

In addition, approximately 2,650 persons have received separation allowances of up to \$20,000 under the 701 program.

There has been a steady decrease in the rate of payout of Section 701 benefits as the Conrail workforce has stabilized. Whereas monthly benefit payments averaged \$5 million during FY 1983, monthly payments during FY 1985 have been averaging about \$700,000. This trend should continue.

Mr. LEHMAN. Please also update the Section 701 RRB administrative expenses data and add a 1986 estimate.

[The information follows:]

A total of \$462,000 was expended by the Railroad Retirement Board to cover administrative expenses for FY 1984. Total expenditures for administrative expenses for FY 1985 were \$177,000 as of March 31, 1985. In both FY 1985 and FY 1986, administrative expenses will be approximately \$400,000.

LABOR PROTECTION UNOBLIGATED BALANCES

Mr. LEHMAN. Please provide for the record a breakdown of the latest available unobligated balances for the Section 701, Section 702, Title V, and Rock Island labor protection programs.

[The information follows:]

Unobligated balances for the Section 701, Section 702, Title V, and Rock Island labor protection programs are as follows:

Section 701 Labor Protection Program:	<i>Millions</i>
Authorized	\$270.0
Appropriated	165.0
Balance of authorization	105.0
Obligated (transferred to Railroad Retirement Board)	131.6
Unobligated balances	33.4

NOTE.—The Railroad Retirement Board keeps a working balance in its account which represents additional funds to FRA's unobligated balance.

Section 702 Conrail Workforce Reduction Program:	<i>Millions</i>
Appropriated funds	\$100.0
Paid as of March 31, 1985	76.7
Balance	23.3

Title V Labor Protection Program

The fiscal year 1983 Appropriations Act reprogrammed \$4 million from the Title V Program, leaving an unobligated balance of \$500,000 available in FRA's account for transfer to the Railroad Retirement Board.

Rock Island Labor Protection Program

The FRA transferred \$35 million appropriated in FY 1984 to the Railroad Retirement Board on October 5, 1983. The Board has completed disbursement of \$35 million in benefits.

ALASKA RAILROAD TRANSFER

Mr. LEHMAN. The Alaska Railroad was transferred to the State of Alaska on January 5, 1985.

Please provide for the record a summary of the transfer agreement with the State.

[The information follows:]

Several documents were executed on January 5, 1985, effecting the conveyance of the Alaska Railroad to the State in accordance with Congress' mandate to the Secretary in the Alaska Railroad Transfer Act of 1982 (ARTA), Public Law 97-460, 96 Stat. 2543, to transfer the Railroad "...as soon as practicable..." [ARTA, Section 604(a)]. John Riley, the Secretary's delegate, and Governor Sheffield executed a Protocol at Nenana, Alaska, on January 5 which is appended hereto as Attachment A.

Also, as required by Section 604(b), John Riley executed a Bill of Sale (Attachment B), and numerous and voluminous real estate conveyance instruments (i.e., patents, interim conveyances, exclusive licenses, an exclusive-use easement, and certain quit-claim deeds) affecting the conveyance of the United States' real estate interests in the Railroad to the State.

Finally, an Agreement Between The United States of America And The Alaska Railroad Corporation Concerning The Transfer of The Alaska Railroad (Transfer Agreement) was executed by John Riley, Governor Sheffield and James Campbell, the Chairman of The Alaska Railroad, the State-owned entity established by the State, in accordance with Section 603(l4) of ARTA to own, operate and manage the Railroad post-transfer (Attachment C). Basically, the Transfer Agreement tracks the provisions of ARTA. Article I is a definitional section. Article II recites the consideration of \$22,271,000 paid by the State in cash to the United States as the fair market value of the Railroad under the terms and conditions of ARTA as determined by the United States Railway Association pursuant to Section 605(d)(1) of ARTA. Article III of the Transfer Agreement is a technical real estate section and sets forth a mechanism, with the approval of the Regional Solicitor of The Bureau of Land Management of the Department of Interior, for correction of the technical errors that are likely to be uncovered in a conveyance of this complexity and magnitude. Article IV addresses pending employee claims, and Article V covers disposition of the Alaska Railroad Revolving Fund.

PROTOCOL

MEMORIALIZING TRANSFER OF THE ALASKA RAILROAD FROM THE UNITED STATES OF AMERICA TO THE STATE OF ALASKA

WHEREAS, the establishment and operation of the Alaska Railroad, under the ownership of the Federal Government, has materially assisted the economic development of the State of Alaska and has contributed to the social well-being of its residents, and

WHEREAS, the President and Congress of the United States have determined that the ownership and operation of the Railroad would be more appropriately vested within the State of Alaska, and

WHEREAS, the State of Alaska has agreed to purchase the Railroad and has established the Alaska Railroad Corporation to take title to and operate the State-owned railroad, and

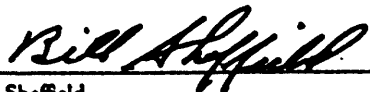
WHEREAS, the transfer of the Railroad to the State's Alaska Railroad Corporation will ensure the Railroad's continued operation and help fulfill the Railroad's fundamental purpose as a vital transportation link to support economic development on behalf of the State and its residents, and

WHEREAS, all the various statutory and other requirements for and prerequisites to transfer have this day been achieved;

NOW, THEREFORE, the Honorable Bill Sheffield, Governor of the State of Alaska, an official transfer agent of the Alaska Railroad Corporation, and the Honorable John H. Riley, Federal Railroad Administrator and delegate of the Honorable Elizabeth H. Dole, United States Secretary of Transportation, do hereby execute this Protocol in triplicate originals signifying and providing for the transfer of the Alaska Railroad from the United States of America to the State of Alaska. One original shall be returned to the Secretary, one shall be maintained at Juneau and one shall be displayed at the Alaska Railroad Corporation's headquarters at Anchorage.



John H. Riley
Administrator
FEDERAL RAILROAD ADMINISTRATION



Bill Sheffield
Governor

Signed at Nenana, January 5, 1965.

BILL OF SALE

This BILL OF SALE is made by and between the UNITED STATES OF AMERICA, acting through its Secretary of Transportation, and the ALASKA RAILROAD CORPORATION, a public corporation of the State of Alaska.

WHEREAS:

1. The Alaska Railroad Transfer Act of 1982, P.L. 97-468, Title VI, authorizes the United States Secretary of Transportation to convey the rail properties of the Alaska Railroad to the State of Alaska or the State-owned railroad upon satisfaction of the conditions established by that Act; and

2. The United States Secretary of Transportation finds that all conditions of transfer established by the Alaska Railroad Transfer Act of 1982 have been satisfied; and

3. The State of Alaska has created and designated the Alaska Railroad Corporation to receive the rail properties of, and to own and to operate, the Alaska Railroad, and the Alaska Railroad Corporation is therefore the State-owned railroad as defined by Section 603(14) of the Alaska Railroad Transfer Act of 1982; and .

4. Section 604(b)(1) of the Alaska Railroad Transfer Act of 1982 authorizes the Secretary of Transportation to convey to the Alaska Railroad Corporation by a bill of sale title to that part of the rail properties of the Alaska Railroad that is not

real property, and this Bill of Sale is intended to effect that conveyance;

NOW, THEREFORE, THE UNITED STATES OF AMERICA HEREBY CONVEYS, transfers and assigns to the Alaska Railroad Corporation, subject to the terms of the Transfer Agreement, all of its right, title and interest in and to all personal property in which there was an interest reserved, withdrawn, appropriated, owned, administered or otherwise held or validly claimed for the Alaska Railroad by the United States of America or any agency or instrumentality thereof as of January 14, 1983, AND, IN ADDITION, all such property acquired in the ordinary course of the Alaska Railroad's business between January 15, 1983, and January 4, 1985, inclusive; BUT EXCLUDING FROM THIS BILL OF SALE and the conveyance hereby made all such property disposed of in the ordinary course of business of the Alaska Railroad between January 15, 1983, and January 4, 1985, inclusive, AND ALSO EXCLUDING all such property identified on Schedule B hereto;

THE ABOVE-DESCRIBED PROPERTY hereby conveyed and the property excluded from this conveyance are more particularly described on the following schedules to this Bill of Sale:

1. Schedule A: Rail Property of the Alaska Railroad Comprised of Personal Property, together with the exhibits thereto;
2. Schedule B: Personal Property Excluded From Transfer Pursuant to Section 603(10)(D) of the Alaska Railroad Transfer Act of 1982;

TO HAVE AND TO HOLD FOREVER the aforesaid personal property hereby conveyed to the Alaska Railroad Corporation.

THE UNITED STATES OF AMERICA HEREBY AGREES that it will perform, execute, acknowledge, endorse, and deliver any and all such further acts, bills of sale, transfers, assignments, certificates, and other instruments and things as may be reasonably requested by the Alaska Railroad Corporation, or its successor or assign, in order to convey, confirm, clarify, or more precisely describe the properties conveyed by this Bill of Sale, or intended to be conveyed, and to facilitate the perfection, proof, recordation, assignment, identification, or establishment of the title, interest or possession of the Alaska Railroad Corporation, or its successor or assign, in or to such properties.

IN WITNESS WHEREOF, the Secretary of Transportation, acting for and in behalf of the United States, has by her hand executed this Bill of Sale this ____ day of January, 1985.

UNITED STATES SECRETARY OF TRANSPORTATION

By 
John H. Riley
Administrator
Federal Railroad Administration

THE ALASKA RAILROAD CORPORATION

By 
James O. Campbell
Its Chairman of the Board

Dated: 1/5/85

ARR2:U8

SCHEDULE A
to
Bill of Sale Made Pursuant to
The Alaska Railroad Transfer Act of 1982

RAIL PROPERTY OF THE ALASKA RAILROAD
COMPRISED OF PERSONAL PROPERTY

All right, title, and interest of the United States of America in all of the property described below, and all other personal property, in which there was an interest reserved, withdrawn, appropriated, owned, administered, or otherwise held or validly claimed for the Alaska Railroad by the United States of America or any agency or instrumentality thereof, as of January 14, 1983, AND, IN ADDITION, all such property acquired in the ordinary course of the Alaska Railroad's business between January 15, 1983, and January 4, 1985, inclusive, BUT EXCLUDING all such property disposed of in the ordinary course of the Alaska Railroad's business between January 15, 1983, and January 4, 1985, inclusive, AND ALSO EXCLUDING all such property identified on Schedule B to the Bill of Sale:

1. Books and Records. All books and records of the Alaska Railroad, wherever and by whomever maintained, including but not limited to all such books and records which on the date of transfer are physically located on the real property of the Alaska Railroad. "Books and records" includes, but is not limited to, (a) maintenance-of-way books and records, including accident reports, bridge plans, building plans, interlocker

plans, operating manuals, property schedules, signal plans, track and bridge inspection reports, track maps, transverse and longitudinal wire and pipeline occupation maps, valuation maps, wiring diagrams and all other diagrams, maps, plans, records, and reports relating to the maintenance-of-way; (b) maintenance-of-equipment books and records, including car and locomotive maintenance records, engineering diagrams, plans, records, and reports relating to the maintenance of equipment; (c) administrative books and records, including correspondence files, customer lists, security investigation records, deeds, easement records, licenses, muniments of title, receiving reports records, reservations records, revenue accounting records, nonpersonnel safety records, supplier lists, tariff files, tax returns, title documents, tracings, valuation records, and all other books and records relating to accounting and treasury, administration, finance, information systems, labor relations, materials management, purchasing, tariffs, and title to and interests in real and personal property; (d) except as specifically provided in Schedule B, medical records, payroll records, pension records relating only to employee age and plan years of service, personnel, personnel safety, performance evaluation and disciplinary records, pending employment applications, qualification records and rules test records for employees who transfer to the Alaska Railroad Corporation; and (e) all file cabinets, specially built cabinets, and other equipment used to store such books and

records and all indexes and finding aids, systems, and records used to access such books and records.

2. Contracts. All contract rights and contract documents including but not limited to (a) those relating to the operation of service, such as contracts for goods and services, utilities, fuel, coin sorting, computer service, construction, consulting services, demolition, dumpster repair, garbage removal, janitorial service, maintenance service, materials and supplies, paging devices, pest control, phone service, rehabilitation and modernization, security service, septic service, snow removal, surveys, test borings, and track services; and (b) subject to the terms of the Transfer Agreement, those under which the Alaska Railroad holds any right or entitlement, whether perfected or unperfected, conditional or unconditional, including without limitation: accounts receivable; rights to receive property, money or performance; rights in permits and licenses providing for the use or occupation of real or personal property; rights to acquire real and personal property; rights in and to warranties and guaranties; and rights as a beneficiary of any contract or trust.

3. Data Processing Systems and Supplies. All right, title, and interest in all data processing systems and supplies used in or held for the operation of service including, but not limited to, licenses, hardware and all files and documentation pertaining thereto, data processing related air conditioning equipment, communication lines and microwave channels, computers,

data capture and transmission devices, data logging, reproduction, filing and retrieval equipment, data processing related control devices, environmental monitoring devices, flooring, furniture, racks, shelves and storage cabinets, flow charts, high- and low-speed computer terminals, maintenance and operation log books and journals, narrative systems and program descriptions, paper tapes, photographic and facsimile transmission equipment, plotting and display devices, prevention and control or maintenance manuals, power supply devices, printers, punches and punch controllers, readers, schedules, security and fire detection manuals, tape and disc devices, training and presentation aids, training manuals, and all other correspondence, memoranda, records and reports relating to data processing systems and supplies.

4. Equipment. All right, title, and interest in all equipment, machinery, and tools not in inventory used in or held for the operation of service, including but not limited to:
 (a) revenue accounting equipment, machinery, and tools not in inventory, including adding machines, safes, ticket printers, ticket punches and ticket validators; (b) maintenance-of-way equipment, machinery, and tools not in inventory, including aeri-als, air compressors, anchor machines, anchor tools, antennae, backhoes, ballast cars, ballast regulators, block trucks, blotting machines, cables, cherry pickers, communications, signal and electric tracing equipment along the right-of-way, ditching machines, dozers, electrical generators,

electrical testing equipment, fork-lifts, hand tamping machines, huck bolt machines, joint straighteners, lining machines, mobile hydraulic cranes, off-track cranes, on-track cranes, painting equipment, pile drivers, platform lifts, plug machines, portable toilets, portable track geometry devices, power track wrenches, pole setting equipment, rail change-out truck, rail flaw detection equipment, rail grinding, rail jacks, rail pick-up equipment, rail saws, rail train equipment, scarifiers, scrap pick-up machines, saws, shears, shovels, spades, spike drivers, spike mauls, spike pullers, spike sledges, spud bars, switch machines, switch tampers, tamping machines, tie cars, tie handlers, tie injectors, tie saws, tie shears, track gauges, track levels, track scan machines, water cars, welding equipment, and all other equipment, machinery, and tools not in inventory related to maintenance-of-way; (c) maintenance-of-equipment machinery, tools, equipment and other property not in inventory, including air brake test and shop equipment, air compressors, air conditioning and heating system repair equipment, air gauges, air hammers, air jacks, air pumps, air ratchet guns, arc welders, arm saws, axle lathes, battery chargers, bearing pullers, bearing shop equipment, bench grinders, bench saws, brakes, cab signal test loops and installations, cleaning tubs, cassette recorders and records, cutting machines, diagnostic forge hammers, foundry and blacksmith equipment, function generators, governor test and repair equipment, grinders, hipot machines, hoists, hot water heaters, hydraulic presses, jib cranes, jigs, lathes, locomotive

shifters, load test equipment, loose wheel sets, main generators, meters, oscillators, overhead cranes, overhead projectors, pipe binding and threading equipment, plumbing, carpentry and electrical tools, prime movers, radiator test and repair equipment, sand blasters, saws, shapers, shears, snow blowers, snow ploughs and other snow removal equipment, trailers, ultrasonic cleaners, upholstery shop equipment, vacuum systems, varnish dip tanks, videotape equipment, washers and driers, water pumps, welding machines and torches, wheel borers, wheel truing machines, and all other equipment, machinery, and tools not in inventory related to maintenance of equipment; (d) administrative equipment, machinery, and tools not in inventory, including cabinets, chairs, food and beverage vending machines, desks, key punch machines, and word processors, photocopiers, dictaphones, calculators, computer hardware, microfiche readers, typewriters; (e) communications equipment, machinery, and tools not in inventory, including antennae, base stations and related equipment, message switching equipment, portable and fixed site radios, and telephone systems and equipment; and (f) all instruction and other manuals, maintenance records, spare parts not in inventory, and manufacturer's and vendor's warranties relating to the above.

5. Highway Vehicles. All right, title, and interest in all vehicles required to be registered to operate on public roads and used in or held for the operation of service, including but not limited to camp trailers, mechanics' trucks, open-bed trucks,

panel trucks, vans, and all other automobiles, trailers, and trucks and any manufacturer's or vendor's warranties relating thereto.

6. Inventory. All right, title, and interest in inventory used in or held for the operation of service, including, but not limited to: (a) fuel inventory, including diesel and shop fuel, gasoline, lubricants, and oils; (b) maintenance-of-way inventory, including angle bars, ballast, bridge ties, crossing plates, crossing timber, crossties, electric traction devices, frogs, guard rails, insulated joints, insulators, interlocking machine parts, rail, rail anchors, signals, snow fences, spikes, structural steel, switch machines and parts, switch ties, tie plates, track bolts, track fabric, transformers, wire, and all other inventory related to maintenance-of-way; (c) maintenance-of-equipment inventory, including air brake devices and related parts, automatic train control systems, axles, bearings, bolts, brake pads, castings, chemicals, cleaning supplies, couplers, dies, draft gears, electric traction devices, environmental system parts, forgings, glass, grease and other lubricants in inventory, hoses, lights, molds, nuts, paint, plates and shapes, plumbing items, rubber, seats, spare parts in inventory, springs, steel bars, steel pipe, tools in inventory, traction motors, trucks, washers, wheels, windows, wire, and all other inventory related to maintenance of equipment; (d) administrative inventory, including industrial supplies, shop supplies, station supplies, sweepers, vacuum cleaners, polishers, security

supplies and locks, and train supplies; (e) communications equipment in inventory, including radios in inventory; (f) repair and return inventory; and (g) any manufacturer's or vendor's warranties relating to the above.

7. Rolling Stock. All right, title, and interest in all rolling stock used in or held for the operation of service, including but not limited to: (a) camp cars, locomotives, material cars, passenger cars, business cars, switching locomotives, tool cars, training cars, wire trains, work train equipment, and wreck trains; (b) all spare parts not in inventory, instruction and other manuals and maintenance records relating thereto, and all radios located therein; and (c) any manufacturer's or vendor's warranties relating thereto.

8. Intellectual Property. All right, title, and interest in and to intellectual property (and any renewals thereof) used in the operation of service, including, but not limited to, computer software, copyrights, inventions, patents, works, service marks, shop rights, trademarks, trade names (including "Alaska Railroad," "the Alaska Railroad," "The Alaska Railroad," and "ARR"), trade secrets, any applications for the registration of any of the foregoing, and any licenses relating to any of the foregoing for any purposes where the Alaska Railroad is the licensee.

9. FCC Licenses. All right, title, and interest for the use of all radio and microwave frequencies used in the operation of service by the Alaska Railroad (including those listed in

Exhibit 5 to the Alaska Railroad Transfer Report of July 14, 1983) and all Federal Communications Commission licenses (and any renewals thereof) relating to such frequencies.

10. Artwork and Memorabilia. All right, title, and interest in works of art, models, artifacts, and memorabilia, including those being exhibited by museums or otherwise on loan to other parties.

11. Choses in Action. All choses, things, and rights in and to action, including without limitation: the right to possession of property not now in the possession of the Alaska Railroad; causes and rights of action, including those for injury to or conversion of rail property of the Alaska Railroad, for injury to the business or trade of the Alaska Railroad, for breach of contract, for indemnification, and for equitable and declaratory relief; and all rights to receive money or property, subject to the terms of the Transfer Agreement, for the use of rail property of the Alaska Railroad or for services rendered by the Alaska Railroad.

EXHIBITS 1 AND 2 HERETO identify in greater detail some but not all of the property described in this Schedule A and conveyed by the Bill of Sale made pursuant to the Alaska Railroad Transfer Act of 1982. Such exhibits are made to facilitate identification of personal property of the Alaska Railroad upon and following its transfer, but are not intended to be exclusive or exhaustive and do not limit or restrict the scope of property described in and conveyed by the Bill of Sale and this Schedule A.

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EXHIBIT 1 TO SCHEDULE A
to
Bill of Sale Made Pursuant to
The Alaska Railroad Transfer Act of 1982

ROLLING STOCK

The locomotives and other rolling stock described below are included among the property described in Schedule A to the Bill of Sale made pursuant to the Alaska Railroad Transfer Act of 1982 and are conveyed to the Alaska Railroad Corporation by that Bill of Sale. Such property is separately described herein to facilitate its identification during and after transfer of the Alaska Railroad. This exhibit is not intended to be exclusive and other property of a similar character may be described in and conveyed by Schedule A and the Bill of Sale.

EXHIBIT 2 TO SCHEDULE A
to
Bill of Sale Made Pursuant to
The Alaska Railroad Transfer Act of 1982

VEHICLES

The vehicles described below are included among the property described in Schedule A to the Bill of Sale made pursuant to the Alaska Railroad Corporation by that Bill of Sale. Such property is separately described herein to facilitate its identification during and after transfer of the Alaska Railroad. This exhibit is not intended to be exclusive and other property of a similar character may be described in and conveyed by Schedule A and the Bill of Sale.

SCHEDULE B
to
Bill of Sale Made Pursuant to
The Alaska Railroad Transfer Act of 1982

EXCLUDED PERSONAL PROPERTY

Pursuant to Section 603(10)(D), the Secretary of Transportation finds that the following personal property is necessary to carry out functions of the United States after the date of transfer and is therefore excluded from the Bill of Sale and conveyance and made pursuant to the Alaska Railroad Transfer Act of 1982:

1. Official Personnel Folders and Employee Medical Folders.
 - a. The Official Personnel Folder is all records of civilian employment of a current employee filed as long term, right-handed side records in the Standard Form 66, "Official Personnel Folder" and temporary records on the left side. The Official Personnel Folders are currently in the possession of the Alaska Railroad. In the view of the U.S. Office of Personnel Management (OPM), the folders belong to OPM. Custody of the folders will be addressed in a Memorandum of Agreement between the Corporation and OPM. The Secretary agrees to support Corporation custody of the folders of employees who transfer to the Corporation for as long as they remain employed by the Corporation.

b. The Employee Medical Folder is all records considered to be medical in nature or so closely related to a medical condition, accident or injury on the job, or exposure to hazardous material or environment, as to warrant long-term retention, and which are filed in a folder similar to the OPF. (The OPF folder may be used for these records provided it is clearly marked as the Employee Medical Folder.) Records not included in this definition are hospital patient records, records pertaining to a group of employees or a work site rather than to a single employee, and records assembled and used in epidemiological research projects. The Employee Medical Folders are currently in the possession of the Alaska Railroad. In the view of OPM, the folders belong to OPM. Custody of the folders will be addressed in a Memorandum of Agreement between the Corporation and OPM. The Secretary agrees to support Corporation custody of the folders of employees who transfer to the Corporation for as long as they remain employed by the Corporation.

2. Driver's Licenses. All U.S. Government driver's licenses, Form SP-46.
3. Identification Cards and Badges.
 - a. Department of Transportation identification, DOT Form F 1600.1.5.

- b. Civil Defense identification card, Federal Employee Emergency Form 12-11.
- c. All other U.S. Government identification forms.
- 4. Vehicle License Tags. All U.S. Government license tags. The Alaska Railroad is the designated inventory item manager for all license tags for the FRA.
- 5. Government Travel Requests. All unused travel authorizations, Form SF-1169.
- 6. Government Bills of Lading. All unused forms for purpose of shipping U.S. Government materials.
- 7. Purchase Order Issuance Vouchers. All unused forms, Form SF-44.
- 8. Military Rolling Stock.

<u>ITEM NO.</u>	<u>IDENTIFICATION NUMBER</u>
Ballast Car	ARR X175
Box Car	ARR 11006
Locomotives (2)	1842 & 1841
Locomotive	MRS 1718
Tank Car	USAX 10866
Power Car	P-5
Coaches (2)	43 & 88

134 Tank Cars (Serial Numbers)

10075 through 10079	10861 through 10869
10175 through 10189	10956 through 10983
10225	10985 through 10991
10234	11000
10422	11085
10445	11320
10525	11356
10527	11514
10537	11530
10541	11405
10600	12369
10651	

10695
10710
10815

10902 through 10918
10920 through 10932
10934 through 10946
10948
10950 thru 10955

9. All U.S. Department of Transportation and U.S. Government Labels, Insignia, Flags, and Symbols,
except for items containing the trade name "Alaska Railroad" which transfers to the State.
10. GSA Retail Services Shopping Plates. All GSA Shopping Plates, Form 1948.
11. Government National Credit Cards. All credit cards, Form SF-149.
12. Fort Wainwright Self Service Credit Card. No. 750664HT, dated 10/19/78.

AR2:U11

**AGREEMENT
BETWEEN THE UNITED STATES OF AMERICA
AND THE ALASKA RAILROAD CORPORATION
CONCERNING THE TRANSFER OF THE ALASKA RAILROAD**

The United States of America, represented by the Secretary of Transportation, and the Alaska Railroad Corporation agree as follows:

ARTICLE I. GENERAL PROVISIONS

1. **Definitions.** The following definitions pertain in this Agreement:

1.1 "ARTA" means the Alaska Railroad Transfer Act of 1982, PL 97-468, Title VI, 45 U.S.C. § 1201-1214.

1.2 "The Corporation" means the Alaska Railroad Corporation, a public corporation established by Chapter 153, 1984 Sess, Laws of Alaska, A.S. 42.40.

1.3 "Parties" means the United States of America and the Alaska Railroad Corporation.

1.4 "Secretary" means the Secretary of the United States Department of Transportation, in her official capacity, or her delegate.

1.5 Terms defined in section 603 of ARTA shall have the same meaning where used herein as provided by that section.

ARTICLE II. CONSIDERATION

The United States transfers The Alaska Railroad and conveys the rail properties of The Alaska Railroad to the Corporation in consideration of the purchase price of \$22,271,000, which will be transferred by wire to the United States Treasury by the State of Alaska no later than the close of the first business day after the date of transfer.

The foregoing purchase price is the fair market value of The Alaska Railroad determined by the United States Railway Association pursuant to section 605(d) of ARTA.

ARTICLE III. CONVEYANCE OF REAL PROPERTY

1. **Amendment to the Alaska Railroad Transfer Report.** The descriptions and identifications of real property contained in the Alaska Railroad Transfer Report of July 14, 1983, prepared pursuant to section 605(a) of ARTA, and the appendices and exhibits thereto, are hereby modified and amended to conform to the conveyance instruments and licenses delivered by the United States to the Corporation on the date of transfer and thereafter. The Alaska Railroad Transfer Report shall also be deemed amended to include the property, if any, hereafter conveyed by the United States to the Corporation pursuant to ARTA and paragraph 2, Article 3 of this Agreement and to exclude that property, if any, hereafter reconveyed by the Corporation to the United States pursuant to the same paragraph of this Agreement.

2. **Conveyances and Reconveyances of Real Property to Correct Errors and Omissions.**

2.1 **Purpose.** The parties acknowledge that the complexity of the real property conveyances required by ARTA introduces the possibility that errors and omissions have been made or may hereafter be made with respect to identification and

conveyance of real property among the rail properties of the Alaska Railroad. Such errors and omissions may include misdescription of property as a result of technical or typographical error, failure properly to identify and convey real property that is among the rail properties of the Alaska Railroad, and inadvertent conveyance to the Corporation of Federal property that is not among the rail properties of the Alaska Railroad. This paragraph 2 establishes procedures to be employed after the date of transfer to correct any such errors or omissions with respect to real property conveyances pursuant to ARTA.

2.2 Descriptive and Technical Errors. If as a result of an error in description a conveyance instrument describes real property other than the real property the parties intended the instrument to convey or the description is otherwise defective for technical reasons (e.g., it contains a typographical error, the description does not close, or the description cannot be platted), the parties upon the written request of either of them will jointly take whatever action is necessary to correct the error, including the delivery of appropriate patents, interim conveyances, licenses, and deeds.

2.3 Omission of Rail Property From Conveyances. If real property among the rail properties of the Alaska Railroad has been omitted from the conveyance instruments and licenses delivered by the United States to the Corporation on the date of transfer, upon written request of the Corporation the Secretary

will deliver to the Corporation a patent, interim conveyance, deed, or license, as appropriate, for such real property.

2.4 Erroneous Conveyance to the Corporation of Real Property That Is Not Among the Rail Properties of the Alaska Railroad. If pursuant to section 604 of ARTA the United States inadvertently conveys to the Corporation real property that is not among the rail properties of the Alaska Railroad, upon written request by the Secretary the Corporation will reconvey such property to the United States.

2.5 Termination. This paragraph 2 terminates at 5:00 p.m. Alaska Standard Time on January 5, 1989, or one year after the termination of the last license issued under ARTA, whichever is later.

3. Assumption of Leases. The Corporation acquires the rights of the United States as lessor of any property subject to a lease at the time such property is conveyed or licensed to the Corporation under ARTA. The Corporation acquires and retains without prejudice all claims and defenses of the United States as lessor of property conveyed under ARTA, except that the United States retains such claims and defenses to the extent they concern potential liabilities of the United States that may accrue or have accrued on or before the date of transfer. With respect to any liability or claim of liability of or against the Corporation under a lease entered by the United States prior to the date of transfer, the Corporation shall be entitled to all

defenses, counterclaims and set-offs that would have been available to the United States in behalf of The Alaska Railroad had The Alaska Railroad remained in Federal ownership, in addition to any defenses, counterclaims and set-offs that are otherwise available to the Corporation.

ARTICLE IV. EMPLOYEES

1. Pending Claims for Monetary Relief. The Secretary will be responsible for the defense of and bear full liability for all employee monetary claims arising out of matters that occur before the date of transfer, including all such claims pending on the date of transfer. The Corporation will participate in the resolution of any grievances whose outcome could affect the operation of the Railroad after transfer, including both contested proceedings and monetary settlement discussions. The Corporation's consent will be required for settlement of any grievance that could affect the Corporation after transfer, including grievances resulting in reinstatement of employees and interpretations of contracts or work rules that could affect future application of those rules and contracts.

ARTICLE V. ALASKA RAILROAD REVOLVING FUND

Attachment 1 to this Agreement provides for the disposition of the Alaska Railroad Revolving Fund and for the allocation of

outstanding liabilities and accounts receivable and payable as of the date of transfer as provided in ARTA.

ARTICLE VI. REGULATORY MATTERS

1. **Rail Safety Laws and Related Matters.** FRA conducted a safety assessment of the Alaska Railroad during August and September 1983, including an assessment of its compliance with the federal railroad safety laws and implementing regulations. FRA issued a report embodying the results of that assessment in October 1983. FRA conducted follow-up inspections in November 1984, the results of which are found in FRA's regional director's memorandum dated November 15, 1984. Based on that assessment and follow-up activity, the Secretary represents that, to the best of her present knowledge, all specific instances of non-compliance involving Alaska Railroad equipment and facilities and all significant deficiencies involving Alaska Railroad operations and practices have been corrected. This representation will not affect the Secretary's authority to enforce the rail safety laws in the context of instances of non-compliance that may arise after the date of this Agreement. All currently effective waivers from its safety regulations granted to the Alaska Railroad by FRA in accordance with those regulations shall continue in effect according to their terms.

2. **Rate- and Tariff-Related Litigation and Proceedings.** Relevant files or copies thereof of the Department of Transportation will be provided to the Corporation, at its request, for its prosecution or defense of pending or future

rate- and tariff-related regulatory proceedings and litigation. The Secretary will assist the Corporation in obtaining appropriate access to relevant files and materials maintained by other Federal agencies.

ARTICLE VII. MISCELLANEOUS

1. Access to Information. The Secretary will grant the Corporation access to any files of or related to the Alaska Railroad maintained or possessed by the Department of Transportation, unless the Secretary determines such access to be unlawful or that access would disadvantage the Department in known or reasonably anticipated litigation against it by the Corporation provided that, access may not be restricted if the Corporation stipulates that files so produced to it will not be offered into evidence in any such litigation against the Department. The Secretary will assist the Corporation in obtaining appropriate access to relevant files and materials maintained by other Federal agencies. As provided in the Bill of Sale, the Secretary agrees to support Corporation custody of personnel and related records in the possession of the Alaska Railroad on the date of transfer of employees who transfer to the Corporation for as long as they remain employed by the Corporation.

2. Continuing Support and Assistance. The parties agree to support and assist each other in the mutually satisfactory resolution of any unforeseen problems associated with the transfer. The Secretary and the Corporation recognize that new

issues involving the transfer process may arise after transfer, or that issues considered resolved may need further clarification, implementation, etc. The Secretary and the Corporation agree that open lines of communication are desirable after the date of transfer to facilitate the transfer process. To that end, Secretary and the Corporation each agree to exercise their good faith efforts to resolve any such disputes expeditiously.

3. Inapplicability of UCC and Disclaimer of Warranties With Respect to Transfer of Personal Property. The Uniform Commercial Code is inapplicable to the transfer of the Alaska Railroad. The transfer of the Alaska Railroad and conveyance of property in connection with such transfer is governed solely by ARTA and any other Federal law that may be applicable.

4. Health and Life Insurance Programs for Transferred Employees. Section 604(d)(3)(A)(vii) of ARTA requires the Secretary to certify that the health and life insurance programs to be provided to transferred employees during the two-year transition period following the date of transfer are substantially equivalent to Federal programs in effect prior to the date of transfer. The Corporation has arranged for specific programs for the first year of Corporation operation which satisfy this requirement, the terms of which are detailed in a letter from the Corporation to the Executive Director of the Federal Railroad Administration dated January 4, 1985. The Corporation hereby warrants that such programs will be renewed for the full two-year


period unless, prior to the implementation of any substitute programs, the Secretary approves any such substitute programs as also being substantially equivalent to the Federal programs in effect prior to the date of transfer. The Secretary hereby certifies that the Corporation's proposed programs and its warranty herein constitute satisfactory arrangements consistent with ARTA.

DATED this 5th day of January, 1985.

THE ALASKA RAILROAD CORPORATION

UNITED STATES SECRETARY
OF TRANSPORTATION

By 
BILL SHEFFIELD
Governor of Alaska

By 
JOHN H. RILEY
Administrator
Federal Railroad Administration

By 
JAMES CAMPBELL
Chairman of the Board

AR2:A5

**AGREEMENT COVERING ALASKA RAILROAD REVOLVING FUND
AND EMPLOYEE COMPENSATION LIABILITY**

The State of Alaska and the United States Federal Railroad Administration (FRA) agree to the following with respect to the Alaska Railroad Revolving Fund and liability for Alaska Railroad employee compensation claims and awards:

1. The FRA agrees to assume liability for all Alaska Railroad employee compensation claims that resulted in an award before the date of transfer and for all Alaska Railroad employee compensation claims that accrue on or before the date of transfer. "Accrue" here shall have the meaning contained in Section 2401 of Title 28, United States Code.
2. Consistent with the terms of ARTA, the State of Alaska agrees that the United States is to retain the money in the Alaska Railroad Revolving Fund up to an amount equal to that which is or will be needed to satisfy The Alaska Railroad employee compensation claims referred to in paragraph 1 above and, in addition, is or will be needed to satisfy those obligations which, under the terms of ARTA, would have been paid from the Revolving Fund but for the transfer of The Alaska Railroad to the State of Alaska.
3. The State of Alaska agrees that FRA has the additional right to retain all accounts receivable attributable to operation of The Alaska Railroad up to and including the date of transfer, to the extent that they are or will be needed to satisfy the claims and obligations referred to in paragraph 2 above and the accounts payable referred to in paragraph 4 below.
4. The FRA agrees to assume liability for all accounts payable attributable to operation of The Alaska Railroad up to and including the date of transfer and agrees that neither the State of Alaska nor the Alaska Railroad Corporation is liable for these accounts payable.
5. The parties further agree to enter into an additional agreement, as soon as is practicable, that will set out mutually agreed on accounting procedures that will facilitate the identification and attribution of the accounts receivable and accounts payable referred to in paragraphs 3 and 4 above.
6. The parties agree to coordinate the management of the Revolving Fund for a period of 120 days. During this period, the State agrees that accounts receivable attributable to Federal ownership will be deposited in the Revolving Fund in accordance with procedures in effect prior to transfer, and FRA agrees to certify on a timely basis accounts payable attributable to Federal ownership for disbursement in accordance with procedures in effect prior to transfer. The parties further agree that their designated representatives, and others with whom they agree to consult, will constitute an informal committee for resolving in good faith any disputes arising under this agreement.

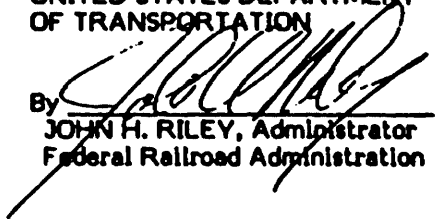
7. The parties agree that over the next 120 days they will explore an arrangement to establish a trust account or similar long-term arrangement governing the net proceeds of the Revolving Fund, as of the day of transfer, with mutually beneficial terms regarding investment, disposition, and residual interest. If such an alternative method is mutually agreed on by the parties, this agreement will be amended accordingly.


DATED this 5th day of January, 1985.

ALASKA RAILROAD CORPORATION

UNITED STATES DEPARTMENT
OF TRANSPORTATION

By 
BILL SHEFFIELD
Governor of Alaska

By 
JOHN H. RILEY, Administrator
Federal Railroad Administration

By 
JAMES O. CAMPBELL
Chairman of the Board