



Alaska Railroad Corporation *News Release*

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FOR IMMEDIATE RELEASE

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Alaska Railroad to Issue Tax-Exempt Bonds

ANCHORAGE, Alaska-The Alaska Railroad Corporation (ARRC) will issue tax-exempt bonds in August to finance rail transportation projects.

During the last legislative session, the Alaska Legislature voted unanimously to allow ARRC to issue up to \$165 million in tax-exempt bonds backed by Federal Transit Administration (FTA) formula funds that the Corporation receives annually. ARRC is moving forward with its first issuance of approximately \$76 million in tax-exempt bonds in 2006 with the remaining debt to be issued in future years.

“This is a historic moment for the Alaska Railroad and Alaskans,” said Governor Bill Sheffield, Chairman ARRC Board of Directors. “For the first time, the Alaska Railroad Corporation will issue bonds allowing us to accelerate our ambitious capital improvement program.”

Of the \$165 million authorized by the State Legislature, the plan currently is to issue debt in 2006 (these Bonds), 2009 and 2012. The Alaska Railroad Board of Directors is required to approve each bond issuance and associated projects.

“Issuing tax-exempt bonds is a great way for the Railroad to achieve two important goals...improving safety and increasing capacity,” said Pat Gamble, ARRC President and CEO.

The completed program will result in continuous welded rail to reduce “joint batter” which can lead to broken rail that causes derailments. Concrete ties and new 141-pound welded rail will be placed on all curves over six degrees to increase stability. A continuous wood tie replacement program will also be implemented through this and future bond issues.

While refurbishment of the mainline track between Anchorage and Fairbanks is the main project identified for this program, a portion of the bond proceeds will also be used for technology upgrades and acquisition of passenger equipment.

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The ARRC is an Equal Opportunity Corporation. If you need special assistance in order to participate in any ARRC service, program, or activity, please contact The Alaska Railroad Corporation; P.O. Box 107500; Anchorage, AK 99510; Attention: Ouida Morrison-morrisono@akrr.com; 907-265-2529; via Alaska Relay Service for hearing impaired - Dial 7-1-1 from anywhere inside Alaska, OR dial toll-free from anywhere outside the state (800) 770-8255 (voice); (800) 770-8973 (TTY.) Upon request, printed materials can be made available in alternative formats.