The Alaska Railroad Board of Directors named Chief Operating Officer (COO) Bill O’Leary as President & CEO, effective November 1 (see President’s Message on page 2). This move sparked two additional in-house promotions in quick succession. Chief Mechanical Officer (CMO) Doug Engebretson was promoted to COO on November 8, and a week later, Locomotive Operations Manager Don Freestone accepted the CMO position. Engebretson and Freestone are third-generation railroaders, each with more than three decades of railroading experience. Both joined the Alaska Railroad in the early 1980s just before ARRC became a state asset, and both spent years working at the railroad’s hub in Fairbanks.

**COO Doug Engebretson**

“Having been here since transfer to the state, I’ve seen the astounding strides ARRC has made in every area of operations and business commitments. I’m confident we will continue to overcome any adversity and capitalize on new opportunities,” said Engebretson. “In my capacity as COO, I look forward to working with colleagues and customers to enhance our relationships.”

“Doug has proven himself as a level-headed and well-rounded leader,” said O’Leary. “Having risen from the ranks, he is well-versed in the mechanics of railroading, and our operations railbelt-wide. I know I can count on Doug’s considerable experience with regulatory compliance, safety and personnel management.”

Engebretson has extensive expertise with the mechanical aspect of train operations, beginning with his certification as a carman (railcar mechanic) in 1980, following a three-year apprenticeship at the Burlington Northern (BN) Railroad in Montana. After five years with the BN (1977-1982), Engebretson found himself bound for Fairbanks in 1983. The following year, he joined the Alaska Railroad as a Journeyman Carman. Engebretson’s leadership skills were rewarded with a series of promotions, including to Fairbanks Terminal Supervisor in 1986. In 1990, he transferred to Anchorage to become the Car Operations Manager, a position he held until 2006. He also served as Mechanical Capital Project Manager 2001-2002. In 2006, Engebretson joined the senior management team as Director of Mechanical Maintenance, and at the beginning of 2010, he was named CMO.

Engebretson said he appreciates the historic significance that railroading has played in Alaska and in his own family. He was recently seated on the Board of Directors for the Engine 557 Restoration Company, a non-profit organization tasked with refurbishing a historic steam engine for an eventual return to service on the Alaska Railroad. Engebretson also follows in the footsteps of two previous

(See “CEO-COO-CMO” on page 6)
BUILDING ON OUR MOMENTUM IS MY GOAL

Q. You were the railroad’s Chief Financial Officer (CFO) 2001 - 2013. How did CFO experience prepare you for the CEO position?

A. Twelve years as CFO gave me a solid understanding of the financial drivers that make money and that cost money. Moving forward, the Alaska Railroad’s biggest challenges remain financial. My CFO experience will be helpful as I work with the management team to stabilize the company’s financial situation and outlook. In addition, the relationships developed with ARRC Board members, with Alaska’s civic and business community, and with elected leaders will be equally important to this effort.

Q. You are a native of Fairbanks and earned your bachelor’s degree in accounting from the University of Alaska Fairbanks (UAF). Does your familiarity with the rail belt’s northern hub community and the local university offer an advantage in your role as President/CEO?

A. Familiarity translates to understanding, and that can certainly be a strategic advantage. The railroad’s northern terminal is a critical piece of our freight business, with potential for expanding service to existing customers, and extending our reach to new business frontiers. Having lived through 23 frigid Fairbanks winters, I appreciate the railroad’s resilient and resourceful employees who work in some of the harshest conditions anywhere on the globe. I also appreciate the University’s role in industry education and research. For example, transportation and resource industries rely on qualified professionals who graduate from engineering, process and logistics educational programs. The railroad has directly benefited from recent herbicide research by UAF’s Alaska University Transportation Center, as well as objective economic research conducted by the university’s Institute of Social and Economic Research (ISER).

Q. Having been a member of the railroad’s senior management team since joining ARRC in 2001, you have been privy to the big-picture challenges and opportunities facing our company and the state. What do you see as ARRC’s most pressing issues in the next year? The next five years?

A. As noted, financial challenges will continue to be on our front burner. An adequate capital program is at risk due to an ongoing threat to

(See "President’s Message" on page 3)
**President’s Message …**

(continued from page 2)

Federal Transit Administration grant funding and depressed coal and petroleum freight business. This leaves less funding to pursue Positive Train Control (PTC), and to invest in our basic infrastructure, and to fund property improvements that will fuel our important real estate business. We must search for new sources of revenue and continue to align our cost structure with our financial situation. We will also focus on employee engagement and satisfaction. We’re beginning to see positive momentum on these initiatives and I want to build on that.

Q. Many great ideas and recommendations came from focused initiative teams in 2012/2013. Likewise, the Safety Audit & Cultural Survey revealed the need to improve employee engagement as part of an overall effort to enhance safety. With no shortage of items to tackle, where do you see the railroad putting its focus?

A. There are actually three sources from which to draft our 2014 Goals and Objectives and a new 5-year Strategic Plan. We developed two “report cards” that help us take stock of 1) the 2013 goals and objectives that are not yet complete; and 2) Initiative recommendations that have yet to be addressed. These report cards are posted on my CEO News page on the Employee Portal and employees are welcome to take a look. We are also in the midst of distilling the cultural survey results, engagement assessment and followup employee inputs. We will draw from each of these sources to develop a plan of action for the short term (within a year) and mid-term (5 years). There are clearly more initiatives than resources, and we will have to prioritize a manageable list. Initiatives that promote safety and efficiency will top the list, with an eye toward the biggest return on investment.

Q. The holidays are just around the corner. What message would you like to share with employees as they look forward to spending some time with family and friends?

A. I wish each employee a safe and restful holiday season. Get some sleep! Next year will be a big year. We need to be ready to tackle the challenges and take advantage of opportunities on multiple fronts.
President & CEO Bill O’Leary presented 21 railroaders with President’s Awards November 25.

The President’s Team Award went to 19 railroaders who played integral roles as part of the JD Edwards (JDE) implementation effort: CFO Barbara Amy, Accounts Payable Technicians Linda Anderson and Mary Cornell, System Administrator Russell Brenner, COO Doug Engebretson, Senior Contract Administrator Greg Goemer, Supply Management Director Bob Gonzalez, Accounts Receivable Manager Emily Hoffman, Program Analyst Supervisor Sandy Holmes, Grants & Operations Director Shawnessy Leon, HR Director Susan Lindemuth, Assistant Controller Payroll & AP Michelle Maddox, Senior Accountant Cindy Matthias, Controller Wendy Richerson, HR Rep – Benefits Barbara Rogers, Planner/Scheduler James A. Steele, Purchasing Manager Lee Thompson, Contract Administration Specialist Robert Walker, and Business Systems Analysis Manager Paul Willman. This integrated group helped the railroad install a new enterprise resource planning (ERP) software suite — JD Edwards Enterprise One. When the system went live January 1, the real work began with an extremely aggressive implementation schedule requiring production testing and an accelerated learning curve in a real-time environment. Team members have put in countless hours to ensure that critical business functions are performed, essential documentation is produced, and each member continues to use his/her expertise to train others, address system “bugs” and implement necessary changes. Without this cross-functional team, ARRC could have become one of the 85% of companies who do not successfully implement a new ERP. Instead, we met the implementation schedule on budget and successfully rolled out a new system.

Computer Equipment Specialist II Bob Thomas won an Individual President’s Award for exceptional performance over a four-month period, when he single-handedly managed the Help Desk while a co-worker was out with an injury. During this time, he resolved a record 1,110-plus trouble tickets. Even as the demands of his work environment essentially doubled, Thomas also improved the new user account process with a complete redesign of the form, reducing it from 16 to 2 pages, while still retaining critical information. His efforts streamlined the process, enabling users to obtain and access an account a full two weeks earlier than the old process. Thomas’ skill in resolving computer-related issues allowed the railroad to accomplish the Help Desk mission with little interruption. And his critical thinking led to lasting efficiency benefits to Information Technology and the company.

Conductor Warren Redfearn won an Individual President’s Award for his excellent job performance, inter-department coordination, and volunteerism related to the Hurricane Turn train. Redfearn is among an elite group of exceptional conductors who consistently perform beyond job requirements, resulting in high-quality and memorable customer service to our passengers. He is equally adept behind the scenes, offering insightful recommendations to Guest Services aimed at improving the Hurricane Turn experience, such as including a dome car and offering onboard food service. Redfearn also contributed many personal hours as a volunteer promoting the Hurricane Turn within the Talkeetna community. In addition to word-of-mouth marketing around town this summer, he participated in a National Park Service program that allowed children to visit the train while it was parked in Talkeetna when not in use.
SPOTLIGHT AWARDS: 4TH QUARTER

Senior Attorney, Environment & Real Estate Andy Behrend was recognized for contributions to public processes related to the Residential Right-of-Way Use Policy (RRUP) and permit-less herbicide use. His input was important to effective RRUP development, and to consistent and defensible responses to residents with many situations. This led to ARRC Board policy approval and the railroad can finally move forward with consistent guidance to address the growing safety dilemma posed by residential encroachment along the right-of-way. Similarly, over the past two years, Behrend provided exceptional expertise related to the railroad’s execution of a Vegetation Management program under the new no-permit system. He helped railroad staff navigate the new rules, ensuring compliance, while remaining sensitive to a concerned public. Behrend’s counsel was highly instrumental to consistent and sensitive response, which translated into a general public that was not unduly upset over the railroad’s reasonable use of herbicide.

Conductor / Engineer Kevin Bergsrud was recognized for his service to ARRC’s Employee United Way campaigns. During the 2013 campaign, he again served as co-chair, performing the mundane work with zest and passion. He arrived early and left late to accommodate the schedules of all employees. Thanks to Bergsrud’s efforts, campaign information reached nearly every employee, giving them the opportunity to consider participation. He also worked hard to offer participating employees small rewards in the form of door prizes. The Alaska Railroad benefits from such efforts that uphold a relationship that has endured for more than 50 years. ARRC’s tradition of participation bolsters our reputation as a solid community partner.

Real Estate Director Karen Morrissey was recognized for a truly remarkable work ethic that spans her long-tenured career with Alaska Railroad. This year, her hard work and wealth of corporate and professional knowledge has been invaluable, as the railroad pursued the Residential Right-of-Way Use Policy (RRUP). The public process demanded much of Morrissey’s time and diplomacy as she discussed the proposed policy with dozens of residents. Morrissey has also tackled research of a new software system to help the Real Estate Department accomplish its mission with greater accuracy and efficiency. Her leadership on both fronts is very important moving forward. Finally, Morrissey is also recognized for taking time in her busy schedule to offer professional and personal mentoring to those who may be interested in pursuing a long and productive career with the Alaska Railroad.

Project Administrative Support Specialist Lyndsey Ruhl is recognized for earning a Bachelor of Applied Science degree from Wayland Baptist University. By continuing her education and gaining a broader grasp of the integral nature of our work, Ruhl demonstrates personal determination and a commitment to improving performance. The Alaska Railroad benefits from employees who are willing to enhance themselves professionally and personally. Such growth in knowledge and understanding frequently translates to greater productivity within the work environment.

Receptionist/Operations Administrative Assistant Patti Schumacher was recognized for maximizing her skills to fill multiple administrative positions, and for embracing a proactive work ethic. Through initial and ongoing training, she possesses the technical expertise to cover four distinct Corporate Administration positions. Schumacher competently performs, whether at the Headquarters building reception desk, company mailroom, print shop, or the Safety / Transportation administrative assistance position. This depth and breadth of tasking ensures no negative impact to daily operations as a result of personnel scheduled and unscheduled absences. Moreover, her diversified skill set saves money by avoiding the expense of temporary administrative support. Schumacher’s exceptionally positive attitude and self-directed work ethic is evident to all who work with her.

Manager, Passenger Operations Sarah Streiffert is recognized for exceptional performance while single-handedly orchestrating all logistics and planning for the complex and highly successful 2013 National Railway Historical Society (NRHS) convention aboard our trains. This charter ran every mile of the ARRC route, used nearly every piece of passenger equipment, and required coordination with just about every ARRC department. Remarkably, not one misunderstanding or mistake occurred during the entire week, and this is a testament to Streiffert’s tremendous organizational and communication skills. This NRHS feat is made all the more noteworthy, given that she simultaneously managed the conclusion of the regular passenger season, along with another half dozen charters in progress. Such success showcases the railroad’s ability to accommodate the most complicated charter service, and will further our passenger marketing efforts to convince more convention planners to choose an onboard option.

(See “Spotlight Awards” on page 6)
generations in the Engebretson family who worked for railroads in Montana. His grandfather Carl
worked for the Northern Pacific (NP) Railway, and father Albert worked for the NP, BN and eventually
retired from the Montana Rail Link.

Born and raised in Missoula, Montana, Engebretson is a military veteran who served as a track
vehicle mechanic in the U.S. Marine Corps from 1974 to 1977. He and his wife of 35 years, Teresa,
reside in Anchorage. They have two grown sons, Curtis and Ryan.

CMO Don Freestone

“Doug left ARRC’s Mechanical Department in
good shape. Our mechanics are well-rounded and
second to none,” said Freestone. “I can’t help but be
excited about this new adventure working with my
colleagues in all areas of mechanical.”

Freestone began his railroading career straight
out of high school. Southern Pacific (SP) Railroad
hired then 18-year-old Freestone as a laborer at
its Roseville, California, hub. After three weeks,
Freestone signed up for the SP’s electrical appren-
ticeship program through which he qualified as a
Locomotive Electrician. With certification and four
years of railroad mechanical experience under his
belt, Freestone headed for Anchorage, where he
began his Alaska Railroad career with a temporary
locomotive electrician assignment.

Freestone subsequently held a number of me-
chanical positions, each with growing responsibility.
He spent another 5 years in Anchorage as an Equip-
ment Maintenance Specialist Leader, before heading
to Fairbanks with a promotion to Motive Power &
Equipment (MP&E) Terminal Mechanical Supervi-
sor, working under Engebretson. In less than two
years, Freestone’s work merited another promotion
to General Locomotive Supervisor in Anchorage.
Subsequently he was promoted to Locomotive Op-
erations Manager, a position he has essentially held
(with one title change) since 1996.

Born in Ogden, Utah, and raised primarily in
California, Freestone grew up in a railroading fam-
ily. His father, also named Donald Freestone, was
a mechanic, and retired as QA Manager for the SP
in Sacramento. His paternal uncle, Ted Freestone,
was a railroad carman in Nevada. And, his paternal
grandfather John Devlin was an iceman for the
Pacific Fruit Express, a California-based refrigerated
railcar manufacturer. Don and his wife Karen live
in Anchorage. They have two grown sons, Michael
and Timothy.

“Don has the foundation necessary to be an
excellent CMO. He’s worked on all types of equip-
ment, and at our north and south maintenance
hubs. With this broad base of understanding, Don
will foster a well-trained mechanical workforce
able to maintain the full spectrum our equipment,
whenever and wherever their expertise is needed,”
said Engebretson.

Additional Mechanical Changes

In line with ongoing succession planning, the
Locomotive Operations and Heavy Equipment
manager positions will be combined into one
position and renamed to reflect expanded respon-
sibility. The Heavy Equipment shop will be led by
a supervisor. This move reduces mid-level manage-
ment, while further unifying Teamster-represented
employees who maintain electrification systems on
locomotive, passenger, TOFC and heavy equip-
ment.

SPOTLIGHT AWARDS ...

(continued from page 5)

Telecommunications Engineer Otto Wendt was
recognized for exceptional performance while
working on several high profile telecommunications
projects that will reduce cost, enhance safety,
and underscore our commitment to environmental
stewardship. He was directly responsible for the
back-up power installation in Fairbanks, which has
since protected critical communications from two
commercial power outages in the first month alone.
He was a key player in the installation of a solid
oxide fuel cell (SOFC) at Hunter, marking ARRC’s
first green power source for remote communica-
tions sites and creating a benchmark for fuel cell
installation at four additional sites. Moving from
diesel generator to SOFC power system reduces our
carbon footprint, and will save resources by avoid-
ing costly repair of diesel generators, particularly in
winter. Wendt was also instrumental in the instal-
lation of more than four miles of new radio cable
and amplifiers in the Whittier and Portage tunnels,
thereby enhancing safety. Although Wendt is a radio
engineer, he did not hesitate to fully assist with
projects that are outside his realm of expertise.
MILEPOSTS

SERVICE AWARDS: OCTOBER, NOVEMBER

1 Year
Kody Anderson ........................ Transportation
Michael Ervin ........................... Mechanical
Sawyer Graber ............................ Maintenance
Christina Isabelle-Glover ......... Accounting
Kei Kanongataa ........................ Maintenance
Theresa MacLeod ....................... Human Resources
David Sorensen ........................ Maintenance

5 Years
Aaron Nickols ............................ Maintenance
Prayed ..................................... Mechanical

10 Years
Linnea Crosby ............................ Transportation
Gary Fuller ............................... Transportation

Clifford Helm ............................ Mechanical
Billy Hubbard ............................ Maintenance
Scott Norris ............................. Maintenance
Mark Randolph ........................ Maintenance

20 Years
Muriel Lewis ............................. Real Estate

25 Years
Sally J. Van Der Starre ............... Transportation

40 Years
Jimmy Lemke ............................. Telecommunications

MILEPOSTS

HOME FRONT: BIRTHS

- Conductor/Brakeman/Engineer Michael Reed II and wife Allison welcomed daughter Trinity Elizabeth, born on September 5.
- Systems Administrator Glen Biegel and wife Christina welcomed their daughter Kara Maria, born on October 15.
- Conductor/Brakeman/Engineer Bryan Sooter and wife Romy welcomed son Dominik Emile, born on October 7.
- Conductor/Brakeman/Engineer Bryce Pearson and wife Michelle welcomed daughter Esther Grace, born on October 25.
- Train Dispatcher Stephan Kester and wife Sondra welcomed son Paxson John, born on November 11.

MILEPOSTS

EMPLOYEES HOST HOLIDAY/RETIREE PARTY

Several Alaska Railroad employees are spearheading a post-holiday gathering to celebrate a few upcoming retirements — including Kevin Aleshire, Jan Cox and Donald Wright (and possibly others) — and to provide a festive venue for railroaders to get together. The Alaska Railroad is supporting this effort by donating use of the Bill Sheffield Depot at the Ted Stevens Anchorage International Airport.

The event is 6:30 p.m. to 1:30 a.m. on Saturday, January 4, and will include heavy hors ’d’oeuvres catered by Sweet Basil, and music by Rocky Murrill’s band, Element-47.

Admission tickets cost $20 and must be purchased by December 21 (cash only; no refunds) from: Angelina Lott x3003; Patti Schumacher x3100; Nancy Davis x2658; Keri Meszaros x2488 and Aaron MacKenzie x2576. Adult beverage tickets cost $5 and are available from the same contacts and will also be sold at the event. Parking at the airport is $7 with a voucher available at the event.

Several airport-area hotels are offering discounted overnight lodging for railroad employees. For more information about hotels and the party, contact Angie Lott at 265-3003 or LottA@akrr.com.
TEAM COORDINATES COMPLEX MEA MOVE

In recent years, the Alaska Railroad has honed a team approach to complex freight transportation projects. Such highly-coordinated customer care was successfully applied to the summer 2013 transport of ten 315-ton engines that will power the new Matanuska Electric Association (MEA) Eklutna Generation Station. The effort involved the Alaska Railroad Freight Marketing, Transportation, Mechanical and Project Management departments, which began planning soon after MEA completed power plant design in December 2012.

Traveling by ship from Europe, the hefty engines arrived at the Port of Anchorage in mid-August. Later that month, a Specialized Rail Transport (SRT) schnabel car from South Carolina arrived by barge to Whittier. The car’s 20 axles distribute extreme weight loads. By comparison, the maximum load for a typical railroad flat car is about 92 tons or 184,000 pounds. SRT sub-contractors provided the manpower and expertise to operate the schnabel car and an accompanying caboose.

The generators were moved one at a time, leaving the port after the passenger trains had departed. Load restrictions required the train to travel no more than 25 mph, and to slow to 4 mph over railroad bridges 127.5 (Eagle River), 136.4 (Peters Creek), and 140.8 (Eklutna River). The route avoided Bridge 114.3 altogether and observers were required while traveling under the Vandenberg Drive overpass at MP 118.43.

From the railroad, Freight Services & Marketing Director Tim Williams negotiated the railroad’s services. Facilities Engineer Christian Ryll checked railroad facility clearances and load capacities. Capital Project Manager Lorri Winchester coordinated the logistics between ARRC departments and between ARRC and SRT and its sub-contractors. Strategic Market Initiatives Director Dave Greenhalgh worked with Transportation Superintendent Jon Garner, who spearheaded the transportation side. ARRC also provided flagging protection and security while each engine was staged at Eklutna before being transported to MEA.

“I could not be happier with the outcome,” said VP Marketing & Customer Service Dale Wade. “The customers and vendors were extremely pleased with the service and professionalism provided by the ARRC.”

Recruitment for the 2014 Alaska Railroad Tour Guide Program is underway, and railroaders are encouraged to let their high-school age children or relatives know about this exceptional training and potential employment opportunity. Three railroaders saw their young teens complete the program and become Summer 2013 Tour Guides: Project Management Director Brian Lindamood’s daughter Helen, Conductor/Brakeman Teddy Lombard’s daughter Emily, and Conductor/Brakeman Leon Butler’s niece Kassy.

The Tour Guide training program is open to juniors and seniors who are at least 16 years old with a GPA of 2.5 or better. Classes are held at the Anchorage School District (ASD) King Career Center 3-5 p.m. Monday - Thursday, January 27 - April 12. Program applications — available at http://www.asdk12.org/events/AKRR.asp — will be accepted until Dec. 20.

For more information, contact Onboard Services Manager Robert Russell at 265-2619 or RussellR@akrr.com.
The Railroad is moving into an action-oriented phase that responds to findings from the 2012 Safety Audit of our Safety Management System (SMS), engagement survey results and cultural assessment. The status on next steps reported in the last issue:

1. **Complete the leadership team that will champion the change.** Bill O’Leary is President/CEO effective Nov. 1. Human Resources has posted ads seeking candidates for a Director of Safety, which should be filled by the end of the year.

2. **Appoint a Planning Team to execute the change.** A policy-level team was appointed in November to guide our approach to change. Team members gathered Nov. 26 for a kick-off meeting to chart a course forward, delve deeper into audit findings and prioritize areas that need to be addressed. Team members include:
   - Technology/Telecom Director Joe Carlton
   - Chief Operating Officer Doug Engebretson
   - Facilities Director Paul Farnsworth
   - Transportation Superintendent Jon Garner
   - VP Engineering Clark Hopp
   - Human Resources Director Susan Lindemuth
   - VP Bus Mgt/Corp Affairs Wendy Lindskoog
   - VP Marketing/Customer Service Dale Wade

3. **Complete employee initial briefings.** Nearly two-thirds of the railroad workforce have been briefed on the results, and asked for input, during late summer meetings. This outreach provides a valuable source of information for a Planning Team to use in developing initiatives and action plans. Transportation employees will also be briefed and consulted about the audit and survey findings in conjunction with upcoming training sessions.

4. **Share our vision and plans with the ARRC Board of Directors.** During the regular meeting on November 12, the ARRC Board of Directors approved a recommendation to pursue a second follow-up phase of 2013 Safety Audit, as the required annual performance audit for 2014. Chris Ross from the Engagement Effect firm will be retained to facilitate Phase 2, which will develop and implement action items needed to establish a fully functional SMS. The board has also scheduled a work session in mid-January, when the directors will be briefed on our approach and resource requirements.

With these steps progressing, the railroad remains on track to begin initiative work during the first quarter of 2014.

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**Keep Safe Over Winter Holiday Season**

Apply your work safety know-how to ensure a safe and happy holiday season.

**Ladder Safety:** Electrical Safety Foundation data shows 5,800+ people are treated every year in emergency rooms due to falls associated with hanging decorations. Use railroad ladder safety techniques.
- Follow the 1:4 rule — place ladder 1 foot away from the wall for every 4 feet of ladder height.
- Your belt should not go beyond the ladder’s outside rail. Don’t overextend; move the ladder.
- Don’t use a metal or conductive ladder when working with electricity.

**Fire Safety:** The Federal Emergency Management Agency estimates 47,000 residential fires occur during the holidays, killing on average 530, injuring 2,200 and causing about $554 million in property damage. Use basic fire safety techniques at home.
- Ensure smoke detectors are fully functional. Replace the batteries and test the units.
- Inspect fire extinguishers; ensure the gauge arrow is still in the green and the unit is not expired.

- Keep live Christmas trees watered.
- Use low-heat LED lights instead of traditional bulbs, which produce excessive heat.
- Keep candles away from flammables and kids.

**Electrical Safety:** Inspect home extension cords and electrical equipment for defects.
- Check power cords for wear and fraying.
- Never remove a grounding plug on a power cord.
- Don’t run extension cords under carpet.
- Don’t overload your circuits.

**Holiday Parties:** Plan parties with safety in mind.
- Always have a designated driver. If you don’t have a designated driver and you’ve been drinking, stay overnight at the party or call a cab.
- If you host, offer plenty to eat and non-alcoholic beverages as well.
- Make your home kid friendly. Put away small objects that toddlers could choke on.
- Only set off fireworks in approved locations and have a fire extinguisher at the ready.
During its November 12 meeting, the ARRC Board approved amendments to Board Rule 8, Procurement Rules. The revision replaces the version last modified in 2009. Key changes include:

- Public notices will be placed on the Alaska Online Public Notice System, as well as on the ARRC web-site and daily newspapers.
- Purchases totalling less than $20,000 require only one quote or proposal from a qualified vendor. The previous limit was $10,000.
- Small procurement procedures for construction contracts apply for aggregate dollar amounts of up to $200,000. The previous limit was $100,000.
- Small procurement procedures for leasing of space increased to 7,000 square feet. The previous limit was 3,000 square feet.
- Alaska Veterans now receive an additional 5% preference. This preference cannot exceed $5,000.

According to Supply Management Director Bob Gonzalez, the rule changes will streamline the procurement process for buyers, thus allowing Supply Management to better support other departments.

“Our procurement rules are required to be substantially equivalent to the procurement procedures adopted by State agencies and other State owned corporations,” said Supply Management Director Bob Gonzalez. “As a result our VP General Counsel Bill Hupprich always stays abreast of any changes made to the procurement procedures by the State. The current revisions brings our rules into compliance with the State.”

During its regular November 12, 2013, meeting, the Alaska Railroad (ARRC) Board of Directors approved a new policy to guide residential use (gardens, yards, sheds, storage, etc.) of the railroad right-of-way (ROW). The ARRC Residential ROW Use Policy (RRUP) establishes a permit process for existing uses and structures that do not pose a safety hazard or interfere with railroad operations or uses.

We envision Residential ROW Use Permits with renewable terms of up to 5 years.

The policy is the product of more than two years of planning and listening to comments from potentially impacted residents who live along the ROW boundary. The process began in 2011, when the railroad surveyed the ROW through Anchorage and then installed new delineation markers. The ROW segment between Potter Marsh and Eklutna is the most heavily populated, and thus, includes the majority of instances where residents have encroached with lawns, gardens and structural uses of railroad land within the ROW. This has been an area of growing concern, as residential uses potentially put themselves, railroad employees and customers at risk.

Initially, the railroad created a policy draft that would phase out residential uses, and establish more stringent parameters and higher permit costs for transitional use of the ROW. The final version of the policy reflects extensive modifications based on resident observations, concerns and suggestions. The approved policy and a summary of policy revisions is available on the ARRC web site: www.AlaskaRailroad.com > Land Leasing & Permitting.

The Real Estate Department is currently developing an RRUP permit packet — including procedures and permit/application forms. The packet will be available from Real Estate and posted on our web site by the end of January 2014, when residents with existing uses can begin applying for a permit. The deadline to apply for an existing use permit will be the end of June 2014.

In the meantime, employees who work along the ROW (track, bridge, facility and signal maintainers; train crews; engineering and capital project field workers, etc.) are asked to keep a lookout for any new residential uses or existing residential uses that could pose a safety hazard. Please forward your observations to Police & Security and to Real Estate for investigation and follow-up.

For more information about the policy, please contact Real Estate Director Karen Morrissey at 265-2617 or MorrisseyK@akrr.com or Corporate Communications Officer Stephenie Wheeler at 265-2671 or WheelerS@akrr.com.
401(k)/457 PLANS TO OFFER MORE CHOICE

Theresa MacLeod, Manager, ARRC Retirement Plans

Alaska Railroad employees will soon have more choices in the 401(k) and 457 Plan Investment Line-up! Coming in January 2014, the ARRC will implement some additions and changes to the investment line-up to give you a larger and more diversified pool of investment options in the 401(k) and 457 Plans. The Committee is adding:

US Large Cap Equity (Stocks)
- Vanguard S&P 500 Index Institutional Mutual Fund
- MFS Growth R5 Mutual Fund

US Mid Cap Equity (Stocks)
- Vanguard Extended Market Index Admiral Mutual Fund
- JP Morgan Mid Cap Value Institutional Mutual Fund

US Small Cap Equity (Stocks)
- Vanguard Mid Cap Growth Investor Mutual Fund

US Small Cap Equity (Stocks)
- Munder Veracity Small Cap Value R6 Mutual Fund

Foreign Equity (Stocks)
- Vanguard Total International Stock Index

Fixed Income (Bonds)
- Templeton Global Bond Advisor Mutual Fund

401(k) and 457 participants will be receiving more detailed information in December. If you’d like to begin participation in the savings plans, please call Retirement Specialist Pam Reil at ext. 2273, or ARRC Retirement Plans Manager Theresa MacLeod at ext. 2346.

NEW BENEFIT COMMUNICATIONS IN THE MAIL

By Pam Barbeau, Manager Benefits & Records

Open Window – New Communications!

Employees should have received a mailing of the 2014 Benefits Open Window announcement. Railroaders who have been through this process will notice a very different look from past announcements. Starting with the online Health Plan survey in September and the October newsletter A View from the Tracks, Human Resources has been working with Buck Consultants to enhance employee benefits communications. Leveraging Buck’s creativity and communications skills, we’re working to present information you need in a way that “speaks to you.”

Changes on the Line: Open Window runs through 5 p.m., Wednesday, December 18. This is your opportunity to make certain changes to your enrollment in the ARRC Health Plan, Life Insurance, Flexible Spending Accounts and the Premium Only Plan to be effective January 1, 2014.

- 2014 Rates: The ARRC plans (health, life and FSA) will have no premium or fee changes for 2014. The Railroad Employees’ National Dental Plan, for union-represented employees has a rate decrease from $25.80 to $24.46 per pay period.

- 2014 Plan Provisions: The Health Plan is the only plan with any benefit changes next year. Two changes are required by the Affordable Care Act: 1) There will no longer be pre-existing condition limitations for any participant; (2) the $750 annual limit on spinal manipulation (mostly chiropractic) will convert to a 15-visit per year limitation.

- Non-represented employees participating in the Health Plan will have expanded tobacco cessation options and voluntary medical travel benefits. They are described in your mailings.

My Benefits Journal: This is a new incarnation of the Benefits Summary that has been used for new employee orientations for the past several years. It has been spiffed up and beefed up and we thought it would be helpful for everyone to receive this summary in order to have a better, more complete picture of your benefits and to help you make the best decisions for you and your family. Benefit questions can be directed to Pam Barbeau, ext. 2537; BarbeauB@akrr.com.
A little bit of mystery in a little bit of history.

That about sums up a very interesting discovery found INSIDE a wall of the old ARRC Facilities Department building at 1000 Whitney Road. Crews working on the building demolition earlier this year found a 1956 photo album/scrapbook tucked inside one of the walls. Sleuthing by External Affairs Manager Tim Sullivan revealed that the album had been assembled by Gladys Kahler to commemorate the Golden Wedding Anniversary of her parents Irvan and Marie Christian of Round Lake, Michigan. Dozens of black-and-white photos showcase a large gathering in Round Lake to celebrate the Christians’ 50 years of matrimony.

What’s the connection to the Alaska Railroad (ARR)? Irvan was a 36-year retiree from the Chesapeake and Ohio Railway. A railroader’s daughter, Gladys went to work for the Alaska Railroad in May 1949 as a Clerk/Stenographer. She was promoted and served as Operations Superintendent Secretary 1950 - 1959. She died in February 1960 in Anchorage at age 50. Gladys’ husband Howard also joined ARR in September 1950 as a Trucker. He filled several positions before retiring in May 1960. At 52, he died in Michigan in August 1960.

Gladys and Howard had two sons that also worked for the ARR. Kent was a Laboror 1955-56 and a Carman’s Helper 1957-1962. At age 73, Kent died in 2010. Phillip worked seasonally as a Laborer 1952-1955 and in several blue collar positions 1957-1960.

Sullivan was able to track down Phillip through the unlikely source of ESPN. As it turns out, the Anchorage High School graduate headed east all the way to Rochester, NY, where he became head coach for St. John Fischer College Women’s Basketball team. For 34 years, Coach Kahler led the Cardinals and at his retirement in 2008, he was the all-time winningest coach in National Collegiate Athletic Association (NCAA) Division III Women’s Basketball. With a record of 757-171 Coach Kahler, 80, is still one of only two coaches to have won more than 700 games in this NCAA division.

How did the album come to be in the wall of this railroad building? No idea! Phillip Kahler was certainly excited to hear about the photo album discovery. However, he had no idea that his mother had crafted this special keepsake, let alone how it came to be in that wall. The album will be mailed to Coach Phillip Kahler in Rochester where he lives with his wife Fran, not far from his Cardinals.

Railroaders made the 2013 Alaska Railroad Employee United Way Campaign remarkably successful, with 155 employees pledging a total of $57,966. The food drive part of the campaign generated 767 pounds from generous employee donations, which is about 150% better than last year’s 513 pounds.

Door prizes were drawn and distributed November 2. This year’s campaign also included a fun bid for a covered parking spot at the Headquarters Building, a raffle that included an I-Pad as grand prize, early bird prize drawings, several lunch gatherings, and coffee service.

“Our heartfelt thanks and appreciation to each and every employee who elected to support our community through the United Way Campaign,” said co-chairs Kevin Bergsrud and Rosezetta Proctor. “The logistics involved in carrying out such a robust campaign is no small feat, and we thank the volunteers who participated as members of the 2013 United Way Planning Team.”
OUTLOOK FOR 2014 LEGISLATIVE SESSION

by Tim Sullivan, External Affairs Manager

Funding for Positive Train Control continues to be a critical issue for the Alaska Railroad. After more than $60 million in ARRRC capital funds spent on the project and $19.1 million received from the Alaska State Legislature, $70 million is still needed to comply with this unfunded federal mandate. We have requested that Governor Parnell include $40.8 million in his Fiscal Year 2015 Capital Budget to fund the development and implementation of PTC for 2015 and 2016.

As this request moves forward it will have to be approved by the Legislature when they meet in Juneau this winter. This is a significant request in a year when everyone is talking about deficits and smaller budgets. However, this is a very important issue for not just those of us at the Alaska Railroad but to the customers and communities we serve.

We have commissioned a report to determine the social and economic costs of losing passenger service: the penalty should we not comply with the unfunded mandate. Anecdotally we know that the Alaska Railroad is very important to Alaskans and Alaska businesses, this report will help us to lay out that importance in a clear and concise way.

During the legislative session (January 21 – April 20, 2014), we will work to keep you up-to-date on our progress and should your help be needed. If you have any questions about the process please don’t hesitate to contact Tim Sullivan, External Affairs Manager at sullivant@akrr.com or 265-2357.

COMMON PROCUREMENT RULE REMINDERS

The railroad’s procurement activities are governed by a set of rules that promote legal compliance, integrity and fairness in our company purchasing decisions. The 58-page Procurement Rules (Board Rule 8) document is posted at www.AlaskaRailroad.com > Board of Directors > Board Rules. Railroaders who make, or help to make, purchasing decisions should be familiar with this document. Below are some common items that warrant an occasional reminder.

1. If you don’t report to Supply Management Director Bob Gonzales, you are not a buyer for ARRRC. If you need to procure something for work that cannot be purchased with your p-card, is not covered by a Blanket Purchase Order (BPO) or is not stocked in the warehouse, then a Supply Management staff person must procure the item or service for you.

2. If an item or service is estimated to cost less than $20,000, Supply Management may purchase after receiving a single quote. The end user can suggest potential vendors to Supply Management, but cannot contact the vendor or commit to a purchase.

3. If the item or service is estimated to cost between $20,000 and $200,000, Supply Management may purchase after receiving three or more quotes. Again, the end user may help identify a pool of vendors, but cannot contact any vendors or commit the company to a purchase.

4. If an item or service is estimated to cost over $200,000, it must be competitively bid. End users may work with Supply Management to compile a solicitation (Intent to Bid or Request for Proposal, ITB or RFP). This takes time, meaning end users should plan ahead in order to provide sufficient time to follow the competitive bid process.

5. Sole source procurements are not encouraged: Established procedures must be followed to the letter to prevent regulatory action and to protect railroad interests. Only the Procurement Officer can determine a sole source purchase is necessary.

“While not an exhaustive list of our procurement policy requirements, these are a few areas that come to my attention on a regular basis,” said Chief Financial Officer Barbara Amy, who encouraged those with procurement needs or responsibility to review the policy. “Supply Management aims to provide a high level of service. When railroaders plan ahead and work within the established policy, Supply Management staff can improve the procurement experience for all involved.”

For more information about procurement, contact Bob Gonzalez at ext. 2481 or GonzalezR@akrr.com.
**Sidings: Employee Happenings**

**RAILROAD’S AVALANCHE CONTROL EVOLUTION**

In early October, District 1 General Road Master / Avalanche Master Gunner Bruce Gough attended the International Snow Science Workshop (ISSW) 2013 in Grenoble, France, to: a) learn about the latest techniques and technology for avalanche control; and b) to impart his own wisdom on this topic. Below are excerpts from the 2013 ISSW display boards that Gough assembled to illustrate the History and Evolution of Track Machinery Used for Avalanche Clean-up on the Alaska Railroad.

**Early Years: Use of Snow Sheds and Rotary Clean-up**

A renowned engineer and the architect of the Alaska Railroad, Col. Fredrick Mears understood slide-prone mountain passes could not be avoided in building the railroad. Thus the threat of avalanche could not be ignored. He estimated 8,000 feet of fortress-like snow sheds would be needed to protect against tremendous forces of unpredictable snow slides on the south end.

Rotary plows were used to auger through avalanche slides, leaving high-walled trenches behind. Rotary clean-up involved many dangers. Towering walls prevented crews from seeing above, leaving them vulnerable to post-avalanche snow release and falling debris. Rotary plows could also derail, and tight quarters made re-railing very difficult. Moreover, avalanche debris often damaged the rotary paddles.

**Growth Years: 1950s to 1980s**

As the railroad industry transitioned from steam- to diesel-generated locomotives, new options emerged for snow removal and avalanche cleanup. Costly to maintain, rotary plows gave way to bulldozers that had seasonal flexibility and could push debris away from the tracks as opposed to leaving a narrow cut through the snow. Old bulldozers had open cabs exposing operators to the elements, and narrow tracks that got stuck in deep snow. Accessing remote slides was relatively slow given the use of small gas cars to pull heavy equipment situated on lo-boy flat cars. Older lo-boys did not have easy off-loading ramp features, so equipment was precariously driven off to the back or side. Lo-boys also lacked air brakes, so stopping relied on the gas car’s manual brakes.
Present Day Practices and Equipment

Currently, the Alaska Railroad uses a mixture of heavy equipment that enables much faster avalanche clearing. Clean-up work that historically required days, can now be accomplished in hours.

Modern Bulldozers

The modern D6 Caterpillar Bulldozer's wide track offers better “flotation” on snow, so it is less susceptible to getting stuck. An enclosed cab protects the operator from frigid elements. From inside the cab, the operator can adjust the pushing blade angle for maximum advantage. A modified D6 is used for smaller slides that are relatively close. The tracks on this dozer are notched to fit onto the rails, allowing it to travel to trouble spots on its own power.

Modern Excavators

Excavators are often used in tandem with bulldozers to quickly clear slides of any size. ARRC's 345 Caterpillar Excavator is equipped with a large 5 cubic yard (CY) snow bucket for high-capacity digging. It is capable of moving more than 20 CY of snow per minute or more than 1,200 CY per hour. The back wall of an avalanche can be dug back to accommodate unusual high or wide loads transported by rail, and to allow for additional snow storage.

Modern Equipment Mover

A modern Equipment Mover enables rapid deployment to remote avalanche areas not accessible by road. This powerful asset can transport heavy equipment weighing up to 90,000 pounds (40,823 kg) moving as quickly as 25 miles per hour (40.23 km/hour) on a flat grade. Equipped with air brakes, the Hytracker can also climb a 3% grade with the same load, but at slower speeds. An adjustable ramp allows for relatively fast, safe off-loading to the rear.

Potential Future Risk Reduction Measures

With rapid growth in technology, tomorrow’s avalanche clearing may well entail remote-control heavy equipment. Existing technology already allows an operator to maneuver equipment from a safe distance, well away from high-risk areas. Removing the operator from the cab of heavy equipment could reduce risk. Thus, remote control equipment modifications may become reality in the future.
Great Shot! Photos on the Rail

Employee Photo Wins Prize Valued at $200. Employees Asked to Submit Photos in 2014.

At the end of each calendar year, the All Aboard editor puts the names of all employees who submitted a photo during the year into a "hat" and draws one name to receive $200 in gift certificates. Carol Schlitte is this year’s winner. The following employees submitted photos this year:

- Kevin Aleshire: Signal battery hoist system (1st Qtr)
- Dennis Bouwens: Passenger train demobilization (3rd Qtr)
- Jeff DeBroeck: Northbound coal train passing Tunnel Section (1st Qtr); and Engine 557 stripped boiler (2nd Qtr)
- Don Freestone: SD70MAC locomotives jacked up (3rd Qtr)
- Bruce Gough: Passenger drill exercise and heavy equipment snow plowing (2nd Qtr)
- Aaren MacKenzie: United Way food drive barrel (3rd Qtr)
- Sazil Say: Crossing crossbuck sign and signal (4th Qtr)
- Carol Schlitte: Sunrise over Anchorage Yard (4th Qtr)
- Dwight West: Operation Lifesaver (OL) presentation tracking (1st Qtr); OL bus and locomotive signs (2nd Qtr)
- Lorri Winchester: Matanuska Electric Association generator move (4th Qtr)

To participate during 2014, employees should submit photos to Stephenie Wheeler via company mail or email digital photo files to wheeler@akrr.com. If using a digital camera, be sure the camera is set to “fine” or “high resolution” to ensure your photo is suitable for print. If you have questions, contact Wheeler at (907) 265-2671 or email WheelerS@akrr.com.