100 Years of the Alaska Railroad

On July 15, 2023, the Alaska Railroad will celebrate its Centennial.

However, it all began on March 12, 1914. On that day, the United States Congress passed the Enabling Act of 1914. Although it was just two and half pages, the legislation gave President Woodrow Wilson sweeping authority to direct resources to construct and operate a rail line in the Territory of Alaska. It was not to exceed one thousand miles and would connect Alaska's southern coast to the Interior with the purpose of expanding economic development and resource extraction.

The construction of the Alaska Railroad involved three presidents and took roughly a decade to complete. Theodore Roosevelt's successor, William Howard Taft, urged Congress in early 1913 to build a rail line to wrest control from the so-called trusts that had sought a monopoly over transportation in Alaska. Construction occurred in earnest between 1915 and 1923 during the terms of Woodrow Wilson and Warren Harding.

The Alaska Railroad began operations in 1923 after President Harding drove the ceremonial gold spike into the line in the small town of Nenana along the Tanana River on July 15, 1923. The day was indeed memorable as temperatures reached 90 degrees. The unsuspecting presidential entourage came prepared to brave the cold, and many wore wool leggings and jackets anticipating frigid air. Although their clothing may have protected them from the swarming mosquitoes, a few reportedly feinted from the heat.

During the construction effort, Alaskans had taken to calling it the Government Railroad. Only after it began to operate did it become known as The Alaska Railroad. Technically, the Alaska Railroad was considered as an independent enterprise owned and operated by the federal government. It first came under the regulatory authority of Interstate Commerce Commission (ICC) and eventually the Federal Railroad Administration under the Department of Transportation.

Federal Ownership: 1923-1985
Under federal ownership, the railroad was subjected to policies which restricted its ability to compete with other private entities that transported goods and materials. The Alaska Railroad was responsible for much of its financial obligations during this period and had the limited ability to market or expand its operations. In addition, the Alaska Railroad had significant costs and overhead which hindered its ability to make a profit. The exception to this occurred during World War II when the railroad played a primary role in Alaska's war effort and received millions in funds.

The war had illustrated how important Alaska had become to the strategic defense of the nation. In the following decades Alaska would continue to benefit from copious levels of federal defense appropriations. As a result, the Alaska Railroad upgraded its track and further developed its relationship with the military, but maintenance remained a costly and ongoing effort. The Good Friday Earthquake struck Alaska on March 27, 1964, and wrought extensive

damage to the railroad. The record-strength quake destroyed much of the railroad's property in Seward and Portage and cut off connection to the Kenai Peninsula.

Workers succeeded in getting the railroad operational within a few weeks despite limited federal assistance in the effort. In fact, many Alaskans had begun to question the very premise of the railroad's federal ownership. These questions intensified as the railroad failed to hire enough people to fully participate in the state's 1970s and early '80s oil boom. While the Alaska Railroad contributed to the pipeline construction effort, it was restricted in hiring the necessary personnel and encountered regulatory headwinds during a time of rapid economic change in Alaska.

The frustrations with federal ownership boiled over in the early 1980s as a vocal contingent of Alaskans increasingly lobbied for the state to assume control of the railroad. Senator Ted Stevens was perhaps the most ardent and powerful advocate for the Alaska Railroad to be transferred from federal to state ownership. Senator Stevens worked closely with his colleagues in congress as well as the administration of Ronald Reagan to craft transfer legislation.

State Ownership: 1985 to Present
These efforts culminated in the Alaska Transfer Act of 1982 (45 U.S.C. 1201-1214), whereby the State of Alaska agreed to purchase the railroad for $23 million. After working through the thorny details of the transfer, the State of Alaska officially assumed ownership of the railroad on January 5, 1985, in Nenana, where President Harding had driven the Gold Spike over sixty years earlier. In contrast to that 90-degree summer day in 1923, those who attended the transfer celebration endured temperatures of 30 degrees below zero and nourished themselves with moose and caribou stew.

Once the railroad passed from federal to state ownership, the Alaska State Legislature created the Alaska Railroad Corporation (AS 42.40) as a separate legal entity with the autonomy to issue bonds for capital improvements and establish a Board of Directors. The Board of Directors includes the Commissioner of Transportation, the Commissioner of Economic Development, a member who must have at least 10 years of management experience on a major U.S. railroad, one who has management experience with a company of at least fifty employees, and a member to represent railroad employees. The Board hires the Chief Executive who serves at the pleasure of the Board.

The Alaska Railroad is a self-sustaining corporation that provides year-round freight and passenger service in addition to managing its extensive real estate holdings. Today, the Alaska Railroad remains a fundamental part of the 49th State's culture and economy. The Anchorage Museum opens an exhibit dedicated to the history of the Alaska Railroad this spring. Other events are scheduled to occur throughout the year as Alaskans commemorate the centennial of this unique Alaskan institution.

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