

ALASKA RAILROAD CORPORATION TO CUT 52 JOBS



The Alaska Railroad Corporation **describes itself** in the following terms, “In operation since 1923, the Alaska Railroad Corporation is a full-service freight and passenger railroad linking ports and communities to major metropolitan centers such as Anchorage, Fairbanks and other communities throughout Southcentral and Interior Alaska. Primarily, the Alaska Railroad conducts business as a regularly scheduled public transportation service in these regions. The routes span across miles of remote and wild landscapes which feature bountiful scenery and spectacular wildlife viewing opportunities for our more than 500,000 annual guests.” The company is hoping to be able to do all of that minus a number of its employees who are currently on the payroll. The Alaska Railroad Corporation is getting ready to get rid of 52 of its workers in order to put their budget to right. That is enough to qualify as a mass layoff action. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government **defines** the term, “Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” In the case of a mass layoff action the workers are usually give some notice, as is the surrounding community, in order to prepare for the loss of jobs in the surrounding area and the loss of income to other local business, which can actually create a ripple effect and cause the loss of other jobs. So if the things continue as they have been in past, this mass layoff action is going to have a significant impact on the community at large, but only time will tell how big that impact will be. The company is blaming the layoffs on the economic downturn and a decrease in the number of runs that the line has to make in order to bring fuel and other good out of Alaska as people and companies spend less. The company released its last fiscal reports that showed some **interesting results**, “The Alaska Railroad Corporation (ARRC) released its 2011 annual report today, with audited financial statements showing \$13.4 million net income on total revenues of \$185.7 million. Part of this success comes from a more diversified customer base. Despite a decline in some legacy lines of business, freight train revenue increased 12.7% thanks to expanded coal exports and a 3% volume increase in interline (barge-rail) railcar traffic from Seattle and Canada. Likewise, passenger revenue rose by 7.7% as ridership grew from 405,000 in 2010 to 413,000 in 2011. Beyond train operations, ARRC real estate leasing and permitting provided reliable net income of \$8.5 million, which remains crucial to meeting the ARRC mandate to remain self-sufficient.” So it looks like the company is not doing that badly after all.

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