

Alaska Railroad Transfer Case Study

This study team had the benefit of reviewing several documents relating to the transfer of the Alaska Railroad from the Federal government to a public corporation owned by the State of Alaska. These documents affirmed that the following major task groups are appropriate components of the AMHS transfer action plan:

Financial/Administration Issues

The sale of the railroad to the state from the federal government created several valuation tasks. While efforts required by the AMHS transfer will likely be significantly different because no sale is involved, conveying assets to a newly formed corporation will still require some asset valuation tasks.

These and other financial tasks include:

- Assess the market value of all property to be transferred to the newly created corporation
- Prepare documents conveying property to the corporation
- Engage a third-party CPA firm to perform baseline and yearly financial audits of the newly formed corporation

Existing and Future Labor Contracts

Railroad collective bargaining agreements (CBAs) expired two years following transfer to the State. The transfer team created several tasks to prepare for contract renegotiation. AMHS transfer provides a similar opportunity to establish new labor relations practices.

The original state transfer legislation called for the creation of a Railroad Labor Relations agency, appointments to which had to be made at least one month before transfer. This agency was replaced by the Alaska Labor Relations Agency within the Alaska Department of Labor and Workforce Development in 1990 by Executive Order 77. The AMHS transfer may not include creation of a new labor relations agency, given creation of the Alaska Labor Relations Agency.

Labor relations tasks include:

- Hire labor relations director prior to transfer who will engage in current labor relations activities pursued by the Department of Administration
- Review existing collective bargaining agreements (CBAs)

- Prepare for renegotiation of CBAs

Corporate Development

Several railroad corporate development tasks were completed prior to transfer, including legal establishment of the corporation, board composition, and evaluation of opportunities to transfer the railroad to private ownership.

AMHS transfer likely includes several of the same tasks:

- Prepare legal articles of incorporation
- Assist in board selection process as needed
- Prepare initial board materials including briefing books, detailed descriptions of state legislation, and interim by-laws
- Assist in executive official searches including a chief executive officer

Systems Review

The technology/systems context in which the AMHS transfer will occur is significantly different than in the 1984-1985 railroad transfer period. AMHS systems transfer tasks may require more work compared to railroad transfer given the increased complexity of modern systems.

Any necessary systems changes will likely impact a larger share of AMHS employees, who have a higher number of work-related technology interactions compared to railroad employees during transfer.

The AMHS transfer team should pursue the following tasks:

- Evaluate all current systems (accounting, labor and payroll, supply and procurement, records management, etc.) and prepare recommendation for continued use
- Where continued use is recommended, evaluate need for new contracts and document any work tasks required by current system administrators. An example of a work task may be the creation of a new ledger in the current accounting system.
- Where current systems are recommended for replacement, evaluate options for new system implementation including cost estimates

- Pursue efforts to engage employees throughout system evaluation and train employees on new or modified systems prior to transfer