



THE ALASKA RAILROAD CORPORATION

A VISION ETCHED IN STEEL

2 0 0 4 A N N U A L R E P O R T



OUR VISION:

BUILDING A GREAT RAILROAD ACROSS A GREAT LAND.

OUR MISSION:

TO BE PROFITABLE BY FOCUSING ON SAFE,  
HIGH-QUALITY SERVICE TO OUR FREIGHT,  
PASSENGER AND REAL ESTATE CUSTOMERS.

TO FOSTER THE DEVELOPMENT OF ALASKA'S ECONOMY  
BY INTEGRATING RAILROAD AND  
RAILBELT COMMUNITY DEVELOPMENT PLANS.



*Cover photo: Hurricane Gulch bridge, Aug. 8, 1921*



## A MESSAGE FROM JOHN E. BINKLEY, CHAIRMAN OF THE BOARD

The Alaska Railroad Corporation (ARRC) turned in an exceptional performance for a second year running – topping 2003 record-level earnings, growing our passenger business beyond expectations and maintaining hard-fought safety results.

2004's strong financial outcome resulted in net earnings of \$15.4 million on total revenues of \$129.5 million. The Railroad realized these record-level financial gains due to a measured control on expenses and a healthy business environment. Implementation of strategic capital investments that leverage new technology with safety advancements increased our net income.

Passenger service revenues and ridership substantially surpassed budget predictions last year. Our focused efforts to better serve our customers through improved marketing, enhanced services and reservation efforts paid off.

Underlying our successful performance are employees who worked safer and smarter to produce outstanding safety results that were right about on par with 2003's record setting levels. We had fewer and less severe injuries despite highly challenging working conditions, and our train incident rate was substantially lower than the national average. In fact, the Railroad has seen a 69 percent reduction in employee injuries since 1999.

All things considered, last year's success was the product of a diligent management team and dedicated employees. With Pat Gamble at the helm, the Alaska Railroad continues to make significant progress toward its challenging goals each year. This success has positioned the State-owned enterprise for future development, including extending the track into new territory and taking on innovative economic development projects that will enhance state and community business opportunity.

Leading the way, an experienced Board of Directors continues to take the Railroad to new heights. This coming year will see a change in the team and I would like to provide a heartfelt thanks to Carl Marrs for the time and expertise he has contributed to the Alaska Railroad.

Carl Marrs, our Vice Chairman of the Board and former President and CEO of Cook Inlet Region Inc., departs the Board after giving nearly four years of his expertise to the Railroad. His vast professional experience and understanding of the Alaskan and national business environment brought a large-scale perspective to the many decisions faced by the Board during a dynamic time for the Alaska Railroad.

Critical to our success has been the support of Alaska's Congressional Delegation and Governor Frank Murkowski: their vision for developing the State's resources and transportation system provides a compass for the Railroad's strategic plans. Thanks to them and the hard work of the Alaska Legislature, the Railroad now embarks on a rail extension project to Fort Greely/Delta Junction and beyond.

Finally, the Railroad is only as strong as the communities we serve. With appreciation to our neighbors and customers, the Alaska Railroad Board of Directors is pleased to present this 2004 annual report to the people of Alaska.



*B&B No. 3 landing at Talkeetna on the Susitna River. The B&B Navigation Co. (Binkley & Barrington) was under contract to the Alaska Engineering Commission to haul equipment and supplies during construction of the Alaska Railroad. John Binkley's grandfather was a founding partner in the company.*



## A MESSAGE FROM PATRICK K. GAMBLE, PRESIDENT & CEO

Imagine what it must have been like for Colonel Frederick Mears, the Alaska Railroad's first General Manager, as he contemplated the job ahead of him in 1914. President Wilson declared in that same year, "the key to unlocking Alaska is a system of railroads." Mears' mission was to build rail from tidewater into the interior of "The Land of Promise," as it was called, and open up Alaska. Mears had a tight budget, and he was directed to control escalating expenses despite the challenging environment and the rising cost of steel and labor. Congress watched him closely.

But there was much more to be done than just lay 500 miles of track. As if that weren't enough, he had to consider community development along the way. He needed Ship Creek in fledgling Anchorage for a major rail yard. He had to move coal to tidewater, and believed strongly that an expanded port in Anchorage was essential, so he designed and built it. He convinced the Anchorage Chamber of Commerce in 1922 that Alaska's railroad must support the military, thus planting the seed for the Fort Richardson/Elmendorf complex. He worked hard on municipal services, like new schools in Anchorage, because his many employees and their families needed them. Colonel Mears understood his total mission requirements. He had the vision necessary to see that the future of Alaska, although unpredictable in detail, was surely going to be connected to a community-supported rail backbone ... one that could bear the burden of enabling greater economic development. Sounds very familiar, doesn't it?

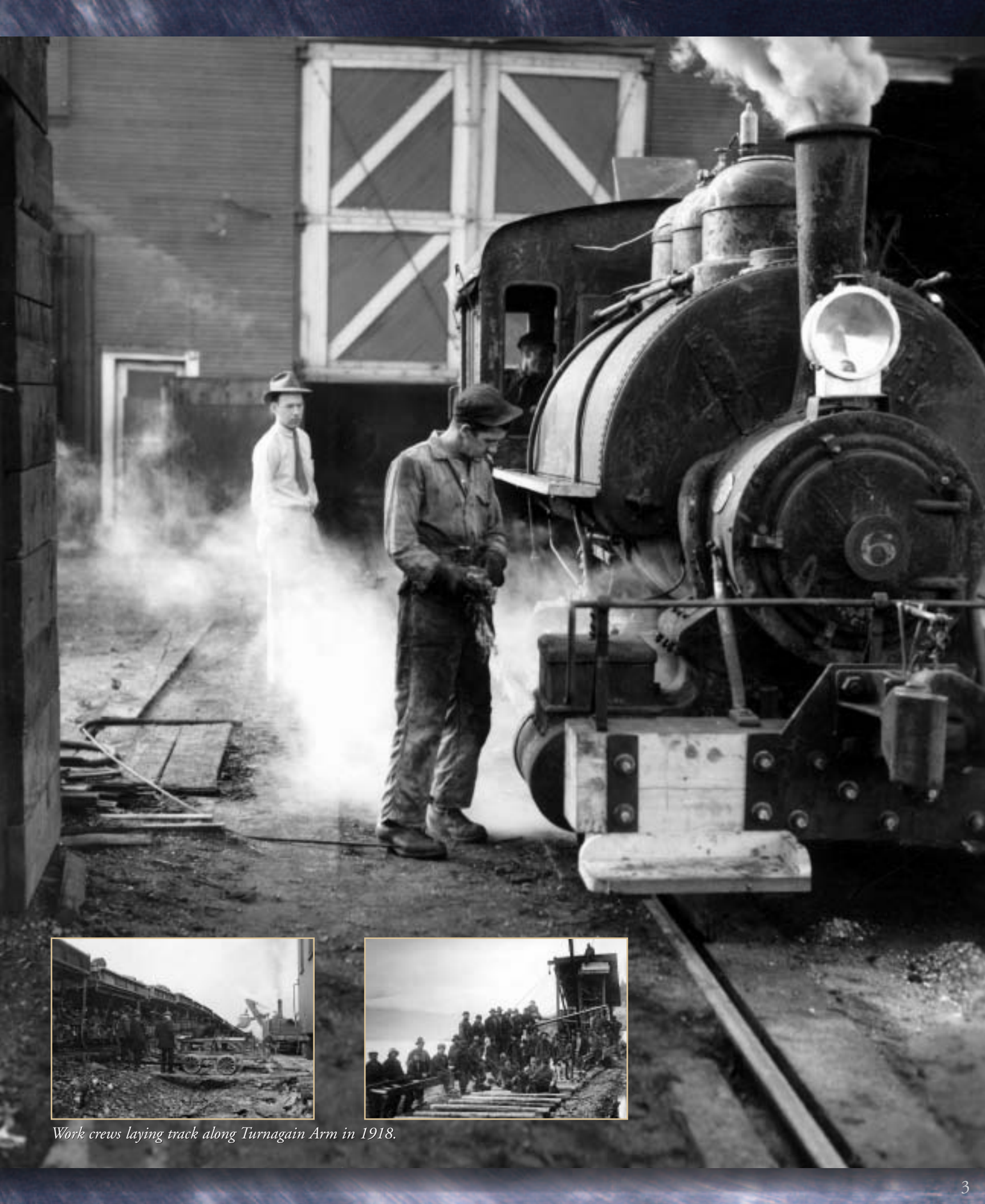
If Colonel Mears attended a few of our staff meetings today he would be amazed to find startling changes existing side by side with startling similarities to his railroad. We still have to prepare for an uncertain future. We are still trying to unlock "The Land of Promise." We consider community partnering and development integral to our mission. Membership in many community organizations, like chambers of commerce, remains a means to that end. Cost control is as essential as ever.

But today, although the rail line is virtually the same geographically as it was at completion in 1923, the essential hubs like Seward, Anchorage and Fairbanks anchor vastly expanded train operations. What crossed the coal docks in Anchorage during a full day's work in 1920 now fits in just one fourth of a single coal train. Despite his great vision, the demands of handling almost eight million tons of freight and 500,000 passengers a year would have been unimaginable to Mears.

Fast forward to 2005. What's out there in our future? One enduring theme still underpins today's corporate vision ... "capacity" is still the operative word. How do we create it? The answer is in pursuing more safety, power, technology, efficiency, service, innovation and profitability. Our ability to do more for our customers while they do more for Alaska depends upon safely increasing our movement capacity. The wherewithal to support the enormous requirements of an Alaskan gas pipeline construction project represents our vision's upper limit. Beyond that? Perhaps the long awaited link to Canada and to our Interior resource development dreams.

In 2004, Railroad assets topped a half-billion dollars. Profitability set an all-time record for the second consecutive year. Safety again saw the same record-setting performance in key areas. But Colonel Mears would be the first to agree that in order to achieve today's vision we cannot be "your grandfather's railroad." To be successful today the Alaska Railroad has to be a world-class, cutting-edge 21st century rail transportation system. Every employee on the property knows that by heart, and is dedicating his and her professional skills to that effort. You will see reflected in our five-year plan a continuation of the corporate vigor we believe to be absolutely necessary to accommodate the robust challenges ahead. The last 90 years have clearly previewed what we are capable of accomplishing. Good, because what's past is prologue on the Alaska Railroad...a vision etched in steel!

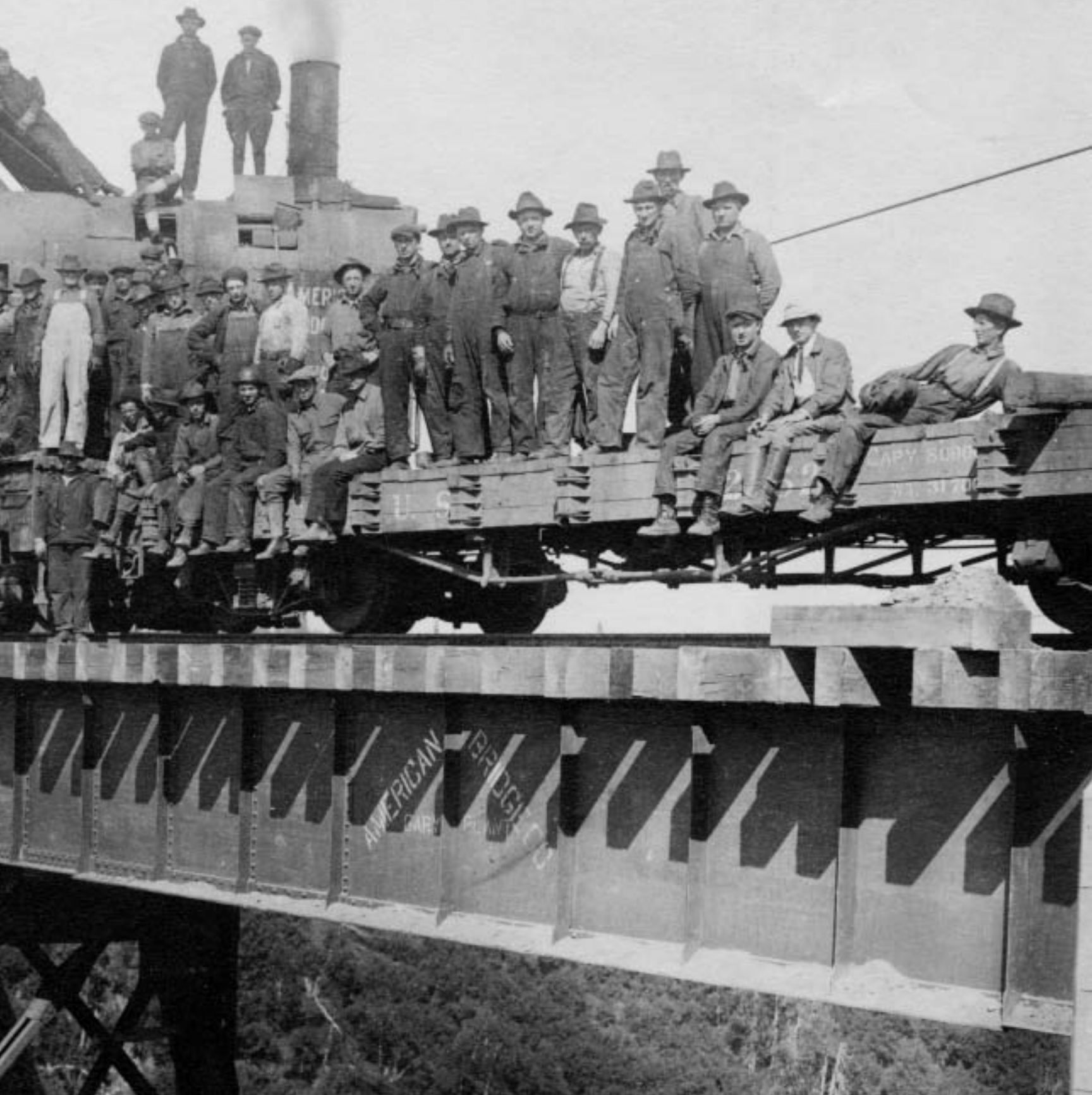
*Our new, state-of-the-art SD70MAC locomotives are a far cry from the "Dinky" engine being inspected here. In addition to employing technological advances, we're continually straightening the tracks and laying new rail, creating a safer, more efficient railbelt. But it still comes down to the people, and we have the best.*



*Work crews laying track along Turnagain Arm in 1918.*



*Hurricane Gulch Bridge Crew, August 16, 1921. Over the years Alaska Railroad employees toiled in some of the most challenging conditions on earth, and the price was often high. Maintaining one of the safest records in the industry today, we ensure that the same challenges are met without undue risk.*





*Upgrades in our line mean that track-caused derailments are a fraction of what they were a decade ago.*

Place yourself in the area of Slide Zone F7 – better known as the entrance to the Whittier Tunnel. It’s dark. It’s snowy. Your job is to make sure the track is cleared of avalanches so the train can proceed. Without question it’s a dangerous situation, but the simple solution, devised by Alaska Railroad employees, exemplifies the top-to-bottom chain of communication that helped make 2004 one of the Alaska Railroad Corporation’s safest years ever. In 2004, we had the lowest number of derailments in recent corporate history, and one of the lowest recorded injury frequency rates.

It gets better. Since 1999, the frequency of reportable injuries has decreased 69 percent, train accident rates are substantially lower than the national average, and lost time due to accidents is down nearly 80 percent. Those are among the statistics that earned us the prestigious Harriman Award Certificate in 2004, an annual commendation given to railroads nationwide

for continuous improvement in safety. In 2003 we set modern-day safety records and in 2004 matched or beat many of them.

Our approach to safety is based on a philosophy that values not just reacting to situations, but to preventing and predicting them. In 2004, the Alaska Railroad gathered emergency responders in railbelt communities from Seward to Fairbanks and conducted drills and training sessions. This training will ultimately mean a faster, smoother response in the event of an accident. Also in 2004, employees and management initiated an extensive overhaul of the Alaska Railroad Corporation’s safety manual, ensuring that the rules are up to date, practical, and easily applied to day-to-day situations along our entire track.



So, what about that simple solution to the safety concerns at the Whittier Tunnel? We like to call what transpired “closing the loop.” A problem existed. Our employees suggested the answer. We implemented it. As a result, before a train or crew enter Slide Zone F7, employees simply check a web cam that broadcasts real-time images of the area over the Internet to see if there are any obstructions.

REPORTABLE INJURY FREQUENCY				
5.97	7.15	4.17	3.66	3.74
2000	2001	2002	2003	2004

*Bryan Graham, general mechanical supervisor for the Alaska Railroad, stands in the “pit” at the Anchorage mechanical shop. Much of the important maintenance work done on locomotives happens overnight to keep daytime operations on time and on track.*





*Photo courtesy of Anchorage Daily News.*



*In the early years, we didn't have our now-famous high school tour guides to point out the scenic highlights along Turnagain Arm. Today, these young employees are one of our greatest selling points.*

Each day, all summer long, a conductor makes his way through our passenger cars collecting tickets and greeting passengers. Crisp. Well dressed. Official. This is the iconic Railroad employee.

In truth, our 2004 roster of 716 employees is much more diverse. In addition to the skilled men and women who keep our trains running, maintain the track, greet passengers or take reservations, there is the unseen workforce that has in so many ways shaped our success again this year. Dispatchers, real estate executives, electricians, engineers, sales and marketing professionals and many others make up an extremely loyal workforce without whom we would not have seen the steady gains in nearly all sectors of the Alaska Railroad's business.

Their loyalty is measurable: average employee tenure is 11 years, compared with a national average of only four years. It is with these dedicated employees in mind that we launched an ambitious capital campaign to improve the working environment all along the railbelt.

In 2004, we poured concrete on two brand-new facilities – a new Fairbanks Intermodal Center

and a new Operations Center in Anchorage – that will substantially improve the day-to-day work and business environment for both our customers and our employees. Our locomotive simulator was upgraded to include a full-scale digital model of the entire Alaska Railroad line. Engineers can now log valuable hours practicing realistic virtual scenarios from the safety of the training room.

We appreciate the service and dedication of our Alaska Railroad employees and the five unions that represent nearly three-quarters of them: American Federation of Government Employees, American Train Dispatchers Department, International Association of Machinists, Transportation Communication Union and the United Transportation Union.



*Photo courtesy of Anchorage Daily News.*

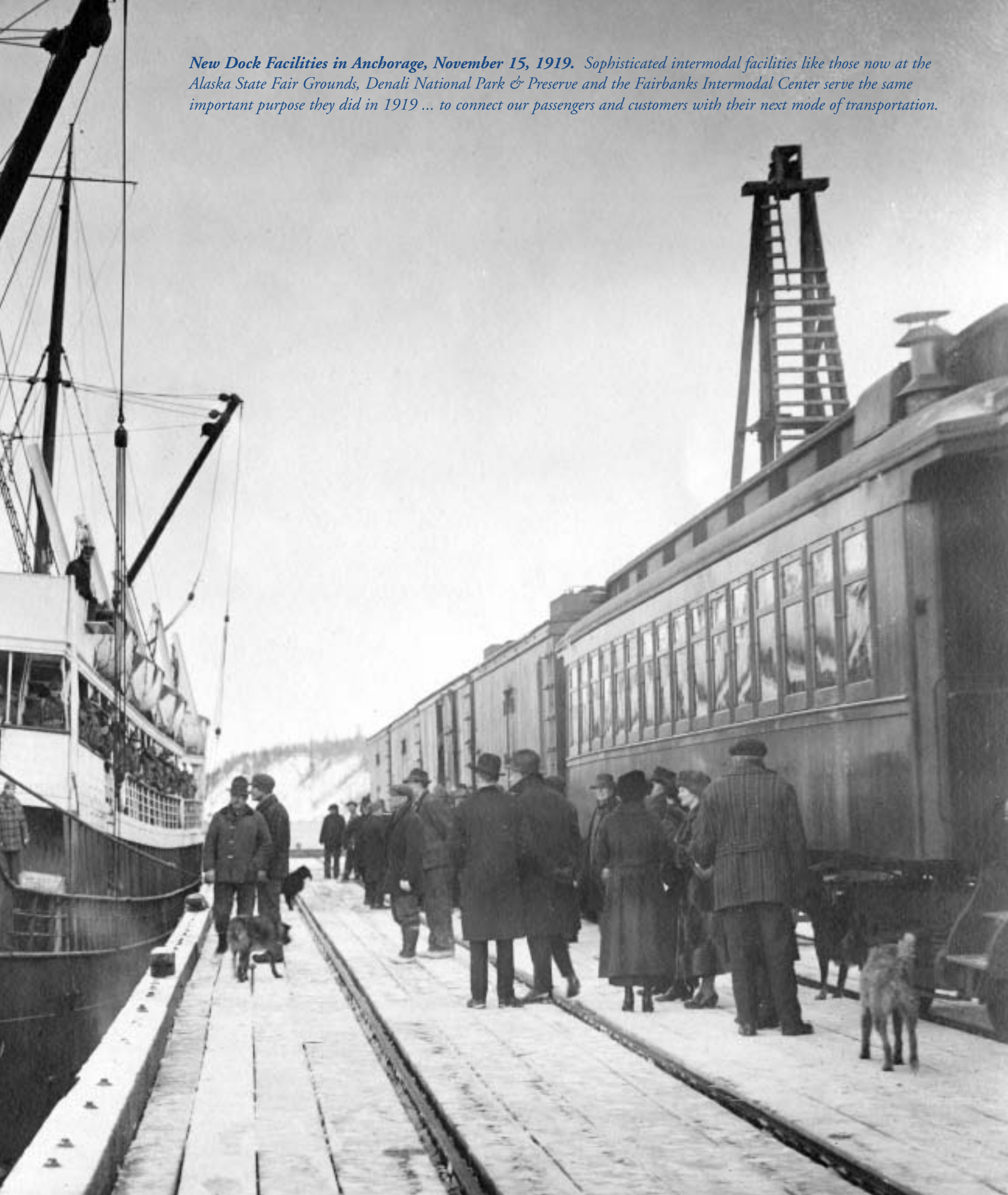
*We're upgrading our line with continuously welded rail and concrete ties (top right) to make the ride safer and more efficient; Kelvin Roscoe (bottom right) was part of a crew replacing track near Talkeetna during the summer of 2004.*



*We believe that modernizing facilities and equipment makes for a better workplace. Here, shop workers Al Fyfe, Glenn Liptak, and Larry Williams conduct a training session on electric traction motors in the Anchorage shop. Photo courtesy of Anchorage Daily News.*



*New Dock Facilities in Anchorage, November 15, 1919. Sophisticated intermodal facilities like those now at the Alaska State Fair Grounds, Denali National Park & Preserve and the Fairbanks Intermodal Center serve the same important purpose they did in 1919 ... to connect our passengers and customers with their next mode of transportation.*





*Alaskans on their way to a baseball game at Potter Creek in 1917 had a true al fresco experience with the wilderness. Passengers in 2005 will be treated to private, glass-domed cars when they upgrade to our new first-class GoldStar Service.*

2004 was the year that Passenger Services came into its own.

Riding the Alaska Railroad has always been an unparalleled experience. We have Mother Nature to thank for that, of course. But through increasingly sophisticated and creative marketing programs, as well as diverse tour-package options, we have enhanced the experience of riding Alaska's rails for thousands of people.

Alaska Railroad ridership on the three main passenger services reached an all-time high in 2004, up nearly 7 percent from 2003. An example is the Glacier Discovery, with service between Anchorage, Whittier, Spencer Glacier and Grandview, which was up 13 percent. These increased numbers fueled

overall revenue to record levels, up 19 percent from 2003. By extending our network of adventure partners within Alaska's travel industry, in 2005 we will debut an 11-day/10-night all-inclusive tour package to points as far-flung as the North Slope and Glacier Bay National Park, bookable through Alaska Railroad agents. And we are getting the word out about Alaska and the Railroad by alerting our network of thousands of travel professionals across the country.

Two new bi-level dome cars will join the Denali Star with service between Anchorage and Fairbanks in the summer of 2005. In addition to providing some much-needed additional dining capacity for ever-increasing numbers of passengers, the new cars will feature the Alaska Railroad's new first class offering called GoldStar Service. Reserved seating in the glass-domed upper level of the cars and a private outdoor viewing platform will redefine elegance and luxury on the best railroad in the world. The ridership and revenue momentum built over the past two years position us well as we head into 2005.



*Tour package options available in winter and summer provide a spectacular experience for our guests. One look is all it takes to see why.*



PASSENGER SERVICES REVENUES  
(in thousands of dollars)

13,163	13,389	13,980	14,174	16,923
2000	2001	2002	2003	2004



*When Warren G. Harding pounded the golden spike in 1923, it represented an era of “opening up” the land to resources such as the Healy Coal Mine.*

At the Alaska Railroad our freight service is the workhorse of our business. Transportation of petroleum products, gravel, coal, oilfield and mining supplies, chemicals and consumer goods accounts for a full 67 percent of gross revenues.

2004 freight revenue set another record. There are several developments underway that give us every confidence that freight will continue to be a reliable performer.

World coal prices were high in 2004, allowing Usibelli Coal Mine to reintroduce international trade of Alaska coal to the Pacific Rim. In 2004, test shipments were sent to two separate destinations in Chile. Usibelli Coal Mine continues negotiations with several potential customers at other locations in the Pacific region. Working with the State of Alaska and producers, we will continue to seek out opportunities to move Alaska’s resources to market.

2004 saw the first full year of operation for Flint Hills, the new owner of the North Pole oil refinery. Formerly Williams Petroleum, Flint Hills has made changes to its product mix and marketing strategy that we believe will be very positive.

While down from 2003, gravel was a solid performer in 2004 with over 3.1 million tons moved on the Alaska Railroad. 2003 saw the completion of several major road construction projects, slowing gravel demand in 2004.

Our Trailer On Flat Car (TOFC) service was the dark horse in the 2004 race, up by nearly \$1 million over 2003. We also saw growth in our interline service, with increased demand for pipe, building materials, machinery and oil field equipment. Renewed activity on the North Slope, a strong Fairbanks economy and booming retail construction in the Golden Heart City can be credited for growth in these areas.

Our vision is to be a good partner to Alaska business and industry while positioning ourselves to support construction of a proposed Alaska gas pipeline. Meanwhile, we remain committed to straightening the track and replacing ties so that the freight will move quickly, safely and reliably to those businesses working to build our state’s economy.

FREIGHT SERVICES REVENUES (in thousands of dollars)				
70,084	79,868	76,021	85,228	86,516
2000	2001	2002	2003	2004

*In 2004, the Alaska Railroad transported test shipments of coal for export to Chile. We will continue to work with Alaskan producers to move their products to market.*





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Skinner Foundation, Alaska Steamship Company, Alaska State Library PCA-44-04-266

*Considered the end of the line in the 1920's, the Fairbanks Depot became a hub of the community and the off-load point for much-needed goods to the region.*

From the bridge at Ship Creek to the third-story turret view on our new Operations Center, vision is guiding each nail pounded on Alaska Railroad property.

Lease revenues in Real Estate increased by 5 percent over 2003, allowing the Railroad to pursue facility and capital improvements along the railbelt. Besides the new Anchorage Operations Center and the Fairbanks Intermodal Center, plans are underway to build truck ports in Cantwell and Hurricane in 2005 and Portage and Talkeetna in 2006. The new designs, created jointly by the Facilities and Engineering departments, will bring a durable,



*The Alaska Railroad Anchorage Operations Center (right) and the new Fairbanks Depot (artist's rendering above) are examples of the Alaska Railroad's commitment to facility revitalization across the railbelt.*

flexible and uniform style to these and future maintenance-related facilities for the next generation of workers in the field. It's our goal to make the tin shed a thing of the past.

In the new Operations Center, we created a 21st century nerve center within traditional, European-style architecture. But the Operations Center isn't the only new development in Ship Creek. Our real estate professionals reached an agreement in 2004 to lease the historic bridge over Ship Creek to local entrepreneurs, who plan to renovate the structure and open a one-of-a-kind restaurant during the summer of 2005. We added more pedestrian amenities to the area, including parking, sidewalks, lighting and a landscaped plaza, to support our five-year vision for a busy, commercial Ship Creek complete with shops and restaurants.

So, whether it was saving the historic Railroad log cabin in Curry by applying some elbow grease and a new roof or getting ready to launch the construction of the Anchorage Ship Creek Intermodal Center in 2005, the Railroad is focused on tomorrow for its visitors, customers and employees. There is more to do, but 2004 was a good year for modernizing the Alaska Railroad.

**REAL ESTATE AND FACILITIES REVENUES**  
(in thousands of dollars)

9,288	10,571	11,307	10,865	10,438
2000	2001	2002	2003	2004

Note: Does not include grant revenues





*We haven't forgotten our role as an important Alaska employer and industry partner, and we continue to work with civic organizations to facilitate Alaska's growth.*

When 2004 dawned at the Alaska Railroad, it was with an air of promise tempered by the sober recognition that in order to match our performance in 2003 we would have to keep stretching as an organization. We had to be better, smarter and more deliberate, while keeping spending in check during a difficult business environment.

We knew we would haul less gravel in 2004 because several major road construction projects, including the substantial Bird Creek project, were finished. The Williams refinery in North Pole was sold. One of our major cruiseline partners moved from our Seward dock facility to a private dock in Whittier. In addition, as the year unfolded, we faced the rising costs of fuel and escalating steel prices. With all that in mind, our earnings projection was budgeted at a modest \$9.5 million, down substantially from our 2003 record of \$14.5 million in net income.

That is why we are pleased to report that in 2004, the Alaska Railroad again set a record, earning \$15.4 million in net income. How did we do it? We worked safer and smarter, doing the things we do best.

Freight revenue, which makes up 67 percent of our total corporate earnings, exceeded 2003 by \$1.3 million due to a strong local coal environment, solid petroleum shipments and TOFC service, which increased over 2003.

Passenger revenue was up 19 percent over 2003, boosted by increases in ridership and appealing package options. Real estate was again a consistent performer in an increasingly favorable marketplace, continuing to break \$10 million in overall revenue by overcoming the drop in Seward dock revenue.

Perhaps most telling, Alaska Railroad assets are now worth over a half-billion dollars for the first time, growing 17 percent over 2003.

TOTAL GRANT REVENUE (in thousands of dollars)				
14,448	2,687	3,906	17,810	15,097
2000	2001	2002	2003	2004
Note: Includes real estate grant revenues				

## FINANCIAL HIGHLIGHTS

Earnings (in thousands):	2004	2003
Operating Revenue:		
Freight	\$ 86,516	\$ 85,228
Passenger	16,923	14,174
Other	116	245
Grant	12,488	14,665
Total Operating Revenue	116,043	114,312
Operating Expenses	105,934	102,199
Operating Income	10,109	12,113
Non-operating Revenue (Expenses):		
Net Real Estate Income	5,980	2,873
Investment Income	371	385
Interest Expense	(1,083)	(837)
Net Income	15,377	14,534
Balance Sheet (in thousands):		
Assets:		
Current Assets	\$ 55,243	\$ 60,348
Non-current Assets	460,333	379,774
Total Assets	515,576	440,122
Liabilities:		
Current Liabilities	24,566	26,129
Non-current Liabilities	340,760	276,780
Total Liabilities	365,326	302,909
Fund Equity	150,250	137,213
Total Liabilities & Fund Equity	515,576	440,122
Operating Ratio	0.91	0.89

*For complete Financial Statements go to the last page and insert the disc in your cd-rom drive or log on to [www.AlaskaRailroad.com](http://www.AlaskaRailroad.com) for an online version of the 2004 annual report.*



23

Anchorage. Turns out to  
Welcome Matanuska Valley  
Colonists -  
Hunt's Photo Shop

*Anchorage Turns Out to Welcome Matanuska Colonists. Back in 1935 colonists from the Midwest came north to Palmer by train via Seward. As the warm reception in Anchorage demonstrates, being a good Alaskan means being a good neighbor.*



*UAA-bmc-0096-series2-1-63-5  
UAA Archives & Manuscripts  
Thomas Culhane Collection  
Photographer unknown*



*Wasilla was little more than a small depot back in 1918 when this photo was taken. We're proud to support growth and construction in Alaska's railbelt communities.*

In 2004 an unlikely scene unfolded in our terminal at the Seward dock facility. Massive mats were unrolled and statisticians gathered in an observation area above the floor to judge the action. The event: the state's small-schools wrestling championship, wherein spirited grapplers from communities across the state gathered to compete.

This represented a first for the community. Seward wanted to host the tournament but could not offer a local building large enough to hold the varsity competitors. Contenders usually gather in Anchorage or Fairbanks for state championships. But Alaska Railroad employees in Seward saw the opportunity to provide a hometown solution. By offering the terminal, local fans were able to host the tournament, display their hometown pride and realize a welcome injection of economic activity in the middle of October.

In many ways, the Seward story exemplifies our approach to assisting Alaska communities with their needs by fulfilling our goal of being a good community

partner. Through our charitable giving programs, leases at below market rates for public entities, school-business partnerships, support to the military and other donations, we work to support educational opportunities, community quality of life, economic health and civic non-profits across Alaska.

We are proud of our employees, who participated in the annual United Way campaign in record-breaking numbers. Employees contributed over \$86,000, which was matched dollar-for-dollar by the Alaska Railroad.

However, our economic reach extends well beyond charitable giving. A recent study completed by the University of Alaska Anchorage's Institute of Social and Economic Research (ISER) paints a much clearer picture of the Alaska Railroad's role in the state's overall economy.

According to the study, the Alaska Railroad supports nearly 1,900 Alaska jobs and pumps over \$83 million in payroll alone into the state's economy annually. The report calculated spending at an average of \$108 million per year by the Railroad in Alaska over the last few years, split between payroll for employees (41 percent) and direct expenditures with Alaska businesses (59 percent).



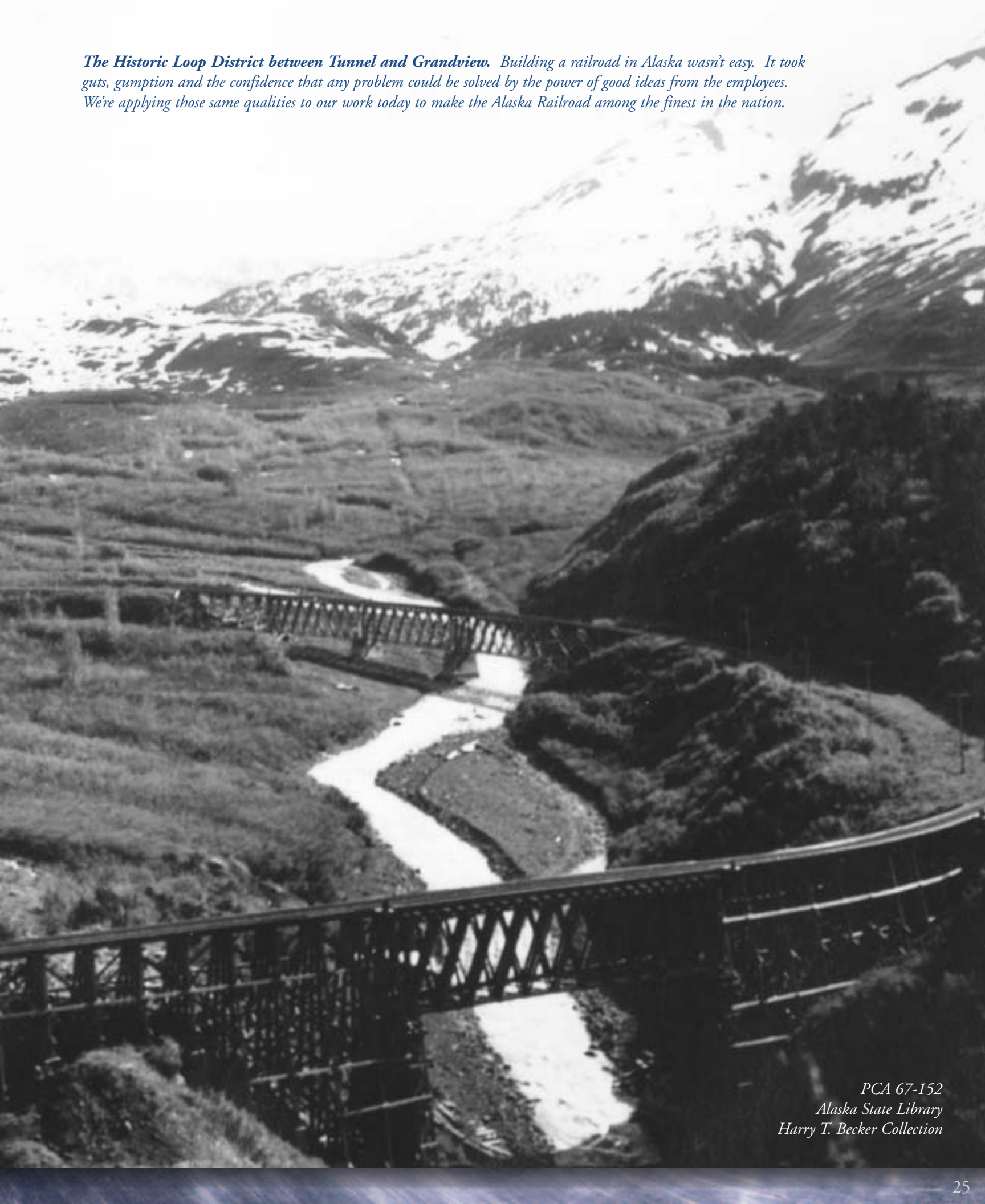
*The Palmer Depot and Intermodal Facility, right, which opened in 2004, and our many open houses held in railbelt communities each year, like the one featured above, create opportunities to celebrate and enhance our commitment to Alaskans.*







*The Historic Loop District between Tunnel and Grandview. Building a railroad in Alaska wasn't easy. It took guts, gumption and the confidence that any problem could be solved by the power of good ideas from the employees. We're applying those same qualities to our work today to make the Alaska Railroad among the finest in the nation.*



*PCA 67-152  
Alaska State Library  
Harry T. Becker Collection*



*The Alaska Railroad is pioneering a collision-avoidance system – a technological advancement preventing trains and track equipment from colliding or running through “stop” commands.*

Railroads remind us of America’s westward expansion – linking both coasts of the nation and all points in between, creating a new way to move freight and enjoy the romance of travel. Because there is so much nostalgia surrounding railroads, it’s surprising to learn that today’s railroads are among the most technologically advanced transportation systems in the world.

The Alaska Railroad is at the forefront in pioneering technologies that may be applied to railroads throughout North America.

Take the new research initiated in 2004 with the Federal Railroad Administration, focused on using technology to detect broken rails. If successful, the Track Integrity Program may be deployed on railroads nationwide.

Through 2004 we expanded Centralized Traffic Control (CTC), covering 50 miles of track between Anchorage and the Mat-Su Valley to improve safety on our busiest section of track and lay the groundwork for a possible commuter rail line in the future. The improvements provide a safety net for train crews and dispatchers ensuring that no two trains will ever occupy the same stretch of track at once. Through a series of signals, trains can move safely


and efficiently through this CTC corridor. This is just one step in our investment plan to field a total Collision Avoidance System that will provide dispatchers with a completely computerized method of communicating with engineers on the rails and even a way to stop a train entering territory it is not authorized to occupy.

The total Collision Avoidance System will be completed in phases, the first of which was finished in 2004. We installed packet data radios and Global Positioning Satellite (GPS) receivers on all locomotives and in base stations connected to a data network to lay the groundwork for this improved method of communication. The complete Collision Avoidance System could be in place as early as 2007, and will represent a giant step toward enhanced safety and security throughout the railbelt.

Along the entire Alaska Railroad system we laid more concrete ties. These ties have a lifespan twice that of wooden ties. In addition, we have welded rail to reduce the wear and tear on the track and to enable higher-margin business based on improved speed, safety and efficiency.

Another innovation is that 24 SD70MAC locomotives now haul 80 percent of our traffic. In 2004, eight of these were fitted with electrical Head End Power units, bridging the previous gap between the diesel-fueled horsepower needed to haul freight and the electrical power needed for lighting, cooking meals and improving the amenities offered to our passengers. We required a locomotive that served both freight and passenger needs, and our Mechanical department and the manufacturer worked in lockstep to come up with a solution. The new locomotives are modern, innovative and fuel-efficient.

So you see, it’s really not your grandfather’s railroad anymore. While we remain committed to “Building a Great Railroad across the Great Land,” we continue to envision how we can move this railroad, through the use of innovation and technology, in a direction that better serves all Alaskans.



*The lighted signals tell engineers when the track ahead is clear – and when it's not – via our Centralized Traffic Control system.*

2004 BOARD OF DIRECTORS

(L to R back row)

Jack Burton

Track Inspector, Alaska Railroad Corporation

Jacob Adams

President and CEO, Arctic Slope Regional Corporation

Edgar Blatchford

Commissioner, Department of Commerce, Community and Economic Development

Governor Bill Sheffield

Port Director, Municipality of Anchorage & Former Governor of Alaska

(L to R front row)

Carl Marrs, Vice-Chair

Former President and CEO, Cook Inlet Region, Inc.

John E. Binkley, Chairman

President and CEO, Alaska Riverways, Inc.

Mike Barton

Commissioner, Department of Transportation and Public Facilities





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*We're still fulfilling the vision of the commission members (below left) that studied the feasibility of building the Alaska Railroad, and the engineers that made it happen (below right).*



*Colonel Frederick Mears, William C. Edes and Thomas Riggs*

*(l to r) Colin M. Ingersoll, N.Y.C.; Alfred H. Brooks, U.S.G.S., Wash., D.C.; Leonard M. Cox, Civil Engineering, U.S. Navy; Major J. J. Morrow, U.S. Army Corps of Engineers. PCA 277-6-5, Alaska State Library, Wickersham State Historic Site Collection, E.A. Hegg, photographer*

## ALASKA RAILROAD CORPORATION OFFICES

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P.O. Box 107500, Anchorage, Alaska 99510-7500 • [www.AlaskaRailroad.com](http://www.AlaskaRailroad.com)

### Anchorage, Alaska

Offices	Physical Address	Telephone	Fax
Headquarters Offices	327 W. Ship Creek Avenue	(907) 265-2300	(907) 265-2312
Ticket Office	411 W. 1st Avenue	(907) 265-2494	(907) 265-2509
Anchorage Operations Center	825 Whitney Road	(907) 265-2434	(907) 265-2643

### Fairbanks, Alaska

Offices	Physical Address	Telephone	Fax
Passenger Depot	280 North Cushman	(907) 458-6025	(907) 458-6068
Yard Office	1888 Fox Avenue	(907) 458-6022	(907) 458-6034
Freight House	230 Jack Lindsey Lane	(907) 458-6048	(907) 458-6061

### Seward, Alaska

913 Port Avenue, P.O. Box 95, Seward, Alaska 99664 • Telephone: (907) 224-5552 or 265-2696 • Fax: (907) 265-2660

### Seattle, Washington

5615 W. Marginal Way S.W., Seattle, Washington 98106 • Telephone: (206) 767-1100 • Fax: (206) 767-1112

### Toll-free Numbers

Freight Customer Service	1-800-478-2442
Freight Marketing	1-800-321-6518
Passenger Service	1-800-544-0552
Seattle Office	1-800-843-2772




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The Alaska Railroad Corporation has not received any bona-fide offers of a sale arrangement within the calendar year of 2004, nor is the Corporation aware of any potential sales that require analysis under AS 42.40.260.

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