

2025 REPORT TO THE STATE FIVE-YEAR CAPITAL PLAN

published November 27, 2024



© D Square 1 Productions LLC

ALASKA
RAILROAD



OUR MISSION

Through excellent customer service and sound business management practices, the Alaska Railroad Corporation provides safe, efficient and economical rail transportation and real estate services that support and grow economic development opportunities for the State of Alaska.

ABOUT THIS REPORT

The Alaska Railroad (ARRC) is pleased to share this year's *Report to the State*, informing the Governor, Legislators and other key officials and stakeholders about the railroad's capital improvement plans. This report details our five-year outlook on spending and capital investments to keep Alaska Railroad equipment and infrastructure healthy and serving Alaska.

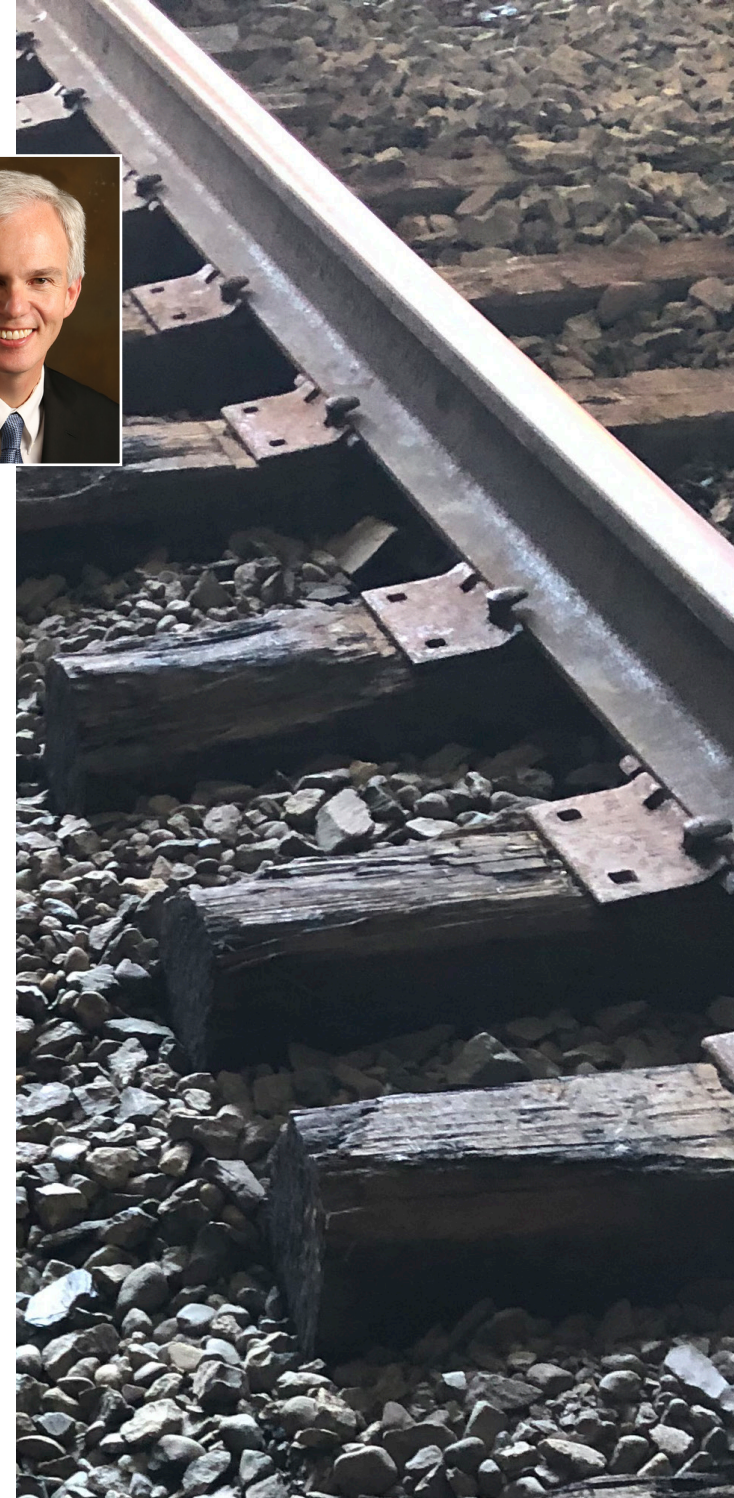
The Alaska Railroad's 2025-2030 capital plan reflects our commitment to safety, innovation and service excellence through careful investment in Alaska's rail, yards, equipment and fleet. As you will see budgeted, our capital outlay touches all aspects of our business lines: from improving a customer payment portal, to improved information technology security, to replacement of a pre-WWII wheel lathe with a newer, safer system.

To support continued growth in our freight business lines - notably driven by Interior fuel needs, Southcentral construction and North Slope development - we are procuring additional flat cars and locomotives to meet business demands. We are continuing to invest in safety such as upgrading our signal and defect detector system and completing our positive train control upgrades. Lastly, some of our most critical assets are also our oldest; our bridge program continues to leverage federal grants with internal funds to systematically repair or replace dozens of century-old bridges on our system. Recently, we were awarded a \$43 million competitive grant to rehabilitate the Mears Memorial Bridge in Nenana, a key piece of infrastructure that is both historically significant and essential to our freight and passenger operations. Our capital plan demonstrates our commitment to meeting today's demands while investing in the future, ensuring that a strong Alaska Railroad continues to serve Alaskans for generations to come.

Sincerely,



Bill O'Leary
President and CEO



MANAGEMENT

President and Chief Executive Officer
Bill O'Leary

Chief Financial Officer
Michelle Maddox

**Vice President
Marketing & Customer Service**
Dale Wade

Chief Engineer
Brian Lindamood

Chief Operating Officer
Clark Hopp

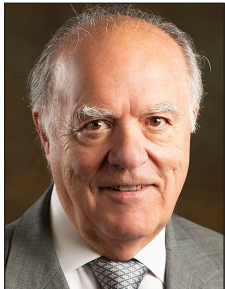
Chief Counsel
Andy Behrend

**Vice President
Real Estate**
Christy Terry

Chief Human Resources Officer
Jennifer Mergens



BOARD OF DIRECTORS



Board Chair
John Shively



Vice Chair
Judy Petry



Commissioner
Ryan Anderson



Director
John Binkley



Director
T.J. Dinsmore



Director
John Reeves



Commissioner
Julie Sande



5-YEAR CAPITAL PLAN: Funding Sources

Funding Sources	2025	2026	2027	2028	2029	5-Year Total
FTA Formula Funds	\$ 48,128,796	\$ 48,850,729	\$ 49,583,490	\$ 50,327,242	\$ 51,082,150	\$ 247,972,406
Prior Year FTA Funds allocated to projected	\$ 6,082,006	\$ 6,730,378	\$ -	\$ -	\$ -	\$ 12,812,384
CRISI STC Grants	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ -	\$ 28,125,000
Internally Generated Funds	\$ 15,819,850	\$ 22,090,000	\$ 24,290,000	\$ 38,310,000	\$ 40,830,000	\$ 141,339,850
Competitive Grants (<i>estimated for out years</i>)	\$ 86,955,371	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ 186,955,371
Total Capital Budget	\$ 166,361,023	\$ 137,046,107	\$ 133,248,490	\$ 88,637,242	\$ 91,912,150	\$ 617,205,011

- More funding sources may be added during this 5-year period as grants, partnerships and other financial opportunities become available for large projects in particular.

5-YEAR CAPITAL PLAN: Federal Funding

FTA Formula Funded Capital Program	2025	2026	2027	2028	2029	5-Year Total
Federal Transit Administration - Funded Projects						
FTA Formula Funds	\$ 67,669,724	\$ 68,684,770	\$ 69,715,042	\$ 70,760,767	\$ 71,822,179	\$ 348,652,481
Prior Year FTA Formula Funds (Unallocated)	\$ 6,082,006	\$ 6,730,378	\$ -	\$ -	\$ -	\$ 12,812,384
Total Funding From Formula Program	\$ 73,751,730	\$ 75,415,148	\$ 69,715,042	\$ 70,760,767	\$ 71,822,179	\$ 361,464,865
Preventive Maintenance	\$ 19,540,928	\$ 19,834,041	\$ 20,131,552	\$ 20,433,525	\$ 20,740,028	\$ 100,680,075
Total Programmed Items	\$ 19,540,928	\$ 19,834,041	\$ 20,131,552	\$ 20,433,525	\$ 20,740,028	\$ 100,680,075
Total Grant Funds Available for Project	\$ 54,210,802	\$ 55,581,107	\$ 49,583,490	\$ 50,327,242	\$ 51,082,150	\$ 260,784,790
Bridge Rehabilitation Program	\$ 13,387,102	\$ 20,270,607	\$ 19,100,489	\$ 21,027,242	\$ 21,582,150	\$ 95,367,590
Locomotive Equipment Rehabilitation	\$ 3,012,500	\$ 762,500	\$ -	\$ -	\$ -	\$ 3,775,000
Operations Support Facilities	\$ 2,062,000	\$ 3,695,000	\$ 220,000	\$ -	\$ -	\$ 5,977,000
Passenger Rehabilitation Program	\$ 1,675,000	\$ 2,575,000	\$ 2,500,000	\$ 2,000,000	\$ 2,000,000	\$ 10,750,000
Signal & Detector System	\$ 689,000	\$ 528,000	\$ 463,000	\$ -	\$ -	\$ 1,680,000
Slide Zone Mitigation Program	\$ 649,900	\$ -	\$ -	\$ -	\$ -	\$ 649,900
Technology Program	\$ 2,841,000	\$ 750,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 4,491,000
Telecommunications Program	\$ 963,900	\$ -	\$ -	\$ -	\$ -	\$ 963,900
Track Rehabilitation Program	\$ 28,930,400	\$ 27,000,000	\$ 27,000,000	\$ 27,000,000	\$ 27,200,000	\$ 137,130,400
Total Current Year Estimated FTA Formula Funds Program	\$ 54,210,802	\$ 55,581,107	\$ 49,583,489	\$ 50,327,242	\$ 51,082,150	\$ 260,784,790
FTA Estimate	\$ 43,368,642	\$ 44,464,886	\$ 39,666,791	\$ 40,261,794	\$ 40,865,720	\$ 208,627,832
match at 20% for Formula Funds	\$ 10,842,160	\$ 11,116,221	\$ 9,916,698	\$ 10,065,448	\$ 10,216,430	\$ 52,156,958
Total FTA (including match)	\$ 54,210,802	\$ 55,581,107	\$ 49,583,489	\$ 50,327,242	\$ 51,082,150	\$ 260,784,790

FRA CRISI, STC CRISI and Other Competitive Grants	2025	2026	2027	2028	2029	5-Year Total
Flat Car Acquisition	\$ 2,520,000	\$ -	\$ -	\$ -	\$ -	\$ 2,520,000
Side Dump Railcar Acquisition	\$ 1,138,797	\$ -	\$ -	\$ -	\$ -	\$ 1,138,797
MP G3.3 Bridge Replacement (INFRA)	\$ 22,864,814	\$ -	\$ -	\$ -	\$ -	\$ 22,864,814
MP G3.3 Bridge Replacement (STC)	\$ 5,716,203	\$ -	\$ -	\$ -	\$ -	\$ 5,716,203
MP 190.5 Bridge Rehabilitation	\$ 10,250,698	\$ -	\$ -	\$ -	\$ -	\$ 10,250,698
MP 413.7 Rehabilitation (CRISI)	\$ 53,839,859	\$ -	\$ -	\$ -	\$ -	\$ 53,839,859
Bridge Rehabilitation	\$ -	\$ 9,375,000	\$ 9,375,000	\$ -	\$ -	\$ 18,750,000
Competitive Grants - Bridge Rehabilitation (estimates)	\$ -	\$ 50,000,000	\$ 50,000,000	\$ -	\$ -	\$ 100,000,000
Project Funded by Competitive Grants	\$ 96,330,371	\$ 59,375,000	\$ 59,375,000	\$ -	\$ -	\$ 215,080,371

5-YEAR CAPITAL PLAN: Internal Funding

Internal Funding	2025	2026	2027	2028	2029	5-Year Total
Non-Discretionary Projects	2025	2026	2027	2028	2029	5-Year Total
Whittier Drain Repairs	\$ 1,850,000	\$ -	\$ -	\$ -	\$ -	\$ 1,850,000
Subtotal - Non-Discretionary Projects	\$ 1,850,000	\$ -	\$ -	\$ -	\$ -	\$ 1,850,000
Continuing Programs						
Bridge Rehabilitation Program - ARRC	\$ -	\$ 17,159,393	\$ 12,097,511	\$ 23,822,758	\$ 21,507,850	\$ 74,587,512
Track Rehabilitation Program - ARRC	\$ 2,155,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 10,155,000
Bridge Program - ARRC	\$ 1,915,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 9,915,000
Seattle Terminal Coating	\$ 1,750,000	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000
Passenger Rehabilitation - ARRC	\$ 788,600	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 2,988,600
Docks & Slips	\$ 770,000	\$ 2,000,000	\$ 2,500,000	\$ 1,000,000	\$ 1,000,000	\$ 7,270,000
Locomotive Engine Overhaul Program	\$ 560,000	\$ 797,000	\$ 792,000	\$ 324,000	\$ -	\$ 2,473,000
Starlink & Software Defined - Wide Area Network (SD-WAN)	\$ 414,000	\$ 248,000	\$ 242,000	\$ 242,000	\$ -	\$ 1,146,000
Yard & Branch Improvements	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,400,000
Riprap Drainage Maintenance	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,400,000
General Repair	\$ 330,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 730,000
Seward Freight Ramp Improvements - Design	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Electrical Upgrades	\$ 295,000	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 770,000
Passenger Car Wi-Fi	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Building Maintenance	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 650,000
Land & Utilities	\$ 225,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 625,000
Tenant Improvements	\$ 175,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 675,000
Avalanche Slide Zone Risk Mitigation	\$ 167,250	\$ 200,000	\$ 200,000	\$ 200,000	\$ 800,000	\$ 1,567,250
Energy Management	\$ 155,000	\$ 200,000	\$ 200,000	\$ 125,000	\$ 125,000	\$ 805,000
Section Improvements	\$ 105,000	\$ 75,000	\$ 750,000	\$ 10,000	\$ 75,000	\$ 1,015,000
Public Transportation System Security	\$ 100,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 1,100,000
Vehicles & Equipment	\$ -	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ 24,000,000
Subtotal - Continuing Programs	\$ 11,529,850	\$ 33,154,393	\$ 29,081,511	\$ 38,023,758	\$ 35,807,850	\$ 147,597,362

5-YEAR CAPITAL PLAN: Internal Funding cont'd

Internal Funding	2025	2026	2027	2028	2029	5-Year Total
Strategic Business Initiatives	2025	2026	2027	2028	2029	5-Year Total
PTC Vital Functions FRA - Supplemental	\$ 1,460,000	\$ -	\$ -	\$ -	\$ -	\$ 1,460,000
Wasilla Elevator Install	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 550,000
Mobile Application	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 400,000
Seward Communication Shelter Replacement	\$ 155,000	\$ -	\$ 1,326,000	\$ -	\$ -	\$ 1,481,000
Customer Payment Portal	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Subtotal - Strategic Business Initiatives	\$ 2,440,000	\$ 200,000	\$ 1,326,000	\$ -	\$ -	\$ 3,966,000
Total Internally Funded Project Requests	\$ 15,819,850	\$ 33,354,393	\$ 30,407,511	\$ 38,023,758	\$ 35,807,850	\$ 153,413,362
Estimated Funds from Internal Cash flow	\$ 15,819,850	\$ 22,090,000	\$ 24,290,000	\$ 38,310,000	\$ 40,830,000	\$ 141,339,850
Total Internal Funding Shortage (Overage)	\$ -	\$ 11,264,393	\$ 6,117,511	\$ (286,242)	\$ (5,022,150)	\$ 12,073,512

Alaska Railroad Corporation

327 West Ship Creek Avenue



Anchorage, AK 99501

907.265.2300

AlaskaRailroad.com