



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Transportation
Current Version: SB 308
Contact: Deb Grundmann, 465-3878

Fact Sheet for: Senate Bill 308

Short Title: ALASKA RAILROAD REVENUE BONDS

Summary:

- Permits the Alaska Railroad to issue up to \$165,000,000 in tax exempt revenue bonds to pay for mainline track and bridge rehabilitation projects, technology upgrades and passenger equipment.
- Prevents the general credit of the state and the Alaska Railroad from being pledged for the repayment for the bonds.
- Paid for by Federal Transit Administration funds received annually by the Alaska Railroad.

Benefits:

- Accelerates the railroad's mainline track and bridge rehabilitation program by up to ten years.
- Increases safety by decreasing track failure that can lead to derailments.
- Increases passenger capacity and railroad speed.
- Reduces maintenance and operating expenses.
- Enhances passenger capacity and safety and the railroad's ability to handle gas pipeline construction and existing freight services.

Background:

- The Alaska Railroad supports Alaska's growing tourism industry and will play a critical role in the North Slope natural gas pipeline because it will be used to transport construction materials. SB 308 permits the Alaska Railroad to improve passenger service and safety and prepare for gas pipeline construction by allowing the railroad to accelerate substantial improvements to the main line between Anchorage and Fairbanks. A continuous welded rail between the two cities will be installed to reduce the number and frequency of derailments. The bonds will be paid off with revenue earned by the Alaska Railroad.