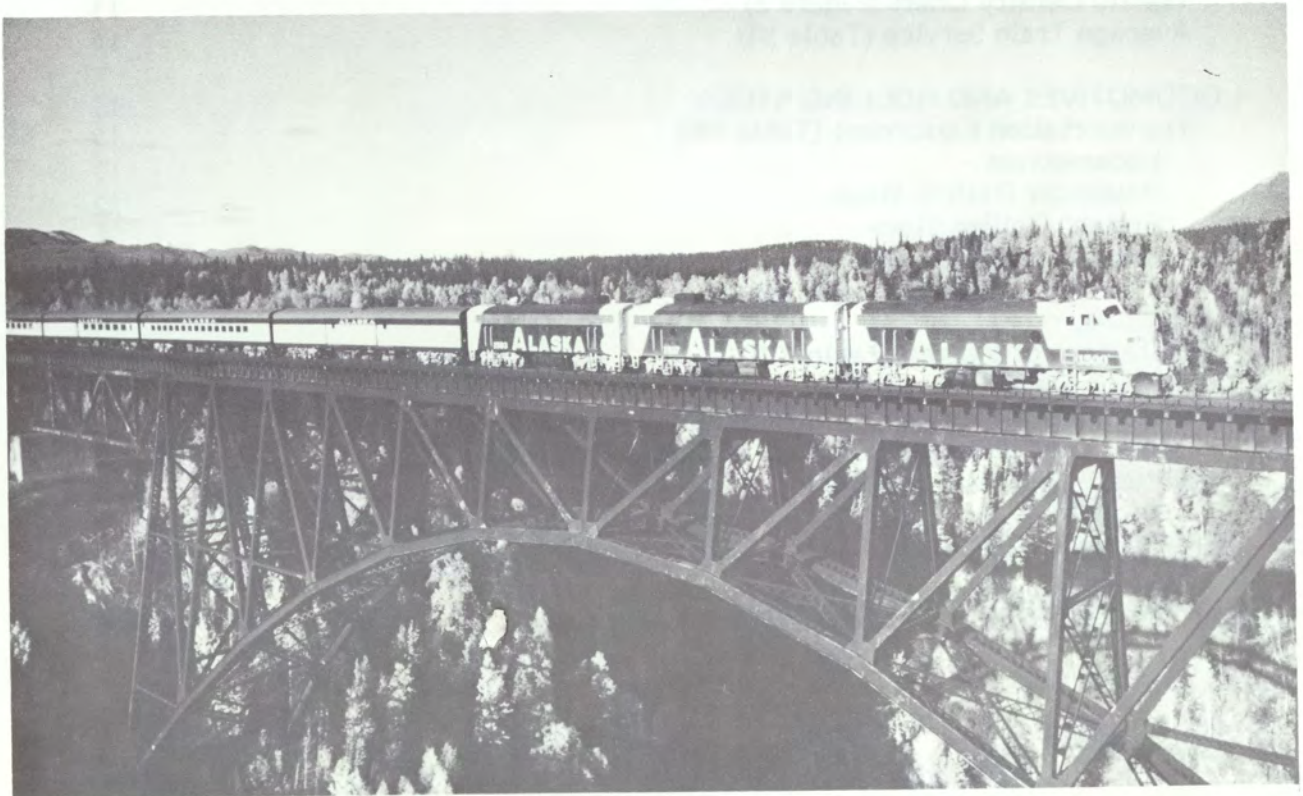
The Alaska Railroad was transferred from Federal to State ownership in a ceremony at Nenana, Alaska, on January 5, 1985. Here the Federal Railroad Administrator receives a symbolic oversized \$22.271 million check and the Governor accepts a symbolic gold-plated switch key at the Nenana Transfer ceremony. (Photo by Tom Coghill)

CONTENTS

	Page
OVERVIEW	1
Profile	1
Railroad Statistical Highlights (Table I)	1
The Railroad	2
Transfer	2
Outlook	3
Total Revenues and Expenses (Figure 1)	4
TRAFFIC	5
Freight	5
Freight Traffic by Commodity (Table II)	5
Passenger	6
Passengers Handled (Table III)	6
Tariffs	6
Tariff Changes (Table IV)	6
OPERATIONS	7
Capital Program	7
Capital and Major Maintenance Program Expenditures (Table V)	7
Operating Achievements	7
Traffic Density Chart (Figure 2)	13
Average Train Service (Table VI)	14
LOCOMOTIVES AND ROLLING STOCK	15
Transportation Equipment (Table VII)	15
Locomotives	15
Passenger Rolling Stock	15
Freight Rolling Stock	16
Miscellaneous Rolling Stock	18
FINANCIAL	19
Statement of Income (Table VIII)	19
Balance Sheet (Table IX)	20
Statement of Changes in Financial Position (Table X)	21
Five-Year Condensed Summary of Operations (Table XI)	22
Notes to Financial Statement	23
OFFICERS OF THE ALASKA RAILROAD	Inside Back Cover
ALASKA RAILROAD ROUTE MAP	Back Cover



A northbound freight train, powered by two GP-40-2, 3000 HP locomotives, along Turnagain Arm. A record setting 8.3 million tons of freight were moved in FY 1984. (Photo by Bill Coghill)



A passenger train on 297-foot high Hurricane Gulch Bridge. The 236,570 passengers handled in FY 1984 established a new high in the Railroad's history. (Photo by Kevin Laubacker)

OVERVIEW

PROFILE

The Alaska Railroad (ARR), an operating element of the Federal Railroad Administration within the U. S. Department of Transportation, was authorized by the Alaska Railroad Enabling Act of March 12, 1914, as amended, 43 U.S.C., 975 et seq.

The Alaska Railroad, now in its 62nd year, operates freight and passenger services on 481 miles of single mainline track extending from the deep-water ports of Seward and Whittier through Anchorage to Fairbanks with branch lines to Eielson Air Force Base, Anchorage and Fairbanks International Airports, Palmer, and the Suntrana coal fields.

MILES OF TRACK OPERATED	
Main Line	480.7
Branch Lines	48.2
Sidings, Spurs, Passing	37.3
Yard	88.4
Total	654.6

TABLE I: RAILROAD STATISTICAL HIGHLIGHTS

ITEM	FY 84	FY 83	% CHANGE
Total Revenues (\$ million)	62.15	56.10	+ 10.8
Total Expenses (\$ million)	60.32	53.27	+ 13.2
Surplus (Loss)			
Net Profit (After Depreciation) (\$ million)	1.83	2.82	- 35.1
Cash Flow (Before Depreciation) (\$ million)	6.66	7.23	- 7.9
Capital & Major Maintenance Program (\$ million)	7.43	16.60	- 55.2
Total Equivalent Work-Years of Employment	674.99	686.71	- 1.7
Freight Revenues (\$ million)	49.75	43.79	+ 13.6
Freight Revenue-Tons Carried (million)	8.27	6.02	+ 37.4
Freight Revenue Ton-Miles (million)	700.88	546.52	+ 28.2
Freight Revenue Per Ton-Mile (cents)	7.10	8.01	- 11.4
Freight Average Distance Carried (miles)	84.75	90.78	- 6.6
Freight Carloads Handled (thousand)	106.01	83.88	+ 26.4
Total Revenue Train-Miles (thousand)	591.41	480.96	+ 23.0
Passenger Revenue (\$ million)	3.88	3.30	+ 17.6
Passenger-Miles (million)	15.59	15.27	+ 2.1
Gross Ton-Miles (million)	1,781.71	1,417.81	+ 25.7

THE RAILROAD

In FY 1984 -- the final year of Federal ownership -- The Alaska Railroad set all-time highs in freight and passenger movements, and in revenues earned (Table 1).

The Railroad handled a record 106,011 carloads of freight in FY 1984 representing a 26 percent increase over FY 1983. The total freight-tons moved was 8,271,907 compared to 6,017,982 in FY 1983 for a 37.5 percent gain.

The number of passengers totalled 236,570, topping the previous high of 211,359 in 1983 by 12 percent. Ridership increased on all services operated, with the most significant occurring on the Anchorage-Denali-Fairbanks service and on specials -- 26 and 23 percent respectfully.

Fiscal year 1984 was the fourth consecutive year of positive earnings. Total revenues for the year were \$62.15 million and expenses \$60.32 million. The earned (net) surplus was \$1.83 million and the positive cash flow generated was \$6.66 million.

Two developments occurred in 1984 which are having a significant impact on the Railroad's piggyback traffic. A major transportation company began weekly roll-on roll-off barge service between Seattle and Seward in April 1984. Two new triple-deck barges, each capable of carrying up to 350 trailers, were placed into service. Also in April, the Seattle-Whittier rail barge operator began operating its first double-deck freight barges. Each double-deck barge is capable of carrying up to 100 rubber-tired trailers on the upper deck as well as 50 railcars on the lower deck. Piggyback traffic led all other major commodities in gains over FY 1983, 117 percent in revenue tons and 62 percent in revenue dollars.

TRANSFER

Culminating five years of effort, The Alaska Railroad was transferred from Federal to State ownership on January 5, 1985, in a ceremony held at Nenana, Alaska.

Legislation initiated in the early 80's and signed by President Reagan on January 14, 1983, was named the Alaska Railroad Transfer Act. The Act directed two major actions. The first, a joint federal-state Transfer Report describing the properties, assets and liabilities to be transferred, was submitted on July 13, 1983. The second, a Valuation Report setting a fair market value of The Alaska Railroad, under the auspices of the United States Railway Association, was submitted on September 23, 1983.

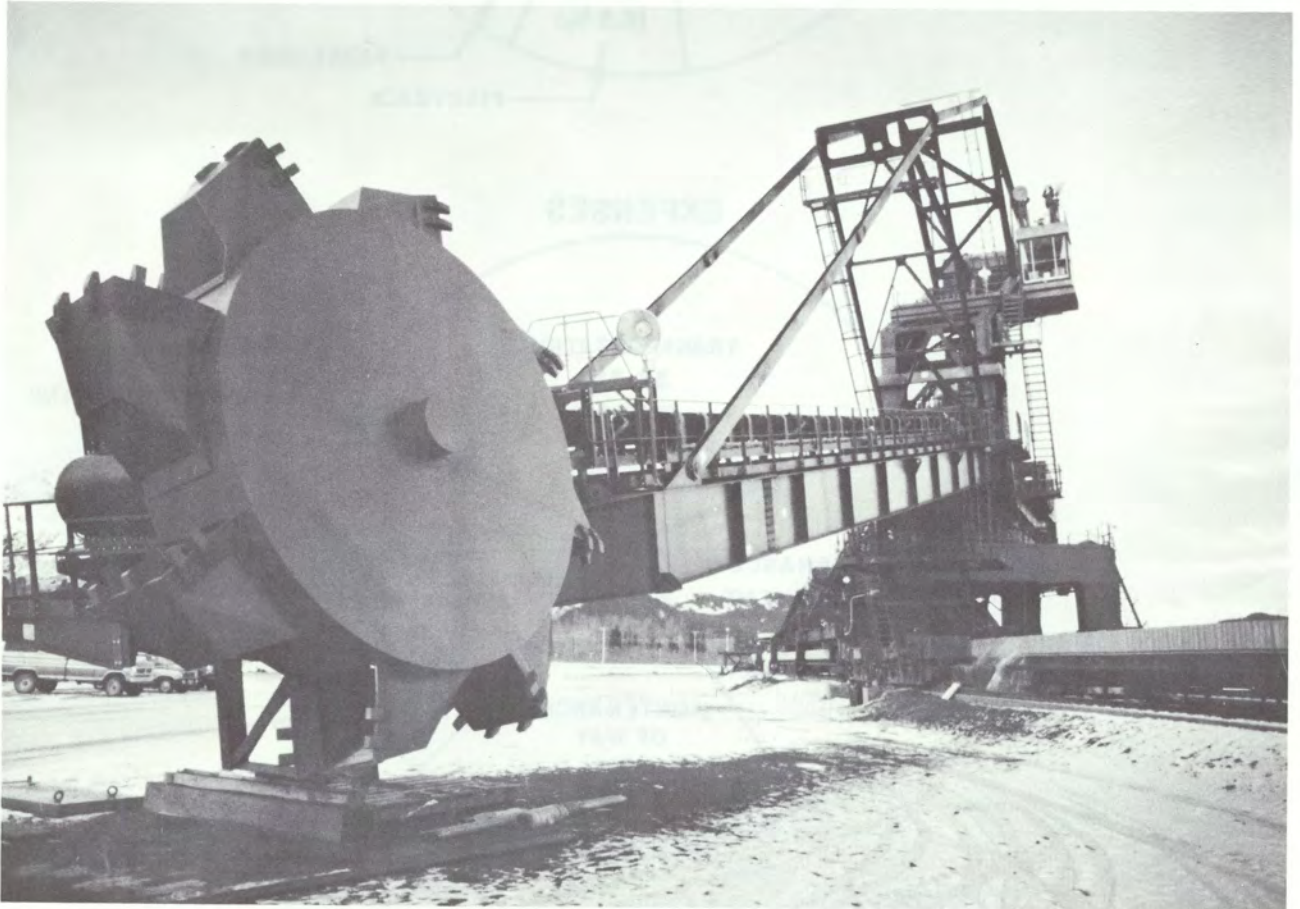
In 1984, the Alaska legislature authorized negotiation with the Federal Government and passed the Alaska Railroad Corporation Act. This Act, which established the Alaska Railroad Corporation as the entity to operate the Railroad, was signed by Governor Sheffield at a ceremony held in the Railroad's Anchorage Depot on July 5, 1984. In another public ceremony on July 12, 1984, conducted on the Railroad's Anchorage Depot platform, the Governor and the Federal Railroad Administrator exchanged documents necessary to effect the actual transfer. The formal transfer occurred at Nenana with the Governor and the Federal Railroad Administrator signing official documentation and exchanging an oversized \$22.3 million check and a symbolic railroad gold switch key.

The Railroad, effective January 6, 1985, is operated as the Alaska Railroad Corporation. It is a quasi-public corporation with a seven-member board of directors appointed by the Governor of Alaska.

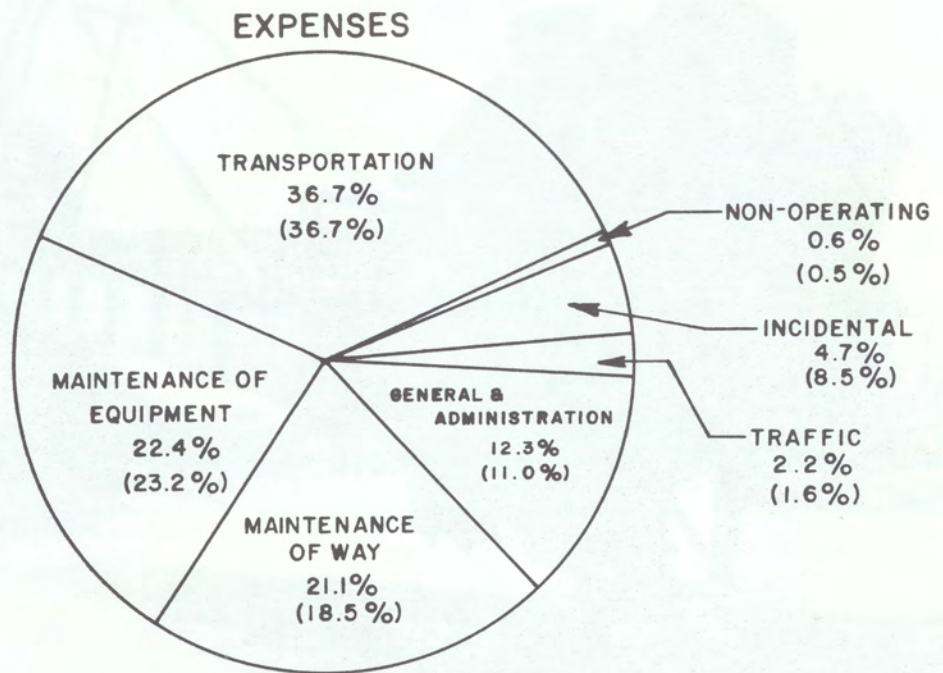
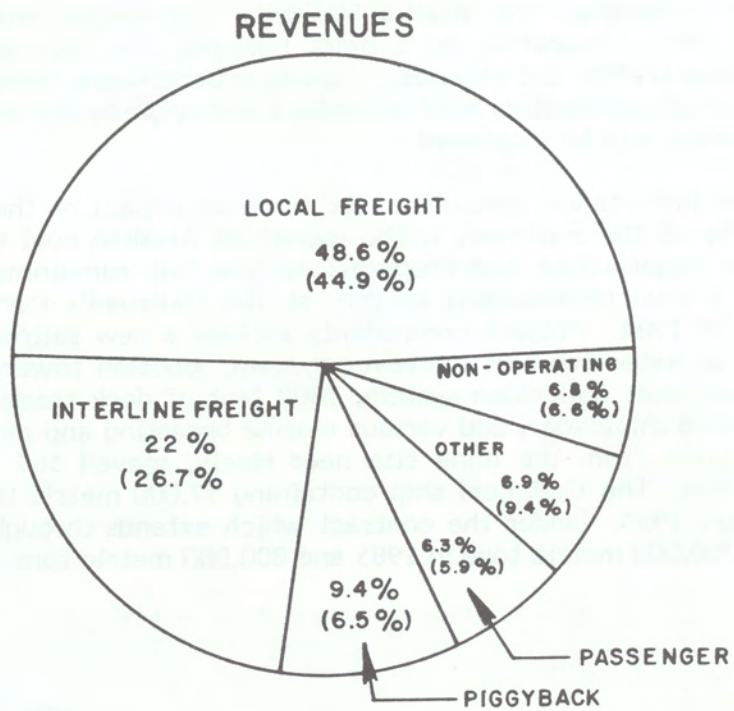
OUTLOOK

Under State ownership, the Alaska Railroad Corporation anticipates a stronger performance in 1985. Operating on a more business-like approach, the Corporation expects to increase traffic and revenue. Capital expenditures, designed to maintain the integrity of the physical plant as well as replace and upgrade the equipment to improve operating efficiency, will be increased.

Of paramount importance, because of its immense impact on the long-term earnings base and viability of the Railroad, is the export of Alaskan coal to Korea. Following several years of negotiations and preparations, the last remaining major task -- the construction of a coal transloading facility at the Railroad's Port of Seward -- was completed late in 1984. Project components include a new railroad spur, a receiving hopper system, an extensive belt conveyor system, junction towers, railcar shakers, a stacker/reclaimer, dust collection system, 1800 feet of dock trestle system, a dock to support an elevated shiploader, and various marine breasting and mooring dolphins. The first unit coal train from the mine site near Healy, moved 363 miles to Seward on December 12, 1984. The first coal ship containing 57,000 metric tons of coal departed Seward in January 1985. Under the contract which extends through 1992, the Railroad expects to ship 700,000 metric tons in 1985 and 800,000 metric tons annually thereafter.



The coal stacker/reclaimer, pictured above, is part of the new \$21 million coal transloading facility constructed in 1984. The machine weighs 350 metric tons, is 60 feet high and 370 feet in length. (Photo by Tom Coghil)



**FIGURE 1: FY 1984 TOTAL REVENUES & EXPENSES
(FY 1983 PERCENTAGES IN PARENTHESIS)**

TRAFFIC

FREIGHT

Table II shows freight revenue tons and freight revenue dollars by major classification of commodities for fiscal years 1984 and 1983. Total tonnage for fiscal year 1984 exceeded fiscal year 1983 by over 37 percent. All major commodities reflected increases in revenue over fiscal year 1983. Piggyback traffic recorded the greatest percentage gains largely as a result of a marketing program emphasizing rubber-tired trailers on ocean barges utilizing the Railroad's port facilities at Whittier and Seward. Over the past four years, sand and gravel has recorded exceptional tonnage increases of 353, 53, 60 and 49 percent per year respectively. The primary reason has been the expanding private and public works projects in the Anchorage area.

TABLE II: FREIGHT TRAFFIC BY COMMODITY

COMMODITY	1984 FY	1983 FY	% CHANGE
REVENUE TONS CARRIED (000's)			
Sand and Gravel	6,536.9	4,397.7	+ 48.6
Coal	641.6	625.8	+ 2.5
Petroleum, Oil, Lubricants	497.8	462.2	+ 7.7
Manufacturers and Misc.	383.3	434.3	- 11.7
TOFC/COFC (Piggyback)	<u>212.3</u>	<u>98.0</u>	+ 116.6
Total Tonnage	8,271.9	6,018.0	+ 37.5
REVENUE DOLLARS (000's)			
Sand & Gravel	9,430	6,647	+ 41.9
Coal	5,297	5,007	+ 5.8
Petroleum, Oil, Lubricants	10,287	9,723	+ 5.8
Manufacturers and Misc.	18,879	18,785	+ 0.5
TOFC/COFC (Piggyback)	<u>5,860</u>	<u>3,625</u>	+ 61.7
Total Revenue	49,752	43,787	+ 13.6

PASSENGER

The 236,570 passengers handled in fiscal year 1984 set an all-time high for the Railroad. 1984 added a new dimension in luxury and style of passenger rail service with the introduction of three custom-built superdome coaches by a private company (Tour Alaska, Inc.) which contracted with the Railroad to operate the cars on the Anchorage-Denali-Fairbanks Express train. A total of 17 cruise ships stopped at the Railroad's port of Whittier in 1984, up from nine during 1983 which was the first year of this service. The cruise ships resulted in over 23,000 rail passengers between Whittier and Anchorage.

TABLE III: PASSENGERS HANDLED

SERVICE	1984 FY	1983 FY	% CHANGE
Anchorage-Denali-Fairbanks	77,816 <u>a/</u>	61,887	+ 25.7
Anchorage-Portage-Whittier (Shuttle)	119,856 <u>b/</u>	117,740	+ 1.8
Specials	<u>38,898</u>	<u>31,732</u>	+ 22.6
Total Passengers Handled	236,570	211,359	+ 11.9

a/ Included are 5,673 handled on Tour Alaska, Inc. superdome coaches.

b/ The number of vehicles carried on the Anchorage-Portage-Whittier (shuttle) service was 19,670, up 1 percent over FY 1983.

TARIFFS

The major rate adjustments made are reflected in Table IV:

TABLE IV: TARIFF CHANGES

TYPE	DATE	% INCREASE
Interline	1-30-84	8
Intrastate:		
Coal	10-22-84	5
Gravel	3-16-84	7
Petroleum	10-11-83	5
Passenger:		
Anchorage - Fairbanks	5-14-84	6.5
Whittier Shuttle	6-01-84	6.5

OPERATIONS

CAPITAL PROGRAM

Table V shows expenditures under the capital and major maintenance programs for the past five years, as well as the sources of the funds.

TABLE V: CAPITAL AND MAJOR MAINTENANCE PROGRAM EXPENDITURES
FISCAL YEARS 1980-1984
(\$ millions)

PROGRAM	1984	1983	1982	1981	1980	TOTAL
Buildings	\$1.5	\$ 3.3	\$1.5	\$1.8	\$0.2	\$8.3
Roadbed, Track & Other Facilities	3.7	3.0	4.3	4.5	3.3	18.8
Equipment	2.0	9.2	6.6	6.2 ^{a/}	1.8	25.8
Other Projects	.2	1.1 ^{b/}	0.3	0.9	0.2	2.7
Total	\$7.4	\$16.6	\$12.7	\$13.4	\$5.5	\$55.6
Funded by:						
Appropriations	.0	7.6 ^{b/}	6.2	12.6	5.0	31.4
Railroad Earnings	7.4	9.0	6.5	0.8	0.5	24.2

^{a/} \$4.24 million for rehabilitation of ten passenger cars.

^{b/} \$1.0 million for Railroad Transfer evaluation.

1984 OPERATING ACHIEVEMENTS

Notable tasks performed in 1984 include:

ENGINEERING

- Replaced 25,700 crossties.
- Raised, lined, and dressed 211 miles of track.
- Relaid 49,100 lineal feet of mainline rail, of which 30,800 feet was premium alloy rail.
- Placed 143,000 cubic yards of aggregate along the main line including 117,200 cubic yards of crushed ballast, 11,300 cubic yards of pit-run gravel, and 14,500 cubic yards of rip-rap (armor rock).
- Repaired and upgraded 50 steel and timber bridges. Replaced or installed 156

timber stringers, 56 caps, 36 wood bulkheads, 35 pilings, 4,900 feet of guard rails and 1,200 bridge ties. Removed six trestle spans and installed an 80-foot steel deck girder bridge.

- Completed construction of the heat and ventilation (second) phase of a three-phase utility modernization program that will eliminate the Railroad's dependence on a high-cost, outmoded power plant in the Anchorage area; realize significant energy savings; and improve working conditions. Completed design of the third phase, costing \$2.7 million, which includes five boiler plants. Construction will be completed in 1985.
- Improved facilities at Fairbanks, Healy, Denali, Anchorage, and Seward that included painting, remodeling, upgrading water, heat and sewage systems, reroofing and/or roof insulating to increase productivity, repair defects, reduce heat loss, and improve appearance and operation.
- Extended passenger platform at Anchorage Depot to meet increased passenger traffic and permit adequate room for the longer passenger trains.
- Removed a 152-foot long tunnel at milepost 52.5. The tunnel was successfully "daylighted" by blasting and replacing with a 1/4 to 1 cut slope.
- Constructed major van terminal facilities at Seward and Whittier, to include yard facilities, new trackage, and lighting.



Mile 52.5 after removal of fault damaged tunnel by 32,000 pounds of explosives.
(Photo by Bill Coghill)

- Added lighting and upgraded Anchorage and Fairbanks van terminals to facilitate effective operation of new van lifters.
- Enhanced van-lifter operations at Railroad's four major terminals by installing UHF radio communications.
- Purchased new labor saving construction equipment including an electronic track surfacing and lining machine, a high production tie extractor-inserter and an on or off track self-propelled air compressor.
- Coordinated with a Korean company and the State of Alaska in constructing a coal transloading facility at the Railroad's Port of Seward. Constructed an unloading track to serve the conveyor facilities.
- Coordinated with the State in constructing modifications to the Fairbanks yard, including a balloon track to replace a wye and an industry track to facilitate relocation of a major shipper, and provide space for construction of a highway project.
- Completed, in coordination with the Seattle-Whittier barge operator, major modifications to the primary Whittier barge slip to accommodate double-deck barges and van operations.
- Upgraded Whittier rail shuttle service terminal facilities at Whittier and Portage.
- Reconstructed and paved passenger platform at Denali Depot to facilitate increased tourist activity.
- Worked with Bureau of Land Management and State Division of Lands to facilitate transfer of Alaska Railroad lands from Federal to State ownership.
- Upgraded mainline track to reduce noise and vibration in a residential area of South Anchorage. Replaced 39-foot rails with new 78-foot rails and installed four shock-absorbing noise-dampening rubber pads per tie.
- Upgraded Anchorage to Portage microwave radio telecommunication system.
- Upgraded four major highway crossings by installing motion detector operated signal gates. Installed flashing lights at two at-grade railroad highway crossings.

MOTIVE POWER AND EQUIPMENT

- Repowered seven locomotives with remanufactured power assemblies.
- Purchased two late technology van lifters for Seward and Whittier terminal yards. The Railroad now has a modern, articulated van lifter at all four major terminals facilitating the rapid and smooth flow of piggyback traffic through the railroad terminals.
- Initiated a program to install Alaska-type plows on the five GP-40, 3000

horsepower locomotives acquired in 1983. One has been completed. Applied plows to the four GP-49 locomotives purchased in 1983.

- Purchased and installed a ten-ton crane in the Mechanical Electric Shop.

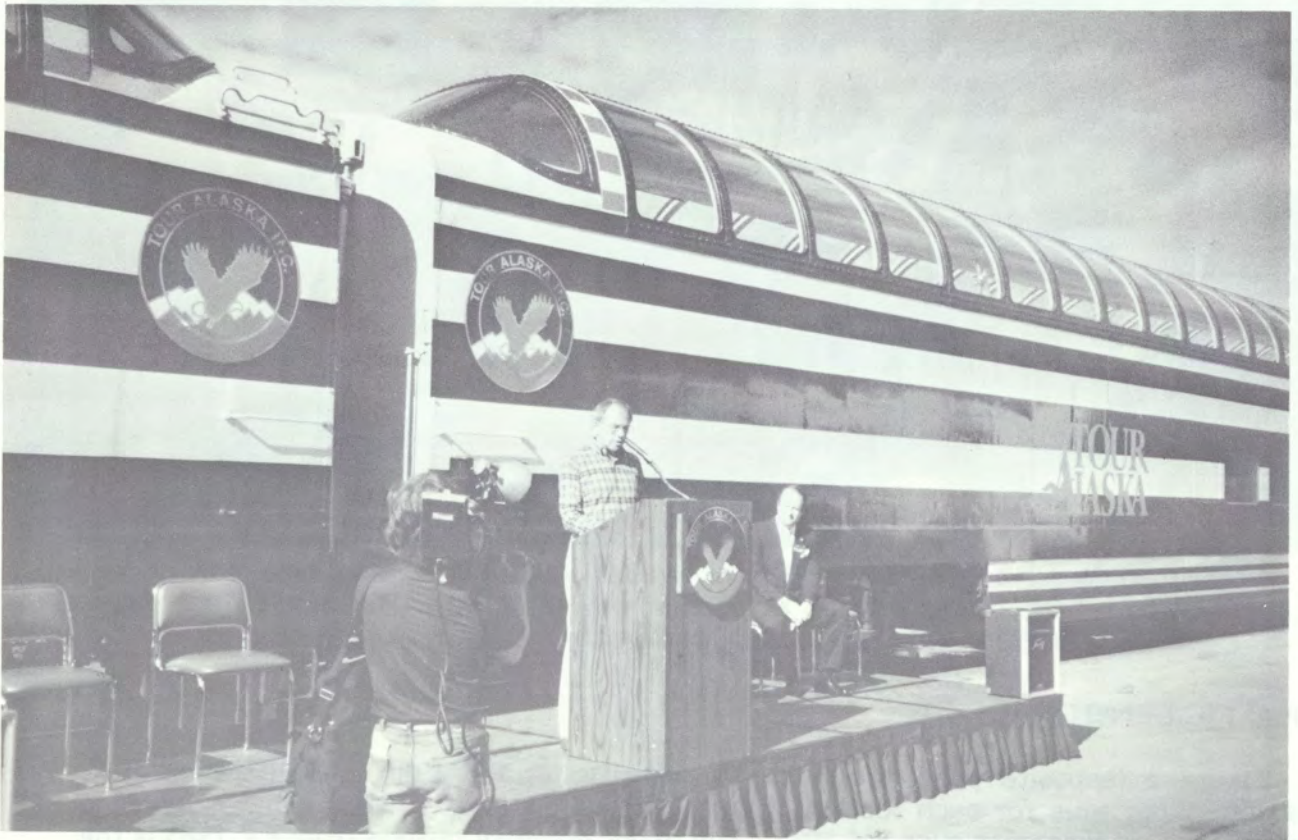
OTHER (TRANSPORTATION, TRAFFIC, AND ADMINISTRATION)

- Initiated interline roll-on roll-off trailered ocean barge service between Seattle and Seward and Seattle and Whittier in April 1984. Two triple-deck barges now provide weekly service through the Railroad's port facility at Seward and double-deck barges with rubber-tired trailers on the top deck operate through the Railroad's port facility at Whittier.
- Commenced utilizing four articulated intermodal platform cars specifically designed for TOFC service in Alaska. These skeleton cars can handle three trailers up to 50 feet in length. As a result of the favorable experience with these prototypes, negotiations were initiated to purchase 30 early in 1985.
- Consummated agreements with two additional barge companies to provide rail container service between Anchorage and Fairbanks.



The Railroad started using these articulated intermodal platform cars specifically designed for Alaska TOFC service in 1984. (Photo by Bill Coghill)

- Purchased four new tractor yard-hostlers for the Anchorage and Fairbanks terminals to expedite the increased flow of piggyback trailer operations.
- Delivered the first contract load of export coal in December 1984, from the coal supplier near Healy to the Seward transloading terminal.
- Contracted with a private company to operate three superdome coaches on the summer passenger express train. Each car consists of an upper level seating 60 passengers and a lower dining section with a seating capacity of 20. Dedicated cars in a public christening at Anchorage Railroad Depot on July 6, 1984.
- Improved level and frequency of Whittier rail shuttle service. Increased weekly summer trips from 19 to 25, up 32 percent.
- Received at ceremonies held in Washington D.C. (April) and Anchorage (July), the prestigious and coveted Harriman Bronze Medal Award for employee safety performance. The Railroad achieved a 1983 low-casualty frequency rate of 1.48 (rate per 200,000 man-hours) attaining third place among all U.S. Group C railroads.
- Attained fourth place in 1984 among 15 U.S. Group C railroads reporting on fatality, injury, and occupational illness. The low-casualty frequency rate of 1.63 (rate per 200,000 man hours) was just a hundredth of a point from tying for third place.



Providing a new dimension in luxury and style of passenger rail service, three superdome coaches were dedicated in a public ceremony in July 1984 at the Anchorage Railroad Depot. (Photo by Bill Coghill)

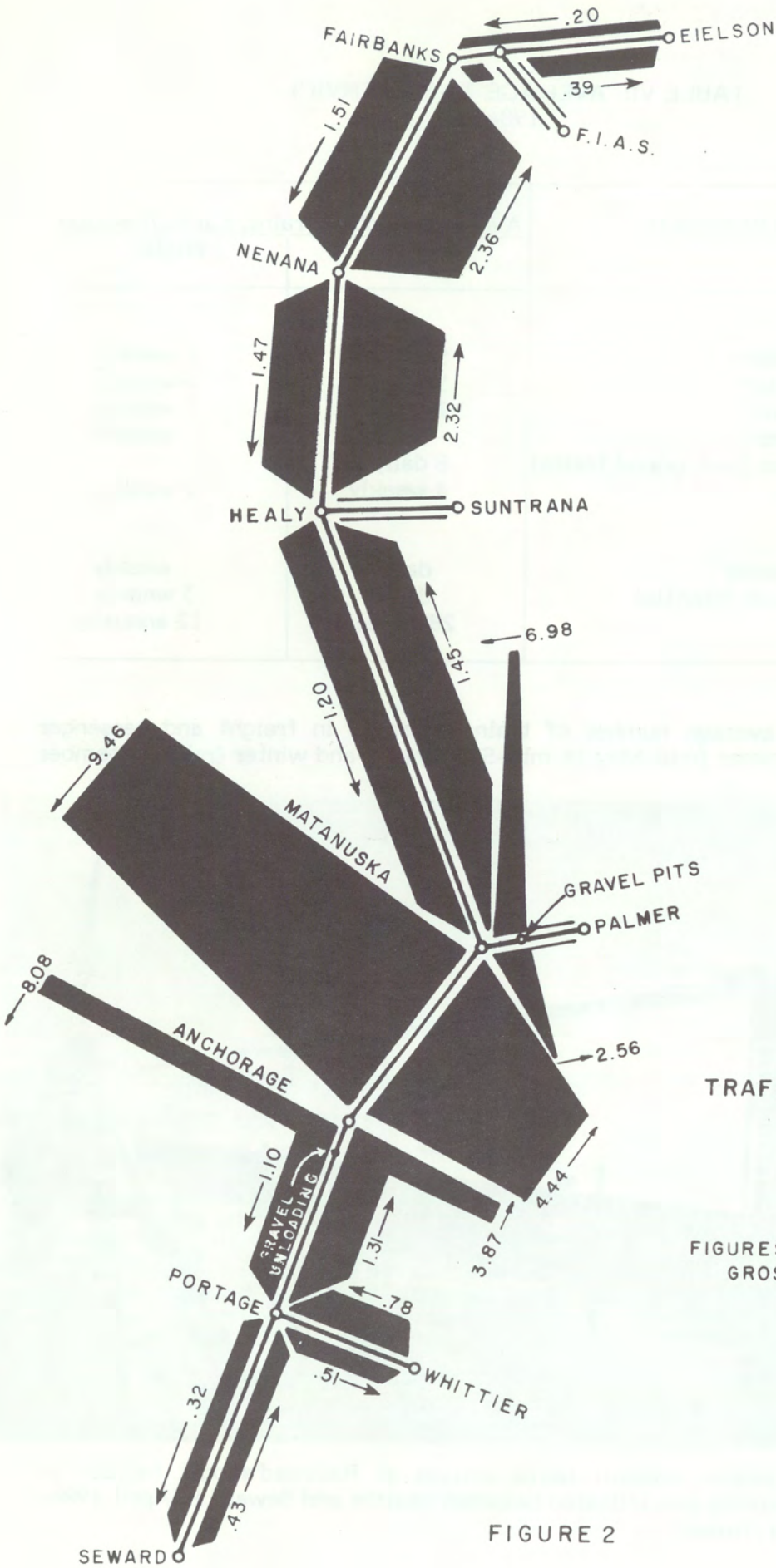
- Achieved excellent results from a Safety Incentive Award Program to promote safety awareness and reduce injuries. Two major departments - Administration and Mechanical - operated without a lost time injury for the period November 1983 through November 1984 during which they worked 609,640 man hours.
- Continued high emphasis on safety training. Completed 416 man hours of first aid training and 868 man hours of safety orientation training.
- Completed the systems design and programming for an automated tariff system to be implemented in 1985.
- Installed a main-frame computer to process accounting and administrative applications.
- Purchased software to replace existing accounting and administrative systems.



Railroad receives Harriman Bronze Medal Award for employee safety by Department of Transportation at a ceremony in front of Railroad's Anchorage Depot in July 1984. (Photo by Bill Coghill)

TRAFFIC DENSITY

Figure 2 (opposite page) shows traffic density for FY 1984 in millions of gross ton-miles per mile for each section of the Railroad. All sections except the Suntrana branch showed increases over FY 1983. The major quantity change from FY 1983 is the increase of over 2-1/4 million gross ton-miles per mile (representing 31 percent) recorded on the southbound Matanuska to Anchorage section of the main line because of gravel movements.



TRAFFIC DENSITY CHART
FY 1984

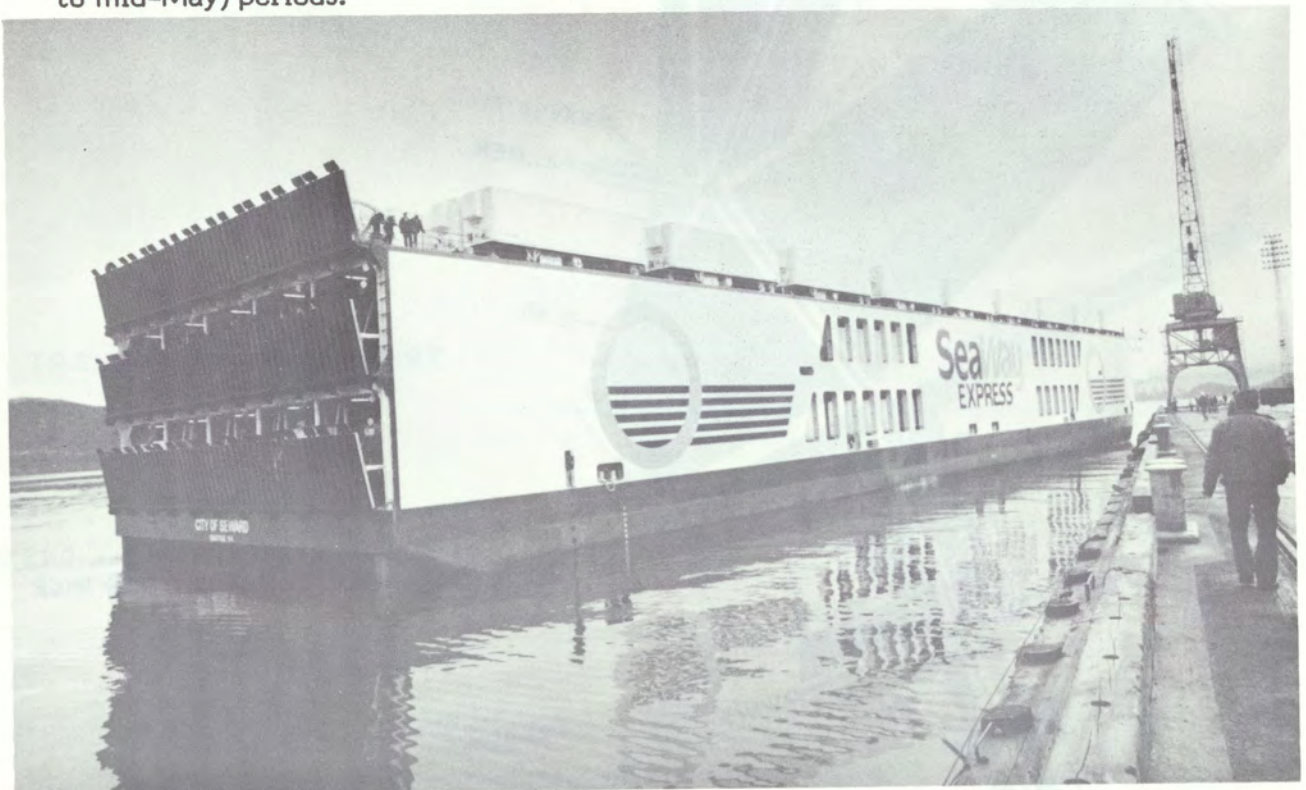
FIGURES REPRESENT MILLIONS OF
GROSS TON-MILES PER MILE

FIGURE 2

TABLE VI: AVERAGE TRAIN SERVICE
1984

ORIGIN - DESTINATION POINTS	Average Number Trains, Each Direction	
	Summer	Winter
Freight Service:		
Anchorage - Fairbanks	5 weekly	5 weekly
Anchorage - Whittier	5 weekly	4 weekly
Anchorage - Seward	2 weekly	3 weekly
Anchorage - Palmer	weekly	weekly
Anchorage - Palmer (unit gravel trains)	8 daily	---
Healy - Fairbanks	4 weekly	5 weekly
Passenger Service:		
Anchorage - Fairbanks	daily	weekly
Anchorage - Whittier (Shuttle)	daily	3 weekly
Specials	28 annually	12 annually

Table VI shows the average number of trains operated in freight and passenger service during the summer (mid-May to mid-September) and winter (mid-September to mid-May) periods.



First triple-deck roll-on roll-off barge arrives at Railroad's port facility in Seward. Weekly service was initiated between Seattle and Seward in April 1984. (Photo by John Killoran)

LOCOMOTIVES AND ROLLING STOCK

TABLE VII: ALASKA RAILROAD TRANSPORTATION EQUIPMENT

LOCOMOTIVES - DIESEL						
DESCRIPTION	Characteristics				No. Units	
	Mfg.	H. P.	Ton-Weight	Built/Rebuilt	1984	1983
GP-40-2, road	EMD	3000	132	1975	6	6
GP-40-2, road	EMD	3000	132	1976	5	5
GP-40-2, road	EMD	3000	132	1978	4	4
GP-40, road	EMD	3000	132	1967/1983	5	5
GP-40-2, (rebuilt GP35)	EMD	3000	132	1964/1980	1	1
GP-35, road	EMD	2500	132	1964	3	3
GP-49, road	EMD	2800	132	1983	4	4
E-9, passenger	EMD	2400	158	1956/1974	2	2
GP-7, road	EMD	1600	128	1951/1977	9	10
FP-7, passenger	EMD	1500	128	1951	10	10
RS-3, switcher	ALCO	1600	115	1953	5	5
RS-1, road	EMD	1600	115	1953	1	2
Total Locomotives					55	57

PASSENGER ROLLING STOCK						
DESCRIPTION	Characteristics				No. Units	
	Series	Seats	Ton Wht.	Built/Rebuilt	1984	1983
Coach	200	60	63	1950/1982	5	5
Coach	5400	44	63	1950	7	7
Coach	5200	52	70	1954	8	8
Dome Chair Car	500	70	80	1955/1982	1	1
Dome Chair Car	7000	70	80	1948	6	0
Dome Chair Car	7000	60	80	1955	2	2
Dome Chair Car-Leased	7000	70	80		4	4
Combination Pass/Bag	87,89	40	75	1945	--	2
Diner	400	48	75	1949/1982	1	1
Diner	4815	48	75	1949	1	1
Diner	4800	48	75	1942	2	2
Lunch, Cafe-Lounge	300	45	71	1959/1982	1	1
Lunch, Cafe-Lounge	5000	45	71	1959	3	4
Recreation Car	5715	0	62	1961	1	1
Buffet-Bar-Lounge	9,10	0	75	1945	--	2
Baggage Car	100	0	62	1961/1982	2	2
Baggage Car	6300	0	62	1961	3	3
Power Car	4	0	56	1943	1	1
Power Car	6,7	0	118	1951/1975	2	2
Power Car	30	0	121	1982 R.B.	1	1
Power Car-baggage	6306	0	62	1957	1	1
Business Car	A-3	8	100	1930/1957	1	1
Total Passenger Rolling Stock					53	52

FREIGHT ROLLING STOCK

DESCRIPTION	Characteristics					No. of Cars	
	Series	Ton-Capacity	Length	Bearings	Built/Rebuilt	1984	1983
Ballast	7100	70	43' 8-1/4"	roller	1955	<u>81</u>	<u>81</u>
Total Ballast Cars						81	81
Box, Hi-Cube	8000	50	54' 2-1/2"	roller	1943	23	27
Box	10150/ 10731	50	54' 2-1/2"	friction	1943	87	123
Box	10775/ 10780	50	53' 6"	friction	1955	6	6
Box, insulated	10800	70	67' 8"	roller	1965	33	33
Box, insulated	11000	50	54' 2-1/2"	friction	1943	--	8
Total Box Cars						<u>149</u>	<u>197</u>
Caboose	1020		40'	friction	1946	--	4
Caboose	1067-84		41' 7-3/4"	roller	1949/1976	17	17
Caboose, wide version	1085-87		41' 7-3/4"	roller	1977	3	3
Caboose, snow	1043		54' 2-1/2"	friction	1943	1	2
Caboose	1776		41' 7-3/4"	roller	1949/1975	<u>1</u>	<u>1</u>
Total Caboose						22	27
Dump, Air	15000	30 yds.	36' 8"	friction	1953	5	5
Dump, Air	15100/ 15109	30 yds.	37' 2"	friction	1947	10	10
Dump, Air	15110/ 15123	28 yds.	35' 3"	friction	1934	11	13
Dump, Air	15600	30 yds.	37' 2"	friction	1941	18	21
Dump, Air	15700	40 yds.	37' 6"	roller	1958	<u>22</u>	<u>27</u>
Total Air Dump Cars						66	76
Flat	2900	50	44'	friction	1945/1959	6	6
Flat, heavy duty	5570	75	48' 2"	friction	1949	1	1
Flat, well deck	5574	90	65' 10"	roller	1964	1	1
Flat, bulkhead	12400	70	56' 10"	roller	1964	21	21
Flat, URB equipped	12500	40	44' 8"	friction	1943	18	23
Flat	12600	70	56' 10"	roller	1964	74	74
Flat	12700	70	56' 10"	roller	1956	45	45
Flat-28 chain bind	12800	50	56' 10"	roller	1958	88	89
Flat	12900	70	56' 10"	roller	1976	100	100
Flat, tie down	17000	100	65'	roller	1982	15	15
Flat Shuttle	19000	62 1/2	78' 5"	roller	1955	14	14
Flat, TOFC	19050	62 1/2	89'	roller	1964	<u>10</u>	<u>10</u>
Total Flat Cars						393	399

FREIGHT ROLLING STOCK (Continued)

DESCRIPTION	Characteristics					No. of Cars	
	Series	Ton-Capacity	Length	Bearings	Built/Rebuilt	1984	1983
Flats - Leased	ITTX	60	89' 4"	roller		5	5
Flats - Leased	ISP-TOFC	77	89'	roller		8	8
Flats - Leased	ITTAX	77	89'	roller		<u>25</u>	<u>25</u>
Total Leased Flat Cars						38	38
Gondolas	13200/600	50	49' 8"	friction	1943	238	273
Gondolas	13800	70	70' 6"	friction	1943	<u>39</u>	<u>40</u>
Total Gondolas						277	313
Hopper, covered	14500-09	100	53' 2"	roller	1965	10	10
Hopper, covered	14600-09	100	45' 6"	roller	1970	9	9
Hopper, quad	16000-24	100	53'	roller	1981	25	25
Hopper, quad	16025-76	100	53'	roller	1982	52	52
Hopper, triple	14000-279	70	43' 5"	friction	1929	--	34
Hopper, triple	14300-349	70	44' 8"	roller	1958	45	45
Hopper, triple	14400-449	80	46' 4"	roller	1964	49	50
Hopper, triple	14700-811	70	44' 4"	roller	1952	104	104
Hopper, triple	14900-924	70	38' 3"	roller	1952-59	24	25
Hopper, twin	6014	50	35' 4"	friction	1934	1	1
Hopper, twin	6043	50	34' 4"	friction	1934	<u>1</u>	<u>1</u>
Total Hopper Cars						320	356
Power Cars	P10-19		54' 2-1/2"	roller	1943	<u>7</u>	<u>7</u>
Total Power Cars						7	7
Refrigerator, Mech.	11500-511	65	63' 8"	roller	1966	10	10
Refrigerator, ice	11700-724	50	54' 2-1/2"	friction	1943	--	<u>1</u>
Total Refrig. Cars						10	11
Repeater air Cars	2 - 4	50	54' 2-1/2"	roller	1943/1972	<u>3</u>	<u>4</u>
Total Repeater Cars					/1977	3	4

FREIGHT ROLLING STOCK (Continued)

DESCRIPTION	Characteristics					No. of Cars	
	Series	Ton Capacity	Length	Bearings	Built/Rebuilt	1984	1983
Tank	9000-098	10000 gal.	39' 2"	friction	1923	32	39
Tank with steam coils	9100-120	10000 gal.	39' 2"	friction	1920	10	12
Tank	9200-221	10000 gal.	39' 2"	friction	1920	15	16
Tank, jumbo	9300-302	20000 gal.	50' 7"	roller	1970	3	3
Tank, jumbo	9303-327	20000 gal.	50' 7"	roller	1974	25	25
Tank (Loco fuel)	X5001-009	10000 gal.	39' 2"	friction	1923	6	6
Tank (Were USAX)	10902-955	10000 gal.	39' 6"	friction	1942	39	49
Total Tank Cars						130	150
Way Freight Box Cars	73,75	70	84' 6"	roller	1943	2	2
Total Way Freight Cars						2	2
Total Freight Rolling Stock						1498	1661

MISCELLANEOUS ROLLING STOCK

DESCRIPTION	Characteristics					No. of Cars	
	Series	Ton-Capacity	Make	Bearings	Built/Rebuilt	1984	1983
Breaker, Ice, (for tunnel clearance)	3000E			roller	1964 rblt.	1	1
Cranes, locomotive	LC37-107	15-160 Ton	cranes wreckers ditchers		1920-1983	10	10
Outfit Cars (crew, tank, kitchen, storage, flat, water, & wreckers)						138	134
Snow Plow	3	rotary	Alco		1930	2	2
	4	blade	Russell		1949	1	1
Spreaders	7,8	hydraulic	Jordan		1970, 1976	2	2
Total Miscellaneous Rolling Stock						154	150
Total Passenger, Freight and Miscellaneous Rolling Stock						1705	1863
Total Locomotives and Rolling Stock						1760	1920

Table VII shows the locomotives and rolling stock operated by The Alaska Railroad. The major changes during 1984 were the acquisition of 6 passenger cars and 4 freight cars, and the retirement of 2 locomotives, 15 passenger cars, and 163 freight cars.

FINANCIAL

The following four financial statements (Tables VIII through XI) describe the financial situation (Note 1) of The Alaska Railroad.

TABLE VIII: STATEMENT OF INCOME
FISCAL YEARS 1983-84
(Thousand dollars)

CATEGORY	1984	1983
REVENUES (Note 2):		
Operating Revenues:		
Freight	\$49,753	\$43,787
Passenger	3,877	3,305
Other (Note 15)	4,286	5,305
Total Operating Revenues	57,916	52,397
Non-Operating Revenues (Note 16)	4,236	3,697
Total Revenues	\$62,152	\$56,094
EXPENSES (Note 3):		
Operating Expenses:		
Maintenance of Way & Structures (Note 4)	\$12,745	\$11,128
Maintenance of Equipment	13,525	12,746
Transportation	22,112	19,555
Traffic Management	1,299	953
Incidental	2,826	2,718
General and Administration (Note 5)	7,448	5,893
Total Operating Expenses	59,955	52,993
Non-Operating Expense (Note 17)	363	277
Total Expenses	\$60,318	\$53,270
NET PROFIT (Surplus)	\$1,834	\$2,824
Add Depreciation included in Expenses	4,824	4,404
CASH FLOW (Gain)	\$6,658	\$7,228
Notes follow Table XI		
Expense/Revenue Ratio	97.05%	94.97%

TABLE IX: BALANCE SHEET
 SEPTEMBER 1983-84 and 5 JANUARY 1985
 (Thousand dollars)

CATEGORY	5 JAN 1985	1984	1983
ASSETS:			
Current Assets:			
Cash (Note 8)	\$2,453	\$2,486	\$9,646
Trust and Deposit Funds (Note 9)	33	32	32
Accounts Receivable	16,547	16,520	14,195
Materials and Supplies (Note 10)	9,687	9,864	10,143
Prepaid Expenses	<u>576</u>	<u>3</u>	<u>20</u>
	29,296	28,905	34,036
Properties:			
Land (Note 11)	265	265	265
Buildings	17,735	17,676	12,943
Roadway Structures & Facilities	128,860	128,744	127,215
Equipment	61,485	61,586	57,895
Non-Operating Property	<u>1,947</u>	<u>1,947</u>	<u>1,947</u>
Total Properties	210,292	210,218	200,265
Less Accumulated Depreciation:	<u>61,590</u>	<u>60,998</u>	<u>60,516</u>
Properties - Net	148,703	149,220	139,749
Additions & Betterments in Progress (Note 12)	<u>5,704</u>	<u>5,374</u>	<u>11,599</u>
	154,407	154,594	151,348
Other Assets and Deferred Charges	3,460	2,721	2,526
Total Assets	<u>\$187,162</u>	<u>\$186,220</u>	<u>\$187,910</u>
LIABILITIES & PROPRIETARY INTEREST OF THE U.S. GOVERNMENT:			
Current Liabilities:			
Accounts Payable	\$5,408	\$3,941	\$4,721
Accrued Payrolls Payable	2,387	1,436	1,320
Trust and Deposit Funds (Note 9)	<u>33</u>	<u>32</u>	<u>32</u>
	7,828	5,409	6,073
Other Liabilities and Unadjusted Credits	<u>4,156</u>	<u>2,541</u>	<u>2,209</u>
Total Liabilities	\$11,984	\$7,950	\$8,282
Proprietary Interest (Note 13):			
Net Investment	200,591	200,591	200,621
Retained Earnings from July 1, 1954	(17,249)	(17,577)	(18,171)
Current Year Operating Results	(1,933)(Qtr)	1,834	2,824
Extraordinary Items (Note 6)	<u>(6,231)</u>	<u>(6,578)</u>	<u>(5,646)</u>
Total Proprietary Interest (Note 13)	<u>175,178</u>	<u>178,270</u>	<u>179,628</u>
Total Liabilities & Proprietary Interest	<u>\$187,162</u>	<u>\$182,220</u>	<u>\$187,910</u>

Notes follow Table XI

TABLE X: STATEMENT OF CHANGES IN FINANCIAL POSITION
FISCAL YEARS 1983-84
(Thousand dollars)

CATEGORY	1984	1983
Funds were provided by:		
Revenues and Other Receipts	\$62,371	\$56,438
Appropriations from Congress (Note 14)	<u>-0-</u>	<u>7,600</u>
Total Funds Provided	62,371	64,038
Funds were used for:		
Labor	36,999	35,579
Other	12,671	14,044
Capital Improvements & Replacements	<u>12,097</u>	<u>16,348</u>
Total Funds Used	61,767	65,971
Increase (Decrease) in Government Equity	604	(1,933)
Other Increases (Decreases):		
Undelivered Orders	(5,107)	(2,924)
Supplies and Materials	(279)	3,103
Properties	3,246	7,040
Other	<u>178</u>	<u>(484)</u>
Total, Other	(1,962)	6,737
Total Increase (Decrease) in Government Equity	<u>(\$1,358)</u>	<u>\$4,804</u>
Proprietary Interest:		
Beginning Balance	\$179,628	\$174,824
Increase (Decrease)	<u>(1,358)</u>	<u>4,804</u>
Ending Balance (Note 13)	\$178,270	\$179,628

Notes follow Table XI

TABLE XI: FIVE-YEAR CONDENSED SUMMARY OF OPERATIONS
FISCAL YEARS 1980-84
(Thousand dollars)

CATEGORY	1984	1983	1982	1981	1980
REVENUES:					
Operating	\$57,916	\$52,397	\$55,445	\$40,782	\$26,737
Non-Operating (Note 16)	<u>4,236</u>	<u>3,697</u>	<u>3,352</u>	<u>3,159</u>	<u>2,155</u>
Total Revenues	\$62,152	\$56,094	\$58,797	\$43,941	\$28,892
EXPENSES:					
Operating	\$59,955	\$52,993	\$48,978	\$40,358	\$34,380
Non-Operating (Note 17)	<u>363</u>	<u>277</u>	<u>258</u>	<u>273</u>	<u>344</u>
Total Expenses	<u>\$60,318</u>	\$53,270	\$49,236	\$40,631	\$34,724
NET PROFIT (LOSS)	\$1,834	\$2,824	\$9,561	\$3,310	(\$5,832)
Less Extraordinary Items (Note 6)	<u>(\$6,578)</u>	<u>(\$5,646)</u>	<u>(\$4,154)</u>	<u>(\$204)</u>	<u>(\$692)</u>
Annual Retained Earnings	<u>(\$4,744)</u>	<u>(\$2,822)</u>	\$5,407	\$3,106	<u>(\$6,524)</u>
Expense/Revenue Ratio	97.05%	94.97%	83.74%	92.47%	120.19%

Notes follow Table XI



First double-deck barge docks at Railroad's port facility in April 1984. Barge accommodates rail cars on lower level and rubber-tired trailers on upper level.
(Photo by Bill Coghill)

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES

The Alaska Railroad uses the generally accepted principles, standards, and related requirements of governmental accounting as approved by the Comptroller General of the United States. Operations are conducted in a manner consistent with related commercial enterprises and, at the same time, in conformance with the requirements incumbent upon a government agency.

As is the customary practice of the industry, the Railroad uses betterment and retirement accounting instead of depreciation accounting for roadbed and track. Under this method, prescribed by the Interstate Commerce Commission, the cost of replacing tracks and structures--less salvage recovered--is charged to the appropriate operating expense account and only the cost of betterments is capitalized. These capitalized items are not depreciated, but upon retirement of the tracks and structures, the entire capitalized amounts--less salvage recovered-- are charged to expense.

The accounting system and related procedures disclose financial condition and operating results to provide full accountability of the Government's investment in the Railroad and to afford management the necessary data to carry out its responsibility in the most efficient and economical manner.

The Railroad is financed from a revolving fund.

2. REVENUES

Revenues from rail operations are included in income on an accrual basis upon the completion of service.

3. EXPENSES

Expenses are accrued or applied or both on a basis consistent with generally accepted accounting principles.

4. MAINTENANCE OF WAY AND STRUCTURES

Maintenance of way and structures include expenses incurred by Engineering (\$12,376,000) and Communications (\$369,000).

5. GENERAL AND ADMINISTRATION

General and administration accounts include expenses for Headquarters and staff (\$1,638,000) and the Administration Department (\$5,810,000).

6. EXTRAORDINARY ITEMS

Extraordinary items for FY 1984 include the loss on excess current inventories (\$80,000), deferred outlays (\$5,243,000), and costs associated with the transfer to the State (\$1,255,000). Extraordinary items as of 5 January 1985 include the loss on excess current inventories (\$1,000), deferred outlays (\$3,941,000), prior-year adjustments (\$897,000), and costs associated with the transfer to the State (\$1,392,000).

7. DEPRECIATION

Depreciation is computed using the straightline method and is based on estimated service lives of depreciable properties, except for the railway track and structures, which are computed using the industry betterment method. Depreciation charges are determined by using the composite or group rates applicable to various classes of property.

The following is a list of depreciation charges in FY 1984:

	(Thousand dollars)
Mechanical - equipment	\$3,036
Engineering - buildings and structures	1,219
Transportation - docks	454
Non-operating	83
Other	<u>32</u>
Total	\$4,824

8. CASH

Cash refers to the fund balance with the U.S. Treasury, which is the net amount of cash receipts, e.g., revenues, proceeds from sales, and amounts of Congressional Appropriations, less disbursements.

9. TRUST AND DEPOSIT FUNDS

Trust and deposit funds include special deposits and other collections not covered by the revolving fund and cleared by disbursement or transfer, as appropriate. A contra account to this asset account is reflected in the liability section.

10. MATERIALS AND SUPPLIES

Inventories, consisting of replacement or repair parts for equipment and road property, construction materials, and fuel, are valued at average cost, including freight.

11. LAND

Land includes only property purchased by the Railroad from private owners and carried at acquisition cost. The Railroad owns over 38,000 acres withdrawn from the public domain at no cost; this land is not included in the financial records.

12. ADDITIONS AND BETTERMENTS IN PROGRESS

This is a control account for authorized capital projects during the period of construction or procurement. Upon completion of the capital project, the related costs are transferred into the appropriate fixed asset property account.

13. PROPRIETARY INTEREST OF THE U.S. GOVERNMENT

The proprietary interest shows the Federal Government's net interest in The Alaska Railroad. As of 5 January 1985, it is summarized as follows:

	(Thousand dollars)
Appropriation by Congress	\$259,496
Allotments from other agencies, sales of lots, etc.	1,724
Property transferred or donated (not public domain)	19,874
Earthquake losses	(16,738)
Deficits from operations and capital losses to 6/30/54	(63,764)
Retained earnings (7/1/54 to 9/30/83)	(19,084)
Operating results (10/1/83 to 1/5/85)	(99)
Extraordinary items (Note 6)	<u>(6,231)</u>
 Total proprietary interest of the U.S. Government	 \$175,178

14. CONGRESSIONAL APPROPRIATIONS

Funds appropriated by Congress were obligated within the fiscal year, as shown below:

	(Million dollars)	
	<u>FY 84</u>	<u>FY 83</u>
Congressional Appropriations received	-0-	\$7.60
Obligated during fiscal year	<u>-0-</u>	<u>\$7.60</u>
 Amount unobligated at end of fiscal year	 \$0.00	 \$0.00

15. OTHER OPERATING REVENUES

Other operating revenues include those revenues that were neither freight nor passenger. Individual accounts exceeding \$50,000 in FY 1984 were:

	(Thousand dollars)
Reimbursable services	\$2,046
Sale of non-invested property	518
Whittier shuttle - vehicles	514
Reimbursements - real estate, utilities, and equipment	310
Wharfage and handling	231
Switching	116
Equipment rentals	114
Mail	54
All other	<u>383</u>
 Total	 \$4,286

16. NON-OPERATING REVENUES

Non-operating revenues in FY 1984 were:

(Thousand dollars)

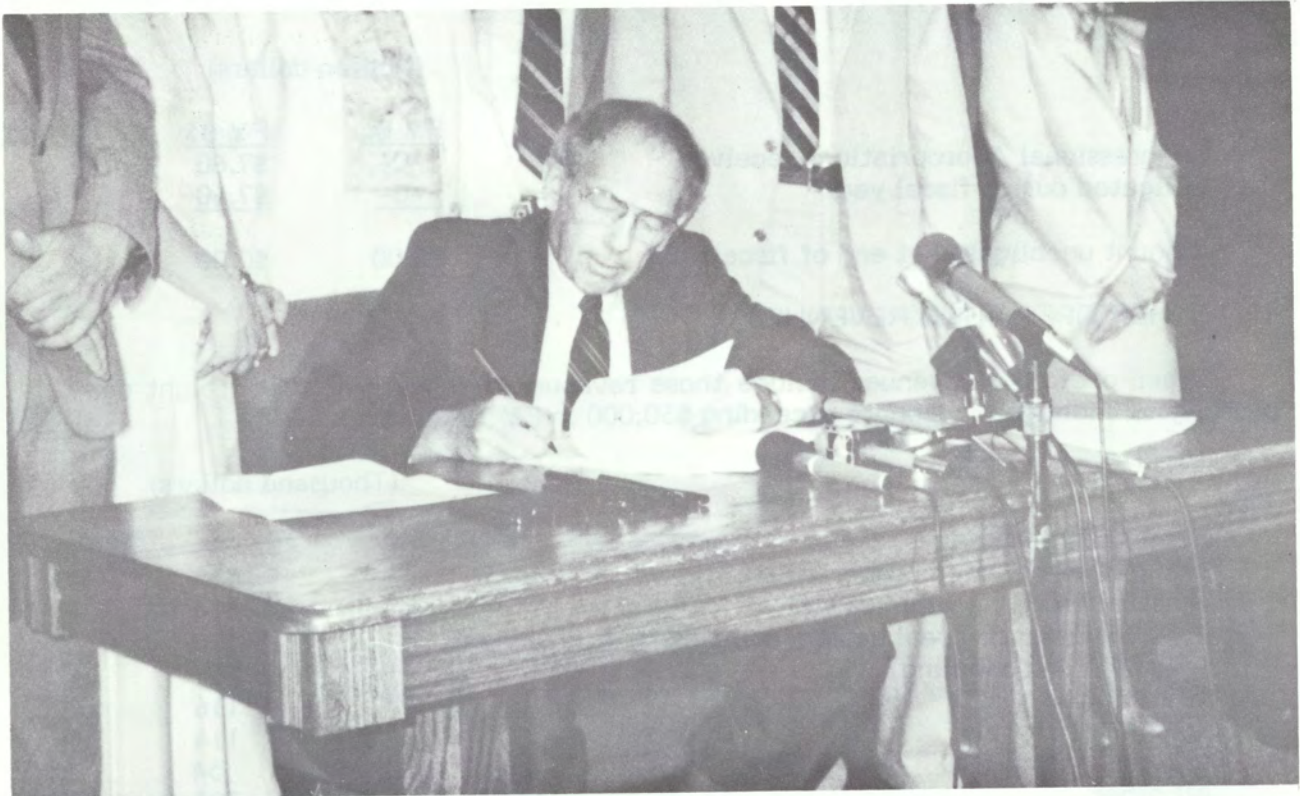
Miscellaneous rentals	\$4,103
Interest earned	79
All other	<u>54</u>
Total	\$4,236

17. NON-OPERATING EXPENSES

Non-operating expenses in FY 1984 were:

(Thousand dollars)

Buildings	\$282
Depreciation	83
Equipment	(4)
All Other	<u>2</u>
Total	\$363



Governor signs into law an Act establishing the Alaska Railroad Corporation on July 5, 1984, at the Railroad's Anchorage Depot. (Photo by Bill Coghill)

1984
OFFICERS OF THE ALASKA RAILROAD

FRANK H. JONES
General Manager

ARNOLD T. POLANCHEK
Assistant General Manager

JACK A. HEPWORTH
Superintendent of Transportation

FRANCIS C. WEEKS
Chief Engineer

JOHN T. GRAY
Manager, Marketing & Sales

DAVID M. RODERICK
Chief Counsel

RONALD M. RISCH
Manager, Budget & Accounting

MARCIE G. TRUMP
Chief of Security

KENNETH H. GREENE
Manager, Operating Rules

JOHN K. NIELSON
Manager, Safety

MERLE W. AKERS
Manager, Industrial Development &
Real Estate

MICHAEL J. SUDOL
Chief Mechanical Officer

JAMES B. BLASINGAME
Chief of Administration

WILLIAM F. COGHILL
Manager, Planning

JOHN P. KILLORAN
Manager, Strategic & Operations
Planning

DONALD A. HARVEY
Manager, Personnel

PEGGY R. THOMAS
Manager, Supply

JOHN R. REYNOLDS
Manager, Procurement

JAMES E. PINKSTON
Manager, Data Processing

KAREN J. MORRISSEY
Manager, Administrative
Procedures

1985
DIRECTORS AND OFFICERS OF ALASKA RAILROAD CORPORATION

Directors: James O. Campbell, Chairman
Frank Chapados, Vice Chairman
Lewis Dickinson
Myron M. Christy
Richard J. Knapp
Loren H. Lounsbury
Gerald D. Valinske
President, Spenard Builders Supply
Anchorage, Alaska
President, H & S Fowarders
Fairbanks, Alaska
Dowl Engineers
Anchorage, Alaska
U.S. Leasing International
San Francisco, California
Commissioner of Transportation and Public
Facilities, Juneau, Alaska.
Commissioner of Commerce and Economic
Development, Juneau, Alaska
Alaska Railroad Union Representative
Anchorage, Alaska

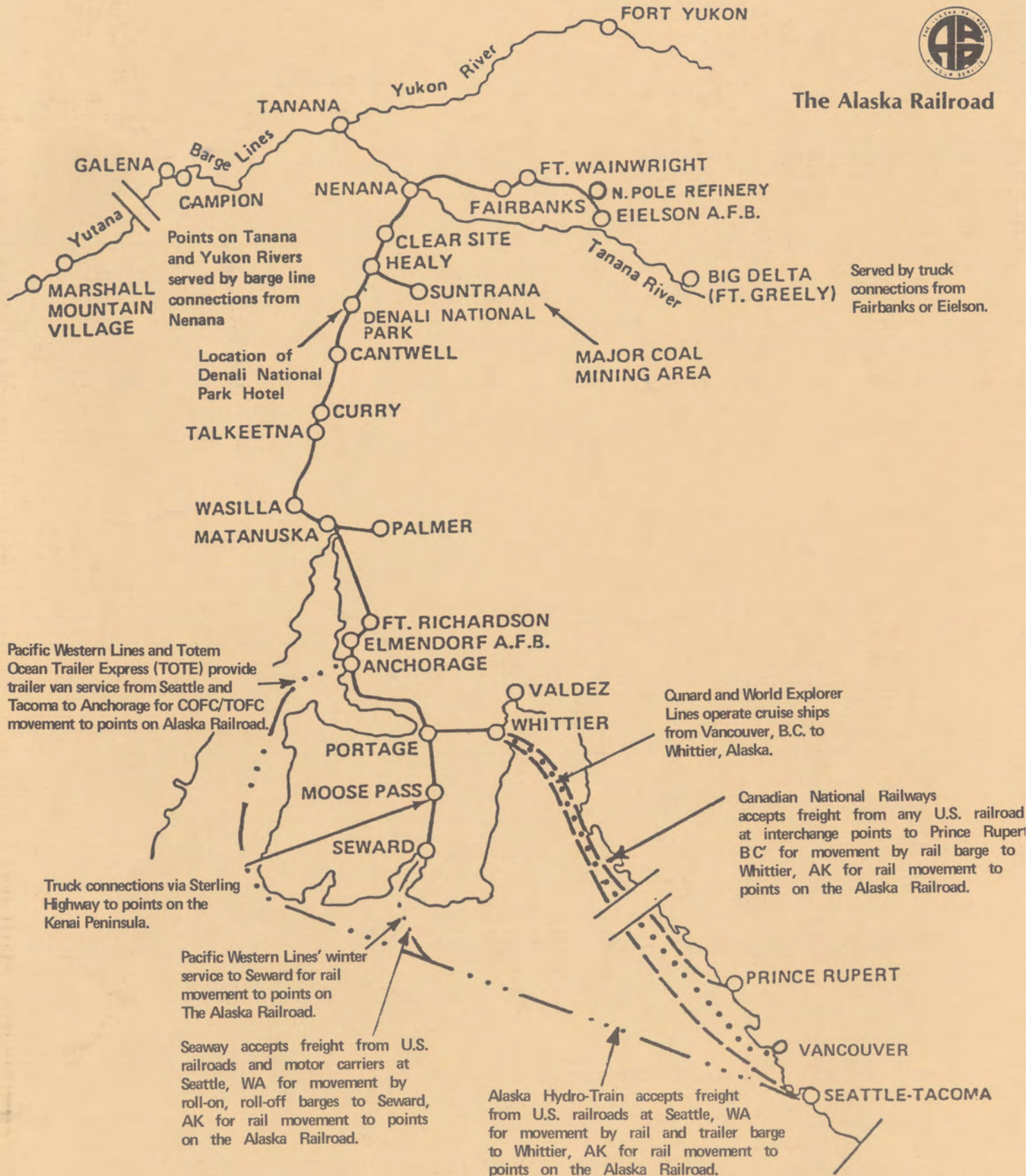
Officers: Frank G. Turpin
Arnold T. Polanchek
Marvin J. Yetter
James B. Blasingame
Robert W. Davison
Francis C. Weeks
Michael J. Sudol
Larry D. Wood
William F. Coghill
John P. Killoran
John T. Gray
Laurie A. Gray
Marcie G. Trump
Vivian Hamilton
Bruce E. Carr
President and Chief Executive Officer
Vice President, Operations
Vice President, Finance
Director of Administration
Superintendent of Transportation
Chief Engineer
Chief Mechanical Officer
Chief Counsel
Manager, Planning
Manager, Operations Planning
Manager, Marketing
Manager, Sales
Manager, Security
Corporate Communications Manager
Manager, Financial Services

THE ALASKA RAILROAD
P. O. Box 7-2111
Anchorage, Alaska 99510-7069

Telephone: (907) 265-2667



The Alaska Railroad



ALASKA RAILROAD ROUTE MAP

Showing connecting carriers