

ALASKA RAILROAD

BOARD OF DIRECTORS SPECIAL Board Meeting

Thursday, December 11, 2025
Commencing at 9:00 a.m. in person at
327 West Ship Creek Avenue, Anchorage, Alaska 99501

&

Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/86237858799?pwd=0YSdm7ca7XzmGJ8hjA543oPxS4SxM2.1>

Meeting ID: 862 3785 8799 Passcode: 065379



One tap mobile

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+16699006833,,86237858799# US (San Jose)

Join by SIP

• 86237858799@zoomcrc.com

Passcode: 065379

Join instructions

<https://us02web.zoom.us/join/86237858799/invitations?signature=8sq8EQaUv9vGwQtP7BeC1SyfuiulkQvVyfpdFGsJSF0>

**ALASKA RAILROAD CORPORATION
BOARD OF DIRECTORS**

SPECIAL BOARD MEETING AGENDA

December 11, 2025 ~ 9:00 am

Join Zoom Meeting

<https://us02web.zoom.us/j/86237858799?pwd=0YSdm7ca7XzmGJ8hjA543oPxS4SxM2.1>

Meeting ID: 862 3785 8799 ~ Passcode: 065379

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I. CALL TO ORDER

This special meeting has been called for the purpose of Board review and approval of (1) Resolution No. 2025-32 Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428; and (2) Resolution No. 2025-33 Relating to the 2026 Five Year Capital Improvement Plan.

A portion of this meeting may be held in Executive Session to discuss confidential and privileged information related to the foregoing matters.

II. ESTABLISHMENT OF QUORUM

III. ADOPTION OF AGENDA

IV. CONFLICT OF INTEREST DISCLOSURES

V. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)

VI. NEW BUSINESS (a portion to be held in Executive Session to discuss confidential and privileged information related to the following action items)

A. Action Items

1. Resolution No. 2025-32 – Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428
2. Resolution No. 2025-33 – Relating to the 2026 Five Year Capital Improvement Plan

VII. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)

VIII. DIRECTORS/CEO/STAFF COMMENTS

IX. ADJOURNMENT



➤ 2026 Capital Budgets & 5-year plans

*ARRC Special Board Meeting
Michelle Maddox, CFO
December 11, 2025*

ALASKA
RAILROAD

Photo courtesy: Chris Kruse



➤ Contents

- ***2026 Capital Budget***
- ***5-year Operating and Capital Plans***



2026 Capital Budgets



Overview – 2026 Capital Budget

- Proposed capital budget positions infrastructure funding to support the AKLNG project once a go-ahead decision is made and demonstrates our commitment to Rail Expansion
 - Two-Tier Capital Budget Structure
 - Reassign originally proposed Tier 1 projects to Tier 2
 - Competitive Grant Non-Federal Match (\$8.2 million)
 - FTA Formula Grant Non-Federal Match (\$1.0 million)
 - Internally Funded Projects (\$0.4 million)
 - Eliminate Capital Reserve (\$1.0 million)
 - Maintain Tier 2 projects in inactive status until notice of project advancement or as funding becomes available
 - Rail Expansion Reserve
 - Establish a Rail Expansion Reserve for \$1.4 million
 - Commit to reserving 6% of future annual net income

Capital Program					
Fund Source	Tier 1		Tier 2		Total
	Federal Share	ARRC	Federal Share	ARRC	
Federal Transit Administration (net of programmed items)	\$ 39,477,600	\$ 9,869,400	\$ 3,846,400	\$ 961,600	\$ 54,155,000
FRA CRISI STC	-	-	7,500,000	1,875,000	9,375,000
2026 ARRC Internally Funded Projects		10,667,150		12,386,200	23,053,350
Total Capital Program	\$ 39,477,600	\$ 20,536,550	\$ 11,346,400	\$ 15,222,800	\$ 86,583,350



➤ 2026 FTA Grant Capital Budget

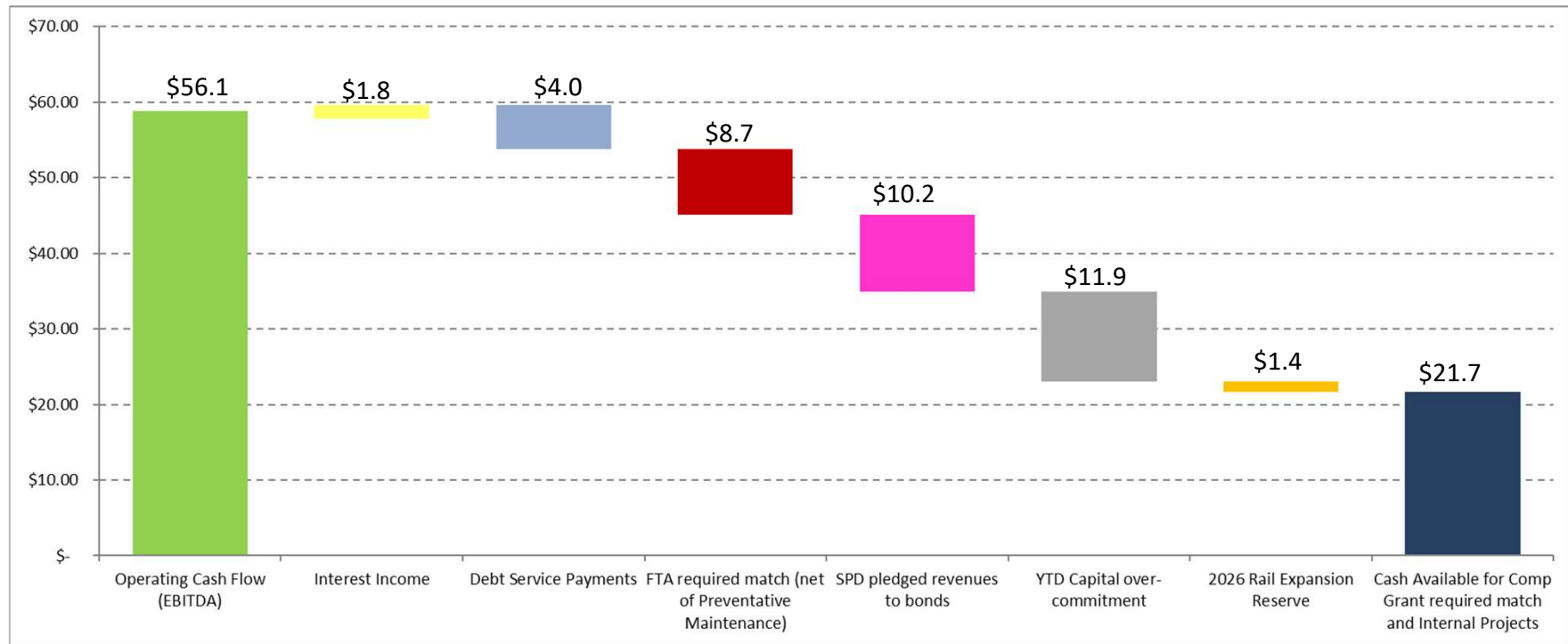
FTA Formula Funded Capital Program	Prior Years Rollover	2026	Total
Total Funding from Formula Program	\$ 6,599,467	\$ 69,067,149	\$ 75,666,616
Preventive Maintenance	-	20,865,381	20,865,381
Total Programmed Items	\$ -	\$ 20,865,381	\$ 20,865,381
Total Grant Funds Available for Projects	\$ 6,599,467	\$ 48,201,768	\$ 54,801,235
2026 Track Rehabilitation Program - FTA	-	26,000,000	26,000,000
2026 Bridge Rehabilitation Program	-	6,400,000	6,400,000
Section Ops - Healy Construction	-	5,200,000	5,200,000
2026 Bridge Program - FTA	-	4,869,000	4,869,000
2026 Passenger Car Rehab FTA	1,850,000	-	1,850,000
2026 Culvert Program - FTA	1,802,000	-	1,802,000
2026 Transit Asset Management	-	1,300,000	1,300,000
SD70 Overhaul Program	-	1,144,000	1,144,000
2026 Complex Culvert	1,000,000	-	1,000,000
Healy Canyon Walls	1,000,000	-	1,000,000
Tunnel Rehab Program	841,000	-	841,000
All other projects (under \$500K each)	-	2,749,000	2,749,000
Total Proposed FTA Formula Fund Program	\$ 6,493,000	\$ 47,662,000	\$ 54,155,000

2026 FTA Grant Capital Budget

Department	Description	Category	Proposed FTA Grant Capital budget -Tier 1	Proposed FTA Grant Capital budget - Tier 2	Proposed FTA Grant Capital budget - Total
Non-Discretionary Projects					
Technology	TSA Security Directive	Non-Discretionary	\$ 450,000	\$ -	\$ 450,000
Continuing Programs					
MOW	2026 Track Rehabilitation Program - FTA	Continuing Programs	\$ 26,000,000	\$ -	\$ 26,000,000
Engineering	2026 Bridge Rehabilitation Program	Continuing Programs	6,400,000	-	6,400,000
Facilities	Section Ops - Healy Construction	Continuing Programs	5,200,000	-	5,200,000
MOW	2026 Bridge Program - FTA	Continuing Programs	4,869,000	-	4,869,000
Passenger	2026 Passenger Car Rehab FTA	Continuing Programs	-	1,850,000	1,850,000
MOW	2026 Culvert Program - FTA	Continuing Programs	1,802,000	-	1,802,000
Corporate Office	2026 Transit Asset Management	Continuing Programs	-	1,300,000	1,300,000
Mechanical	SD70 Overhaul Program	Continuing Programs	1,144,000	-	1,144,000
Engineering	2026 Complex Culvert	Continuing Programs	1,000,000	-	1,000,000
Engineering	Healy Canyon Walls	Continuing Programs	-	1,000,000	1,000,000
Engineering	Tunnel Rehab Program	Continuing Programs	841,000	-	841,000
Communications	2026 Network Services	Continuing Programs	400,000	-	400,000
Signal	Intermediate Led Light Upgrades	Continuing Programs	400,000	-	400,000
Engineering	ROW Sight Triangle Clearing	Continuing Programs	-	150,000	150,000
Mechanical	SD70 Locomotive Software Upgrade	Continuing Programs	84,000	-	84,000
Strategic Business Initiatives					
Communications	Transportation Handheld Radio Replacement	Strategic Business Initiatives	\$ 417,000	\$ -	\$ 417,000
Facilities	Hurricane Section Building	Strategic Business Initiatives	340,000	-	340,000
Mechanical	Locomotive Backshop Car Mover	Strategic Business Initiatives	-	298,000	298,000
Communications	UCS Server Replacement	Strategic Business Initiatives	-	210,000	210,000
Total FTA Grant Funded Capital Projects			\$ 49,347,000	\$ 4,808,000	\$ 54,155,000



➤ 2026 Internal Cash Generation for Capital Projects



(\$ millions)

> 2026 FRA CRISI STC Grant Capital Budget

Department	Description	Category	Proposed FRA CRISI STC Grant Capital budget Tier 1	Proposed FRA CRISI STC Grant Capital budget Tier 2	Proposed FRA CRISI STC Grant Capital budget Total
Continuing Programs					
Business Development	Ballast Car Acquisition & Other Rolling Stock	Continuing Programs	\$ -	\$ 4,945,000	\$ 4,945,000
Communications	Fiber Extension Program	Continuing Programs	-	3,400,000	3,400,000
Business Development	Side Dump Railcar Acquisition	Continuing Programs	-	1,030,000	1,030,000
Total FRA CRISI STC Grant Capital Projects			\$ -	\$ 9,375,000	\$ 9,375,000

➤ 2026 Internal Capital Budget

Department	Description	Category	Proposed Internal budget - Tier 1	Proposed Internal budget - Tier 2	Proposed Internal budget - Total
Non-Discretionary Projects					
Engineering	Bridge 422.9 Replacement	Non-Discretionary	\$ 1,007,000	\$ -	\$ 1,007,000
Continuing Programs					
MOW	2026 Bridge Program - ARRC	Continuing Programs	\$ 2,404,000	\$ -	\$ 2,404,000
MOW	2026 Track Rehabilitation Program - ARRC	Continuing Programs	1,289,000	-	1,289,000
Engineering	2026 Docks and Slips Program	Continuing Programs	500,000	-	500,000
Mechanical	2026 Vehicles and Equipment Program	Continuing Programs	500,000	-	500,000
Mechanical	2026 GP Locomotive Overhaul Program	Continuing Programs	445,000	-	445,000
Mechanical	2026 Freight Car Truck Program	Continuing Programs	300,000	-	300,000
Real Estate	2026 Building Maintenance	Continuing Programs	260,000	-	260,000
Mechanical	2026 Locomotive Truck Rebuild	Continuing Programs	250,000	-	250,000
MOW	2026 Riprap Drainage Maintenance	Continuing Programs	250,000	-	250,000
MOW	2026 Yard and Branch Improvements	Continuing Programs	250,000	-	250,000
Real Estate	2026 Tenant Improvements	Continuing Programs	220,000	-	220,000
Passenger	2026 Passenger Car Rehab - ARRC	Continuing Programs	200,000	-	200,000
Security	2026 Public Transportation System Security	Continuing Programs	200,000	-	200,000
MOW	2026 Avalanche Program	Continuing Programs	151,150	-	151,150
Facilities	2026 Section Improvements	Continuing Programs	120,000	-	120,000
Facilities	2026 General Repair	Continuing Programs	80,000	-	80,000
Real Estate	2026 Electrical Upgrades	Continuing Programs	70,000	-	70,000
Real Estate	2026 Land And Utilities	Continuing Programs	50,000	-	50,000
Facilities	2026 Energy Management	Continuing Programs	-	35,000	35,000

2026 Internal Capital Budget

Department	Description	Category	Proposed Internal budget - Tier 1	Proposed Internal budget - Tier 2	Proposed Internal budget - Total
Strategic Business Initiatives					
Engineering/Real Estate	Terminal Logistics Expansion - Seward and Fairbanks - AKLNG	Strategic Business Initiatives	\$ -	\$ 7,734,000	\$ 7,734,000
MOW	Spur Expansions - AKLNG	Strategic Business Initiatives	-	2,878,800	2,878,800
ATCS	PTC Vital Functions	Strategic Business Initiatives	1,250,000	-	1,250,000
Facilities	Seward Electrical	Strategic Business Initiatives	250,000	-	250,000
Engineering	Whittier Barge Slip Replacement - Engineering & Design	Strategic Business Initiatives	186,000	-	186,000
Technology	Crew Calling System	Strategic Business Initiatives	175,000	-	175,000
Facilities	Seward Terminal Office Prep	Strategic Business Initiatives	125,000	-	125,000
Engineering	Whittier Seawall Replacement	Strategic Business Initiatives	-	108,000	108,000
Real Estate	Equipment Replacement Land Surveyor	Strategic Business Initiatives	-	95,000	95,000
Technology	ArcGIS Indoors	Strategic Business Initiatives	90,000	-	90,000
Communications	Palmer Wye PTC Comm Improvement	Strategic Business Initiatives	-	55,400	55,400
Passenger	2026 Depot Digital Signage	Strategic Business Initiatives	-	50,000	50,000
Technology	Rail Studio Hosted	Strategic Business Initiatives	45,000	-	45,000
Technology	Rail Studio Enhancements	Strategic Business Initiatives	-	30,000	30,000
Sub-total Internally Funded Capital Projects			\$ 10,667,150	\$ 10,986,200	\$ 21,653,350
Reserve					
Business Development	Rail Expansion Reserve	Reserve	\$ -	\$ 1,400,000	\$ 1,400,000
Total Internally Funded Capital Projects and Reserve			\$ 10,667,150	\$ 12,386,200	\$ 23,053,350



5 Year Operating and Capital Plans



➤ 5 Year Operating Plan

5-Year Operating Plan (in millions)

	2026		2027		2028		2029		2030	
Net Operating Income	\$	4.8	\$	5.4	\$	5.9	\$	6.3	\$	6.8
Net Real Estate Income		21.6		22.6		23.5		24.2		25.6
Net Other Income		2.1		0.1		0.1		0.2		0.4
Net Income	\$	28.5	\$	28.1	\$	29.5	\$	30.8	\$	32.7

- The 5-year operating plan begins with annual projections of each of ARRC's Freight, Passenger and Real Estate revenue lines based on what Marketing and Real Estate have determined from their discussions with customers
- Operating expenses are projected with adjustments for line items that do not follow predictable patterns, such as pension expense

➤ 5 Year Internal Capital Cash Generation

5-Year Internal Capital Cash Generation (in millions)

	2026	2027	2028	2029	2030
Net Income	\$ 28.5	\$ 28.1	\$ 29.5	\$ 30.8	\$ 32.7
Depreciation	26.5	25.8	25.8	25.6	25.7
Less: Non cash pension/prm in net income	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Less: SPD revenue pledged to SPD dock project	(6.1)	(4.8)	(5.3)	(6.0)	(6.6)
Less: Principal Pymts on LT Debt	(3.5)	(3.7)	(3.8)	(3.6)	(3.5)
Less: Federal Match and Capital Reserve	(8.7)	(23.7)	(21.9)	(22.1)	(22.2)
Less: YTD Capital over-commitment	(11.9)	-	-	-	-
Less: Rail Expansion Reserve	(1.4)	(1.7)	(1.8)	(1.8)	(2.0)
Total Capital Cash Available for Internal Projects and Comp Grant Match	\$ 21.7	\$ 18.4	\$ 20.7	\$ 21.2	\$ 22.4

- The 5-year internal capital budget begins with the 5-year net income estimates, and then adjusts for non-cash items and known cash flow priorities before coming to an estimate of cash flow available for the internally funded capital budget
- The Seward Passenger Dock (“SPD”) improvement fee revenues are pledged to the SPD bonds for the purpose of paying bond debt service (net of interest income and expense included in net income)

➤ 5 Year Capital Plan – Sources of Funding

5-Year fund sources (in millions)

Fund Source	2026	2027	2028	2029	2030	5Y Total
Federal Transit Administration Funds (net of preventative maintenance)	\$ 48.2	\$ 48.9	\$ 49.7	\$ 50.4	\$ 51.2	\$ 248.3
Prior Year FTA funds allocated to projects	6.0	0.6				6.6
CRISI STC	9.4	9.4	-	-	-	18.8
Capital Cash Available for Internal Projects and Rail Expansion Reserve	23.1	20.1	22.5	23.1	24.4	113.1
Competitive Grants & Debt	309.3	87.2	121.0	124.0	1,041.0	1,682.5
Total Capital Program	\$ 395.9	\$ 166.2	\$ 193.1	\$ 197.5	\$ 1,116.5	\$ 2,069.4

- Other sources of funds may be added to the Fund Source list during this 5-year period as they become available for large projects

5 Year Capital Plan – FTA Formula Funds

FTA Formula Funded Capital Program	2026	2027	2028	2029	2030	5-Year Total
Federal Transit Administration - Funded Projects						
FTA Formula Funds	\$ 69,067,149	\$ 70,103,155	\$ 71,154,703	\$ 72,222,023	\$ 73,305,353	\$ 355,852,383
Prior Year FTA Formula Funds (Unallocated)	5,953,232	646,235	-	-	-	6,599,467
Total Funding From Formula Program	\$ 75,020,381	\$ 70,749,390	\$ 71,154,703	\$ 72,222,023	\$ 73,305,353	\$ 362,451,850
Preventive Maintenance	\$ 20,865,381	\$ 21,178,362	\$ 21,496,037	\$ 21,818,478	\$ 22,145,755	\$ 107,504,013
Total Programmed Items	\$ 20,865,381	\$ 21,178,362	\$ 21,496,037	\$ 21,818,478	\$ 22,145,755	\$ 107,504,013
Total Grant Funds Available for Projects	\$ 54,155,000	\$ 49,571,028	\$ 49,658,666	\$ 50,403,545	\$ 51,159,598	\$ 254,947,837
Track Rehabilitation Program - FTA	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000	\$ 130,000,000
Bridge Rehabilitation Program	6,400,000	7,557,152	3,508,666	6,653,545	6,609,598	30,728,961
Section Support Facilities	5,200,000	800,000	3,000,000	3,000,000	3,000,000	15,000,000
Bridge Program - FTA	4,869,000	5,213,876	5,000,000	5,000,000	5,000,000	25,082,876
Passenger Car Rehab FTA	1,850,000	1,850,000	2,000,000	2,000,000	2,000,000	9,700,000
Culvert Program - FTA	1,802,000	1,800,000	1,800,000	1,800,000	1,800,000	9,002,000
Transit Asset Management	1,300,000	-	1,200,000	-	-	2,500,000
SD70 Overhaul Program	1,144,000	-	1,200,000	-	1,200,000	3,544,000
Complex Culvert	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	9,000,000
Healy Canyon Walls	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	9,000,000
Tunnel Rehab Program	841,000	900,000	900,000	900,000	900,000	4,441,000
TSA Security Directive	450,000	500,000	100,000	100,000	100,000	1,250,000
Transportation Handheld Radio Replacement	417,000	-	-	-	-	417,000
Network Services	400,000	400,000	400,000	400,000	400,000	2,000,000
Intermediate Led Light Upgrades	400,000	400,000	400,000	400,000	-	1,600,000
Hurricane Section Building	340,000	-	-	-	-	340,000
Locomotive Backshop Car Mover	298,000	-	-	-	-	298,000
UCS Server Replacement	210,000	-	-	-	-	210,000
ROW Sight Triangle Clearing	150,000	150,000	150,000	150,000	150,000	750,000
SD70 Locomotive Software Upgrade	84,000	-	-	-	-	84,000
Total Estimated FTA Formula Funds Program	\$ 54,155,000	\$ 49,571,028	\$ 49,658,666	\$ 50,403,545	\$ 51,159,598	\$ 254,947,837

5 Year Capital Plan – Competitive Grants & Debt

FRA CRISI STC	2026	2027	2028	2029	2030	5-Year Total
Ballast Car Acquisition & Other Rolling Stock	\$ 4,945,000	\$ 8,375,000	\$ -	\$ -	\$ -	\$ 13,320,000
Fiber Extension Program	3,400,000	-	-	-	-	3,400,000
Side Dump Railcar Acquisition	1,030,000	1,000,000	-	-	-	2,030,000
Projects Funded by FRA CRISI STC	\$ 9,375,000	\$ 9,375,000	\$ -	\$ -	\$ -	\$ 18,750,000
Competitive Grants & Debt	2026	2027	2028	2029	2030	5-Year Total
Vehicles and Equipment Program	\$ -	\$ 10,000,000	\$ 10,000,000	\$ 6,000,000	\$ 6,000,000	\$ 32,000,000
Mechanical Office	-	-	5,000,000	-	-	5,000,000
Mechanical Warehouse	-	2,000,000	-	-	-	2,000,000
Locomotives	-	8,000,000	8,000,000	8,000,000	-	24,000,000
FRA Corridor ID Phase 2	5,343,000	-	-	-	-	5,343,000
Portage Tunnel	28,997,451	-	-	-	-	28,997,451
Bridge Rehabilitation	-	-	-	-	-	-
Hurricane Bridge 284.2	-	32,206,930	-	-	-	32,206,930
Pony Trusses BR 354.0/355.2	-	35,000,000	-	-	-	35,000,000
BR 351.4	-	-	35,000,000	-	-	35,000,000
BR 264.1	-	-	-	35,000,000	-	35,000,000
BR 14.5	-	-	-	-	35,000,000	35,000,000
Whittier Sea Wall	-	-	63,000,000	-	-	63,000,000
Whittier Barge Slip	-	-	-	75,000,000	-	75,000,000
Port MacKenzie Rail Extension	275,000,000	-	-	-	-	275,000,000
Rail Expansion (Livengood - Dunbar Extension)	-	-	-	-	1,000,000,000	1,000,000,000
Projects Funded by Competitive Grants & Debt	\$ 309,340,451	\$ 87,206,930	\$ 121,000,000	\$ 124,000,000	\$ 1,041,000,000	\$ 1,682,547,381

➤ 5 Year Capital Plan – Internally Funded Projects

Internal Funding	2026	2027	2028	2029	2030	5-Year Total
Non-Discretionary Projects						
Bridge 422.9 Replacement - FRA	\$ 1,007,000	\$ -	\$ -	\$ -	\$ -	\$ 1,007,000
Total - Non-Discretionary Projects	\$ 1,007,000	\$ -	\$ -	\$ -	\$ -	\$ 1,007,000
Continuing Programs						
Bridge Program - ARRC	\$ 2,404,000	\$ 11,355,000	\$ 13,170,000	\$ 14,440,000	\$ 15,370,000	\$ 56,739,000
Track Rehabilitation Program - ARRC	1,289,000	2,000,000	2,000,000	2,000,000	2,000,000	9,289,000
Docks And Slips Program	500,000	800,000	800,000	800,000	800,000	3,700,000
Vehicles and Equipment Program	500,000	-	-	-	-	500,000
GP Locomotive Overhaul Program	445,000	445,000	1,000,000	1,000,000	1,000,000	3,890,000
Freight Car Truck Program	300,000	-	-	-	250,000	550,000
Building Maintenance	260,000	200,000	200,000	200,000	200,000	1,060,000
Locomotive Truck Rebuild	250,000	250,000	250,000	250,000	250,000	1,250,000
Riprap Drainage Maintenance	250,000	500,000	500,000	500,000	500,000	2,250,000
Yard & Branch Improvements	250,000	500,000	500,000	500,000	500,000	2,250,000
Tenant Improvements	220,000	200,000	200,000	200,000	200,000	1,020,000
Passenger Car Rehab ARRC	200,000	500,000	500,000	500,000	500,000	2,200,000
Public Transportation System Security	200,000	200,000	200,000	200,000	200,000	1,000,000
Avalanche Program	151,150	150,000	150,000	150,000	150,000	751,150
Section Improvements	120,000	120,000	120,000	120,000	120,000	600,000
General Repair	80,000	100,000	100,000	100,000	100,000	480,000
Electrical Upgrades	70,000	100,000	100,000	100,000	100,000	470,000
Land And Utilities	50,000	100,000	100,000	100,000	100,000	450,000
Energy Management	35,000	100,000	100,000	100,000	100,000	435,000
Total - Continuing Programs	\$ 7,574,150	\$ 17,620,000	\$ 19,990,000	\$ 21,260,000	\$ 22,440,000	\$ 88,884,150

➤ 5 Year Capital Plan – Internally Funded Projects

Internal Funding (continued)	2026	2027	2028	2029	2030	5-Year Total
Strategic Business Initiatives						
Terminal Logistics Expansion - Seward and Fairbanks - AKLNG	\$ 7,734,000	\$ -	\$ -	\$ -	\$ -	\$ 7,734,000
Spur Expansions - AKLNG	2,878,800	-	-	-	-	2,878,800
PTC Vital Functions FRA	1,250,000	-	-	-	-	1,250,000
Seward Electrical	250,000	750,000	750,000	-	-	1,750,000
Whittier Barge Slip Replacement - Engineering & Design	186,000	-	-	-	-	186,000
Crew Calling System	175,000	-	-	-	-	175,000
Seward Terminal Office Prep	125,000	-	-	-	-	125,000
Whittier Seawall Replacement - Engineering & Design	108,000	-	-	-	-	108,000
Equipment Replacement Land Surveyor	95,000	-	-	-	-	95,000
ArcGIS Indoors	90,000	-	-	-	-	90,000
Palmer Wye PTC Comm Improvement	55,400	-	-	-	-	55,400
Depot Digital Signage	50,000	50,000	-	-	-	100,000
Rail Studio Hosted	45,000	-	-	-	-	45,000
Rail Studio Enhancements	30,000	-	-	-	-	30,000
Total - Strategic Business Initiatives	\$ 13,072,200	\$ 800,000	\$ 750,000	\$ -	\$ -	\$ 14,622,200
Rail Expansion Initiatives						
Rail Expansion Reserve	1,400,000	1,680,000	1,760,000	1,840,000	1,960,000	8,640,000
Total - Rail Expansion Initiatives	\$ 1,400,000	\$ 1,680,000	\$ 1,760,000	\$ 1,840,000	\$ 1,960,000	\$ 8,640,000
Total Internally Funded Project Requests	\$ 23,053,350	\$ 20,100,000	\$ 22,500,000	\$ 23,100,000	\$ 24,400,000	\$ 113,153,350
Estimated Funds from Internal Cash Flow	23,053,350	20,100,000	22,500,000	23,100,000	24,400,000	113,153,350
Total Internal Funding Shortage (Surplus)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Budget	\$ 395,923,801	\$ 166,252,958	\$ 193,158,666	\$ 197,503,545	\$ 1,116,559,598	\$ 2,069,398,568

Res. No. 2025-32 re 2026 Capital Budget_FINAL_12-08-2025 (With Appendix A)

Adopted:

Resolution No. 2025-32

Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428

WHEREAS, the Board of Directors of the Alaska Railroad Corporation (ARRC) is required to approve the Corporation's annual Capital Budget each fiscal year as specified in AS 42.40.120(c)(12) of the Alaska Railroad Corporation Act; and

WHEREAS, the approval to begin a capital project with an estimated cost of more than \$500,000 or an estimated completion time of more than one year requires specific board approval pursuant to AS 42.40.120(c)(13); and

WHEREAS, the Board of Directors has reviewed and discussed the proposed 2026 Capital Budget submitted by Management at its December 11, 2025 Special Board Meeting, which Budget is summarized on Attachment A hereto; and

WHEREAS, the Board of Directors finds that the 2026 Capital Budget is appropriate to meet the corporation's needs and responsibilities under the Alaska Railroad Corporation Act.

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors hereby adopts the 2026 Capital Budget as summarized on Attachment A hereto and hereby approves the commencement of the capital projects listed on Attachment A and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428 related to said projects.

2026 Recommended Capital List							
Description	CRISI STC - Tier 1 Funding	CRISI STC - Tier 2 Funding	2026 FTA - Tier 1 Funding	2026 FTA - Tier 2 Funding	Internal - Tier 1 Funding	Internal - Tier 2 Funding	Total Funding
2026 Track Rehabilitation Program - FTA	\$ -	\$ -	\$ 26,000,000	\$ -	\$ -	\$ -	\$ 26,000,000
Terminal Logistics Expansion - Seward and Fairbanks - AKLNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,734,000	\$ 7,734,000
2026 Bridge Rehabilitation Program	\$ -	\$ -	\$ 6,400,000	\$ -	\$ -	\$ -	\$ 6,400,000
2026 Operations Support Facilities - Healy Construction	\$ -	\$ -	\$ 5,200,000	\$ -	\$ -	\$ -	\$ 5,200,000
2026 Ballast Car Acquisition	\$ -	\$ 4,945,000	\$ -	\$ -	\$ -	\$ -	\$ 4,945,000
2026 Bridge Program - FTA	\$ -	\$ -	\$ 4,869,000	\$ -	\$ -	\$ -	\$ 4,869,000
Fiber Extension Program	\$ -	\$ 3,400,000	\$ -	\$ -	\$ -	\$ -	\$ 3,400,000
Spur Expansions - AKLNG	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,878,800	\$ 2,878,800
2026 Bridge Program - ARRC	\$ -	\$ -	\$ -	\$ -	\$ 2,404,000	\$ -	\$ 2,404,000
2026 Passenger Car Rehab FTA	\$ -	\$ -	\$ -	\$ 1,850,000	\$ -	\$ -	\$ 1,850,000
2026 Culvert Program - FTA	\$ -	\$ -	\$ 1,802,000	\$ -	\$ -	\$ -	\$ 1,802,000
2026 Transit Asset Management	\$ -	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
2026 Track Rehabilitation Program - ARRC	\$ -	\$ -	\$ -	\$ -	\$ 1,289,000	\$ -	\$ 1,289,000
PTC Vital Functions FRA - Supplemental	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000
SD70 Overhaul Program	\$ -	\$ -	\$ 1,144,000	\$ -	\$ -	\$ -	\$ 1,144,000
2026 Side Dump Railcar Acquisition	\$ -	\$ 1,030,000	\$ -	\$ -	\$ -	\$ -	\$ 1,030,000
Bridge 422.9 Replacement - FRA - Supplemental	\$ -	\$ -	\$ -	\$ -	\$ 1,007,000	\$ -	\$ 1,007,000
2026 Complex Culvert	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000
Healy Canyon Walls	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Tunnel Rehab Program	\$ -	\$ -	\$ 841,000	\$ -	\$ -	\$ -	\$ 841,000
2026 Docks And Slips Program	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
2026 Vehicles & Equipment Program	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
2026 TSA Security Directive	\$ -	\$ -	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000
GP-38-40 Locomotive Overhaul	\$ -	\$ -	\$ -	\$ -	\$ 445,000	\$ -	\$ 445,000
Transportation Handheld Radio Replacement	\$ -	\$ -	\$ 417,000	\$ -	\$ -	\$ -	\$ 417,000
2026 Network Services	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Intermediate Led Light Upgrades	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000
Hurricane Section Building	\$ -	\$ -	\$ 340,000	\$ -	\$ -	\$ -	\$ 340,000
2026 Freight Car Truck Program	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Locomotive Backshop Car Mover	\$ -	\$ -	\$ -	\$ 298,000	\$ -	\$ -	\$ 298,000
2026 Building Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 260,000	\$ -	\$ 260,000
Locomotive Truck Rebuild	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Seward Electrical	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
2026 Riprap Drainage Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
2026 Yard & Branch Improvements	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
2026 Tenant Improvements	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ -	\$ 220,000
UCS Server Replacement	\$ -	\$ -	\$ -	\$ 210,000	\$ -	\$ -	\$ 210,000
2026 Passenger Car Rehab ARRC	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
2026 Public Transportation System Security	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ 200,000
Whittier Barge Slip Replacement	\$ -	\$ -	\$ -	\$ -	\$ 186,000	\$ -	\$ 186,000
Crew Calling System	\$ -	\$ -	\$ -	\$ -	\$ 175,000	\$ -	\$ 175,000
2026 Avalanche Program	\$ -	\$ -	\$ -	\$ -	\$ 151,150	\$ -	\$ 151,150
ROW Sight Triangle Clearing	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000
Seward Terminal Office Prep	\$ -	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 125,000
2026 Section Improvements	\$ -	\$ -	\$ -	\$ -	\$ 120,000	\$ -	\$ 120,000
Whittier Seawall Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,000	\$ 108,000
Equipment Replacement Land Surveyor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,000	\$ 95,000
ArcGIS Indoors	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ 90,000
SD70 Locomotive Software Upgrade	\$ -	\$ -	\$ 84,000	\$ -	\$ -	\$ -	\$ 84,000
2026 General Repair	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ 80,000
2026 Electrical Upgrades	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ -	\$ 70,000
Palmer Wye PTC Comm Improvement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,400	\$ 55,400
2026 Depot Digital Signage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
2026 Land And Utilities	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000
Rail Studio Hosted	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ -	\$ 45,000
2026 Energy Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Rail Studio Enhancements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
	\$ -	\$ 9,375,000	\$ 49,347,000	\$ 4,808,000	\$ 10,667,150	\$ 10,986,200	\$ 85,183,350

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11407

Page 1

General Information:	
AFE Title:	2026 Track Rehabilitation Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1330
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 26,000,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 26,000,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 1,040,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 26,000,000	
Source of Funding	ARRC (20%)	\$ 5,200,000
Source of Funding	FTA (80%)	\$ 20,800,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 26,000,000	10/29/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 26,000,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Rachel Maddy	<i>Rachel Maddy</i>	11/12/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
VP, Owner Department:	Clark Hopp	<i>Clark Hopp</i>	11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/12/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11407

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>Adequate tie condition, regular surfacing, and rail replacement are essential to maintaining integrity of the track structure and avoiding derailments.</p>		
Scope of Work:		
<p>Under the Tie Program, 40,000 hardwood crossties and switch ties will be installed in the mainline and sidings. Additionally, 2,100 hardwood crossties and switch ties will be installed in the Fairbanks Airport Branch and Fairbanks Yard. (\$15,285,000)</p> <p>Under the Rail Program, 33,000' of CWR will be relaid. The Rail Program also funds ongoing thermite welding and rail pickup from previous year's programs, as well as Rail Flaw Detection. (\$8,500,000)</p> <p>In addition to the Tie and Rail Programs, the Track Rehabilitation Program includes a surfacing Program for surfacing within the districts (\$3,504,000).</p> <p>Some of the activities in the 2026 Track Rehab Program are ineligible for federal funding: Tie replacement in Fairbanks and rail flaw detection. The cost of these activities is estimated to be \$1,289,000. Thus, at a minimum, the 2026 Track Rehab Program budget request of \$27,289,000 must be funded with \$1,289,000 of ARRC internal funding.</p>		
ARRC Business Justification		
<p>Rail: Failure to replace worn rail increases the risk of rails breaking in service, increases the need for surfacing and tie replacement, and more frequently results in damaged wheels.</p> <p>Ties: Replacing deteriorated ties with new wood ties is necessary to avoid gage and surface problems.</p> <p>Surfacing: Surfacing reduces slow orders and improves train running times. Surfacing also results in a smoother train ride, reduced track maintenance, and reduced mechanical wear on equipment.</p> <p>Rail Flaw Detection: This functions is required annually by FRA.</p>		
Alternatives Considered:		
None.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	7,043,019
Labor (Fully Burdened)	\$	5,925,468
Materials	\$	10,644,958
Contracts	\$	2,386,555
Other Expenses	\$	-
Total	\$	26,000,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**









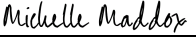


For Accounting Use Only

AFE# 11408

Page 1

General Information:	
AFE Title:	2026 Bridge Rehabilitation Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	Engineering
Resp. Center (#):	2200
Depreciation Center:	2200-Engineering
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 6,400,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 6,400,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 1,280,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 6,400,000	
Source of Funding	ARRC (20%)	\$ 1,280,000
Source of Funding	FTA (80%)	\$ 5,120,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 6,400,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 6,400,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Tyler Tubbs Gabriel Thomas Ben Rousseau	 11/12/2025  11/12/2025  11/12/2025	
Responsible Owner:	Blake Adolfae		11/12/2025
VP, Owner Department:	Brian Lindamood		11/12/2025
Functional User(s):	Andrew Burgess		11/12/2025
Chief Operating Officer:	Clark Hopp		11/12/2025
Grant Administration:	Christina Isabelle		11/13/2025
Chief Financial Officer:	Michelle Maddox		11/12/2025
Accounting Department:	Amy Kinnaman		11/12/2025
CEO & President:	Bill O'Leary		11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE# 11408

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:																																	
<p>The Alaska Railroad operates over the oldest transportation infrastructure in the State. Large scale and timely capital rehabilitation, repair, and replacement of this vital infrastructure is necessary for the reliability and overall safety of train operations. This project is an element of an ongoing bridge rehabilitation and replacement program needed to combat the steady degradation of bridge structures. This project is essential for reliable and safe train operations and maintaining the integrity of the rail system.</p>																																			
Scope of Work:																																			
<p>The project scope supports the replacement and/or rehabilitation of the bridge infrastructure eligible for federal funds. Specifically, funding addresses the engineering, design, permitting and environmental analysis of bridges at mile posts 14.5, 37.0, 37.3, 52.0, 207.8, 264.1, 347.4, 370.7 and construction at mile post 158.7.</p>																																			
ARRC Business Justification																																			
<p>The Project work is required to continue reliable and safe railroad operations. These projects keep our bridges in a state of good repair. In addition to funding the rehabilitation of two bridges, the project funding will support bridge rehabilitation and/or replacement through final engineering and design.</p>																																			
<table border="1"> <thead> <tr> <th>Job#</th> <th>Location</th> <th>Total Budget</th> </tr> </thead> <tbody> <tr> <td>TBD</td> <td>BR 14.5</td> <td>\$ 501,217</td> </tr> <tr> <td>TBD</td> <td>BR 37.0</td> <td>\$ 352,257</td> </tr> <tr> <td>TBD</td> <td>BR 37.3</td> <td>\$ 239,871</td> </tr> <tr> <td>TBD</td> <td>BR 52.0</td> <td>\$ 456,117</td> </tr> <tr> <td>TBD</td> <td>BR 158.7</td> <td>\$ 2,794,002</td> </tr> <tr> <td>TBD</td> <td>BR 207.8</td> <td>\$ 495,837</td> </tr> <tr> <td>TBD</td> <td>BR 264.1</td> <td>\$ 527,697</td> </tr> <tr> <td>TBD</td> <td>BR 347.4</td> <td>\$ 674,777</td> </tr> <tr> <td>TBD</td> <td>BR 370.7</td> <td>\$ 358,225</td> </tr> <tr> <td></td> <td>Total:</td> <td>\$ 6,400,000</td> </tr> </tbody> </table>			Job#	Location	Total Budget	TBD	BR 14.5	\$ 501,217	TBD	BR 37.0	\$ 352,257	TBD	BR 37.3	\$ 239,871	TBD	BR 52.0	\$ 456,117	TBD	BR 158.7	\$ 2,794,002	TBD	BR 207.8	\$ 495,837	TBD	BR 264.1	\$ 527,697	TBD	BR 347.4	\$ 674,777	TBD	BR 370.7	\$ 358,225		Total:	\$ 6,400,000
Job#	Location	Total Budget																																	
TBD	BR 14.5	\$ 501,217																																	
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TBD	BR 264.1	\$ 527,697																																	
TBD	BR 347.4	\$ 674,777																																	
TBD	BR 370.7	\$ 358,225																																	
	Total:	\$ 6,400,000																																	
Alternatives Considered:																																			
<p>Do nothing is not an option. As these legacy bridge structures continues to age ARRC experiences increased maintenance costs and faces eventual failure of the bridge structures.</p>																																			
Preliminary Budget:																																			
Line Description	Amount																																		
Equipment	\$ -																																		
Labor (Fully Burdened)	\$ 448,000																																		
Materials	\$ 192,000																																		
Contracts	\$ 5,760,000																																		
Other Expenses	\$ -																																		
Total	\$ 6,400,000																																		

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11410

Page 1

General Information:	
AFE Title:	Section Ops - Healy Construction
Prepared By:	LaFewt Knox
Resp. Center (Name):	Facilities/Real Estate
Resp. Center (#):	1845
Depreciation Center:	1845-Section Buildings
Line of Business:	Real Estate/Facilities
Spending Timetable:	
2026	\$ 5,200,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 5,200,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 1,040,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	5,200,000
Source of Funding	ARRC (20%)	\$ 1,040,000
Source of Funding	FTA (80%)	\$ 4,160,000
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 5,200,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 5,200,000	10/30/25

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	James Ashton	<i>James Ashton</i>	11/12/2025
Responsible Owner:	Shane Maloney	<i>Shane Maloney</i>	11/12/2025
VP, Owner Department:	Christy Terry	<i>Christy Terry</i>	11/13/2025
Functional User(s):	Shane Maloney	<i>Shane Maloney</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/12/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11410

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
This program moves remote employee living facilities further from active tracks and section facilities to improve safety, provide better employee rest and separation from work activities.		
Scope of Work:		
This funding is for the construction of support facilities at the Healy section. The project includes an oval-shaped drive surrounding a central fill area, on which five new double-unit cabin shelters, one of which is ADA accessible, will be built, along with an office/break shelter and a shower/restroom facility. Additional features include 20 RV stalls equipped with power receptacles, a water storage and distribution shelter, and two septic systems, one serving the RV stalls and another serving the cabins and shower/restroom facility.		
ARRC Business Justification		
In 2019, ARRC initiated a program to upgrade all of the living and work areas at the sections to modern facilities that will enhance the employee's quality of living when assigned to these remote areas. This is a quality of life and health/safety project intended to improve living conditions for our remote employees.		
Alternatives Considered:		
A location has been selected, investigated, culturally surveyed for NEPA purposes, and has NEPA approval. Geotechnical investigation and water quality analysis has been conducted, and clearing to perform these functions. It would be costly and time prohibitive to select another location at this point, but other locations are available.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	6,000
Labor (Fully Burdened)	\$	132,000
Materials	\$	-
Contracts	\$	5,062,000
Other Expenses	\$	-
Total	\$	5,200,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

For Accounting Use Only

AFE# 11411

Page 1

General Information:	
AFE Title:	2026 Ballast Railcar Acquisition
Prepared By:	LaFewt Knox
Resp. Center (Name):	Mechanical
Resp. Center (#):	1318
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2026	\$ 2,403,300
2027	\$ 2,541,700
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 4,945,000
Other Information	
Useful Life (Years):	40
Annual Depreciation:	\$ 123,625.00
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 4,945,000	
Source of Funding	ARRC (20%)	\$ 989,000
Source of Funding	CRISI STC (80%)	\$ 3,956,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 4,945,000	10/31/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 4,945,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Jesse Moose	<i>Jesse Moose</i>	11/12/2025
Responsible Owner:	Rusty Pochatco	<i>Rusty Pochatko</i>	11/12/2025
Chief Mechanical Officer:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/12/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11411

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The existing ballast cars have exceeded their service life. Replacing the ballast cars with a fleet that is in a state of good repair will improve the safe movement of ballast on ARRC rail line. The proposed new cars can be operated remotely, eliminating the need for groundman operation, which is currently used with the aged fleet.</p>		
Scope of Work:		
<p>This project will fund the acquisition of approximately fourteen (14) ballast hoppers for MOW. The cars will be outfitted with modern (remote) gates, as well as steep side sheets to facilitate rapid and targeted unloading.</p>		
ARRC Business Justification		
<p>The ballast fleet is an irreplaceable tool to MOW in regular and emergency service. The fleet is mostly 1955 vintage (69 years old, 46 cars), with the oldest cars of 1953 vintage (71 years old, 18 cars). These cars are converted coal cars, with discharge gates that require a groundman to operate. Replacement of a portion of the fleet should reduce unload time and work train usage. Adding to the fleet will allow the oldest/mechanically worst units in the fleet to be retired, reducing maintenance costs.</p>		
Alternatives Considered:		
<p>1. Do not replace ballast cars 2. Replace ballast cars</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	4,006,800
Labor (Fully Burdened)	\$	211,200
Materials	\$	-
Contracts	\$	-
Other Expenses	\$	727,000
Total	\$	4,945,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form

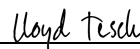



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AFE# 11412

Page 1

General Information:	
AFE Title:	2026 Bridge Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1341
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 4,869,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 4,869,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 194,760
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	4,869,000
Source of Funding	ARRC (20%)	\$ 973,800
Source of Funding	FTA (80%)	\$ 3,895,200
Source of Funding		
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 4,869,000	10/29/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 4,869,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Bryan Montgomery		11/12/2025
Responsible Owner:	Rachel Maddy		11/12/2025
VP, Owner Department:	Clark Hopp		11/12/2025
Functional User(s):	Lloyd Tesch		11/12/2025
Chief Operating Officer:	Clark Hopp		11/12/2025
Grant Administration:	Christina Isabelle		11/13/2025
Chief Financial Officer:	Michelle Maddox		11/12/2025
Accounting Department:	Amy Kinnaman		11/12/2025
CEO & President:	Bill O'Leary		11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11412

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The Bridge Gang is directly responsible for implementation of an ongoing program of bridge repair, rehabilitation, and improvement to address normal wear and tear on bridges as well as unexpected maintenance events. The Bridge Gang also addresses repairs, rehabilitation, and improvements to large culverts and retaining walls. This work is necessary to maintain the integrity of our infrastructure required for safe train operations.</p>		
Scope of Work:		
<p>The Bridge Gang capital program includes all planning, permitting, training, tools, materials, equipment, and labor to continue the ongoing and programmatic repair, rehabilitation, and replacement work required to keep ARRC bridges, large culverts, and retaining walls in a safe and functional state. The Bridge Gang also addresses unexpected maintenance events.</p> <p>The 2026 Bridge Gang program specifically includes:</p> <ul style="list-style-type: none"> - federally eligible superstructure and tie deck work (\$4,869,000) - bridge work ineligible for federal funding (\$2,404,000) - Note that this covers work that MUST BE INTERNALLY FUNDED <p>**Note that engineering is not included</p>		
ARRC Business Justification		
<p>A consistently supported bridge rehabilitation and improvement program allows ARRC to maintain the structural integrity of system bridges, support consistent or increasing track speeds, and improve the corporation's ability to meet customer needs in a timely manner.</p> <p>Not supporting a continuing bridge program has a cost to the integrity of the track infrastructure. However, timing and cost of derailments or catastrophic failure, and resulting revenue lost, are difficult to estimate. Short of these types of incidents, lost revenue would be due to declining track speeds and slower trains, as the quality of bridge structures degrade to the point that they could not safely support the greater speeds.</p>		
Alternatives Considered:		
None		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	1,563,589
Labor (Fully Burdened)	\$	2,495,261
Materials	\$	810,150
Contracts	\$	-
Other Expenses	\$	-
Total	\$	4,869,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation

Authorization for Expenditure Form

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AFE# 11413

Page 1

General Information:	
AFE Title:	Fiber Extension Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Communications
Resp. Center (#):	2650
Depreciation Center:	2650-Telecommunications
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2026	\$ 3,400,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 3,400,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 136,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 3,400,000	
Source of Funding	ARRC (20%)	\$ 680,000
Source of Funding	CRISI (80%)	\$ 2,720,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 3,400,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 3,400,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Isiah Peter	<i>Isiah Peter</i>	11/13/2025
Responsible Owner:	Joe Carton	<i>Joe Carton</i>	11/12/2025
VP, Owner Department:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Functional User(s):	Otto Wendt	<i>Otto Wendt</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11413

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>This project is requested to improve avalanche and train movement detection as well as identify animal and pedestrian activity on or near the Tracks. Additionally, the new system will be capable of continuous defect detection through a critical, isolated corridor.</p>		
Scope of Work:		
<p>The project will replace the fiber cable at five locations and purchase and install fiber sensing technology in Bear Valley:</p> <ol style="list-style-type: none"> 1. CP COHO to CP F08.4 - 13,800 ft 2. CP F120 South to Portage Station House - 6,500 ft 3. GOB to CP 1130 - 8,000 ft 4. GOB to CP 1170 - 15,500 ft 5. Bear Valley (Door 4) to CP F08.4 - Purchase and install new Fiber Sensing Technology 		
ARRC Business Justification		
<p>The fiber cable replaces damaged never used fiber or low bandwidth radio that has exceeded its useful life (technology-wise) and is becoming less and less reliable. The low bandwidth radio cannot support today's bandwidth intensive applications including live video feeds. The fiber optic cable will provide the necessary bandwidth and reliability for the next 30+ years. The capability to support cellular boosters for avalanche detection and reliable video feeds for the avalanche slide zone is critical to safe movement of trains and cargo through a hazardous area that sees multiple events each year.</p>		
Alternatives Considered:		
<p>We can continue maintaining existing systems but long-term productivity will suffer as we fall farther behind on the Technology spectrum.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment (Contract)	\$	342,000
Labor (Fully Burdened)	\$	287,500
Materials	\$	380,931
Contracts	\$	1,983,000
Other Expenses	\$	298,759
Total	\$	3,400,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form








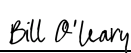
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AFE# 11414

Page 1

General Information:	
AFE Title:	2026 Bridge Program - ARRC
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1341
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 2,404,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 2,404,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 96,160
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 2,404,000	
Source of Funding	ARRC	\$ 2,404,000
Source of Funding		
Source of Funding		
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 2,404,000	10/29/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 2,404,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Bryan Montgomery		11/12/2025
Responsible Owner:	Rachel Maddy		11/12/2025
VP, Owner Department:	Clark Hopp		11/13/2025
Functional User(s):	Lloyd Tesch		11/12/2025
Chief Operating Officer:	Clark Hopp		11/13/2025
Grant Administration:	Christina Isabelle	N/A	
Chief Financial Officer:	Michelle Maddox		11/12/2025
Accounting Department:	Amy Kinnaman		11/12/2025
CEO & President:	Bill O'Leary		11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
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AFE# 11414

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The Bridge Gang is directly responsible for implementation of an ongoing program of bridge repair, rehabilitation, and improvement to address normal wear and tear on bridges as well as unexpected maintenance events. The Bridge Gang also addresses repairs, rehabilitation, and improvements to large culverts and retaining walls. This work is necessary to maintain the integrity of our infrastructure required for safe train operations.</p>		
Scope of Work:		
<p>The Bridge Gang capital program includes all planning, permitting, training, tools, materials, equipment, and labor to continue the ongoing and programmatic repair, rehabilitation, and replacement work required to keep ARRC bridges, large culverts, and retaining walls in a safe and functional state. The Bridge Gang also addresses unexpected maintenance events.</p> <p>The 2026 Bridge Gang program specifically includes:</p> <ul style="list-style-type: none"> - federally eligible superstructure and tie deck work (\$4,869,000) - bridge work ineligible for federal funding (\$2,404,000) - Note that this covers work that MUST BE INTERNALLY FUNDED 		
ARRC Business Justification		
<p>A consistently supported bridge rehabilitation and improvement program allows ARRC to maintain the structural integrity of system bridges, support consistent or increasing track speeds, and improve the corporation's ability to meet customer needs in a timely manner.</p> <p>Not supporting a continuing bridge program has a cost to the integrity of the track infrastructure. However, timing and cost of derailments or catastrophic failure, and resulting revenue lost, are difficult to estimate. Short of these types of incidents, lost revenue would be due to declining track speeds and slower trains, as the quality of bridge structures degrade to the point that they could not safely support the greater speeds.</p>		
Alternatives Considered:		
None		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	772,000
Labor (Fully Burdened)	\$	1,232,000
Materials	\$	400,000
Contracts	\$	-
Other Expenses	\$	-
Total	\$	2,404,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE 11415

Page 1

General Information:	
AFE Title:	2026 Passenger Car Rehabilitation Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	Passenger Car Shop
Resp. Center (#):	1243
Depreciation Center:	1243-Passenger Car Repair
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 370,000
2027	\$ 1,480,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,850,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 74,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	1,850,000
Source of Funding	ARRC (20%)	\$ 370,000
Source of Funding	FTA (80%)	\$ 1,480,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,850,000	11/07/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,850,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Cody Lourie	<i>Cody Lourie</i>	11/12/2025
Responsible Owner:	Tucker Remley	<i>E. Tucker Remley</i>	11/12/2025
VP, Owner Department:	Dave Greenhalgh	<i>David Greenhalgh</i>	11/12/2025
Functional User(s):	Mark Baehm	<i>Mark Baehm</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11415

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The ARRC may face the risk of minor or major injury to a passenger or employee if maintenance items are not corrected or kept in a state of good repair. ARRC Passenger capital team is focused on capital investments that also reduce risk to the contractors and ARRC employees charged with maintaining the equipment.</p>		
Scope of Work:		
<p>The program includes work on 6 passenger cars specifically the project will purchase replacement 40 year trucks for cars ARR 522 and 500, perform 20yr exterior metal repairs and repainting of ARR 103, 111 & 651, perform 20yr HVAC conversion on car 452 and 25yr refurbishment of ARR 651 galley.</p>		
ARRC Business Justification		
<p>The rolling 5-year rehabilitation plan is the result of the Marketing and Sales business unit along with the Mechanical Department working together with the Project Manager to ensure the plan is complete and prioritized on an on-going basis. This program maintains, rehabilitates and replenishes ARRC passenger car assets. All investments are focused on providing materials that meet the customers needs, provide longevity and extended replacement cycle periods.</p> <p>Funding is requested in accordance with the rolling 5-year rehabilitation plan and is consistent with 20 year TAM prioritization based on equipment condition assessments. The scope of the work may change based on work reprioritization.</p>		
Alternatives Considered:		
<p>None. Continuing capital maintenance ensures passenger rolling stock is in safe and in good operating condition to support passenger rail services.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	75,900
Materials	\$	493,600
Contracts	\$	1,155,500
Other Expenses	\$	125,000
Total	\$	1,850,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11416

Page 1

General Information:	
AFE Title:	2026 Culvert Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1330
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 1,802,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,802,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 72,080
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	1,802,000
Source of Funding	ARRC (20%)	\$ 360,400
Source of Funding	FTA (80%)	\$ 1,441,600
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,802,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,802,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Rachel Maddy	<i>Rachel Maddy</i>	11/12/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
VP, Owner Department:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
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AFE# 11416

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
The culvert program is charged with inspection, maintenance, improvement, and replacement of worn, damaged, and failing drainage features throughout the rail belt. Drainage features such as culverts and ditches are critical infrastructure items that carry water way from the roadbed, preventing saturation, degradation, and washout.		
Scope of Work:		
The culvert program includes design, permitting, material procurement, mobilization, site work, and demobilization required to rehabilitation and/or replace approximately 20 culverts in 2026. (\$1,802,000).		
ARRC Business Justification		
Drainage features such as culverts and ditches are critical to track integrity. Generally, the useful life of a standard culvert in optimal conditions is about 40 years. Replacement, rehabilitation, and maintenance of culverts should happen on a regular programmatic basis to maintain the integrity of the track structure and minimize the risk of culvert failure / track structure failure, thereby reducing costs associated with unexpected washouts and increased transport time due to slow orders.		
Alternatives Considered:		
None		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	669,000
Labor (Fully Burdened)	\$	639,000
Materials	\$	494,000
Contracts	\$	-
Other Expenses	\$	-
Total	\$	1,802,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

For Accounting Use Only

AFE# 11417

Page 1

General Information:	
AFE Title:	Transit Asset Management 2026
Prepared By:	LaFewt Knox
Resp. Center (Name):	Operations
Resp. Center (#):	3910
Depreciation Center:	2600-Info, Tech & Telecom Admin
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 300,000
2027	\$ 1,000,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,300,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 260,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	1,300,000
Source of Funding	ARRC (20%)	\$ 260,000
Source of Funding	FTA (80%)	\$ 1,040,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,300,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,300,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Josh Cappel	<i>Josh Cappel</i>	11/12/2025
Responsible Owner:	Beth Fleischer	<i>Beth Fleischer</i>	11/12/2025
Owner Department:	LaFewt Knox	<i>LaFewt Knox</i>	11/12/2025
Functional User(s):	Jeffrey Brown	<i>Jeffrey Brown</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE# 11417

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>This project supports the integration of asset management best practices that promote a State of Good Repair across critical infrastructure. By proactively managing asset condition and lifecycle, we can reduce the risk of equipment deficiencies that may pose safety hazards to employees, passengers, or the general public. A well-maintained asset base is essential to ensuring safe, reliable railroad operations.</p>		
Scope of Work:		
<p>This project will continue the multi-year implementation of asset management software solution(s) designed to support the Alaska Railroad's long-term infrastructure strategy. The scope includes system expansion, configuration, and integration efforts that enhance our ability to manage assets in alignment with Federal Transit Administration (FTA) guidance. This investment will support improved tracking, reporting, and decision-making across asset categories, while allowing flexibility to adapt the tools and processes as operational needs evolve. The asset category of emphasis is expected to be System Assets.</p>		
ARRC Business Justification		
<p>This project directly aligns to the Alaska Railroad's Strategic Goal 5: Optimize Capital Program Investment and Management, and shall strengthen asset management capabilities across all departments. Continued investment in software solutions will improve our ability to plan, track, and manage assets in accordance with Federal Transit Administration (FTA) guidance. A robust asset management system enhances operational efficiency, supports regulatory compliance, and enables data-driven decision-making for capital planning and maintenance. Expanding and refining these tools will help ensure our infrastructure remains safe, reliable, and aligned with long-term service and investment goals.</p>		
Alternatives Considered:		
<p>Continue Using Disparate Systems: One option would be to maintain the current mix of department-specific tools (e.g., JDE, GIS forms, Web Helpdesk). However, this approach limits data integration, increases manual effort, and makes it difficult to meet FTA reporting requirements consistently across asset categories.</p> <p>Develop a Custom In-House Solution: Building a custom asset management platform could offer tailored functionality, but it would require significant internal development resources which currently don't exist, require extensive long-term maintenance, and may not meet FTA compliance standards as effectively as a purpose-built solution.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	85,000
Materials	\$	-
Contracts	\$	1,215,000
Other Expenses	\$	-
Total	\$	1,300,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11418

Page 1

General Information:	
AFE Title:	2026 Track Rehabilitation Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	MOW
Resp. Center (#):	1330
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 1,289,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,289,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 51,560
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	1,289,000
Source of Funding	ARRC	\$ 1,289,000
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,289,000	10/29/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,289,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Rachel Maddy	<i>Rachel Maddy</i>	11/12/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
VP, Owner Department:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
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AFE# 11418

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>Adequate tie condition, regular surfacing, and rail replacement are essential to maintaining integrity of the track structure and avoiding derailments.</p>		
Scope of Work:		
<p>Under the Tie Program, 40,000 hardwood crossties and switch ties will be installed in the mainline and sidings. Additionally, 2,100 hardwood crossties and switch ties will be installed in the Fairbanks Airport Branch and Fairbanks Yard. (\$15,285,000)</p> <p>Under the Rail Program, 33,000' of CWR will be relaid. The Rail Program also funds ongoing thermite welding and rail pickup from previous year's programs, as well as Rail Flaw Detection. (\$8,500,000)</p> <p>In addition to the Tie and Rail Programs, the Track Rehabilitation Program includes a surfacing Program for surfacing within the districts (\$3,504,000).</p> <p>Some of the activities in the 2026 Track Rehab Program are ineligible for federal funding: Tie replacement in Fairbanks and rail flaw detection. The cost of these activities is estimated to be \$1,289,000. Thus, at a minimum, the 2026 Track Rehab Program budget request of \$27,289,000 must be funded with \$1,289,000 of ARRC internal funding.</p>		
ARRC Business Justification		
<p>Rail: Failure to replace worn rail increases the risk of rails breaking in service, increases the need for surfacing and tie replacement, and more frequently results in damaged wheels.</p> <p>Ties: Replacing deteriorated ties with new wood ties is necessary to avoid gage and surface problems.</p> <p>Surfacing: Surfacing reduces slow orders and improves train running times. Surfacing also results in a smoother train ride, reduced track maintenance, and reduced mechanical wear on equipment.</p> <p>Rail Flaw Detection: This functions is required annually by FRA.</p>		
Alternatives Considered:		
None.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	383,450
Labor (Fully Burdened)	\$	393,560
Materials	\$	384,173
Contracts	\$	127,817
Other Expenses	\$	-
Total	\$	1,289,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

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AFE# 11419

Page 1

General Information:	
AFE Title:	2026 SD70 Overhaul Program - FTA
Prepared By:	LaFewt Knox
Resp. Center (Name):	Mechanical
Resp. Center (#):	1225
Depreciation Center:	1225-Locomotive Repair
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2026	\$ 1,144,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,144,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 228,800
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 1,144,000	
Source of Funding	ARRC (20%)	\$ 228,800
Source of Funding	FTA (80%)	\$ 915,200
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,144,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,144,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Jesse Moose	<i>Jesse Moose</i>	11/13/2025
Responsible Owner:	Bryan Cothran	<i>Bryan Cothran</i>	11/13/2025
VP, Owner Department:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Functional User(s):	Andrew Burgess	<i>Andrew Burgess</i>	11/13/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/13/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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AFE# 11419

Page 2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work:		
<p>Purchase one running take-out 710G3C engine from K&K. Purchase two overhaul kits from Progress Rail. Send the RTO and kits to Peaker Services and perform the overhaul. While that work is being performed, pull the engine from the 4320 with the damaged crankshaft and send it along with an additional kit to Peaker Services. Once we get the first engine back, install it into the 4320 to return the locomotive to service. Once Peaker Service finishes the repairs and overhaul on the original engine out of the 4320 that will become the seed engine to kick start the following years' engine overhaul program.</p>		
ARRC Business Justification		
<p>This work will return the 4320 locomotive to service, which is a hotel power capable locomotive for the passenger coaches capable (HEP). Our HEP capable locomotives are critical to our passenger operations. This work will also give the mechanical department a seed engine to begin our overdue overhaul program.</p>		
Alternatives Considered:		
<p>None. By not returning the 4320 to service could impact passenger train operations and potentially lead to canceled passenger trains.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	-
Labor (Fully Burdened)	\$	134,256
Materials	\$	699,000
Contracts	\$	250,000
Other Expenses	\$	60,744
Total	\$	1,144,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
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AFE# 11420

Page 1

General Information:	
AFE Title:	2026 Side Dump Railcar Acquisition
Prepared By:	LaFewt Knox
Resp. Center (Name):	Mechanical
Resp. Center (#):	1233
Depreciation Center:	1233-Freight Car Repair
Line of Business:	Transportation/Mechanical
Spending Timetable:	
2026	\$ 250,000
2027	\$ 780,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,030,000
Other Information	
Useful Life (Years):	50
Annual Depreciation:	\$ 20,600
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 1,030,000	
Source of Funding	ARRC (20%)	\$ 206,000
Source of Funding	CRISI STC (80%)	\$ 824,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,030,000	10/29/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,030,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Jesse Moose	<i>Jesse Moose</i>	11/12/2025
Responsible Owner:	Rusty Pochatco	<i>Rusty Pochatco</i>	11/12/2025
Owner Department:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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AFE# 11420

Page 2

Is this project related to health and/or safety?	YES	If yes describe:
<p>The existing side dump is aging and in need of repair or replacement. In addition to routine maintenance activities, these cars are used for emergency response during track outages and disasters. A fully functioning fleet is necessary for safe operation and maintenance.</p>		
Scope of Work:		
<p>This project will fund the acquisition of a minimum of two (2) side dump railcars of the same design as the existing AKRR fleet.</p>		
ARRC Business Justification		
<p>The side dump fleet is an invaluable tool to MOW in regular and emergency service. The fleet is in constant demand, both for MOW & external customers. The fleet is mostly 1992 vintage (32/33 years old). Our goal with this acquisition is to replace the fleet two cars at a time.</p>		
Alternatives Considered:		
<p>1. Do not replace the side dumps 2. Replace the side dumps in a phased approach 3. Replace all of the side dumps at once</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	916,900
Labor (Fully Burdened)	\$	113,100
Materials	\$	-
Contracts	\$	-
Other Expenses	\$	-
Total	\$	1,030,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

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AFE# 11421

Page 1

General Information:	
AFE Title:	2026 Complex Culvert Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Capital Projects
Resp. Center (#):	2200
Depreciation Center:	2200-Engineering
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 870,000
2027	\$ 130,000
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,000,000
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 40,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 1,000,000	
Source of Funding	ARRC (20%)	\$ 200,000
Source of Funding	FTA (80%)	\$ 800,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,000,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,000,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Gabriel Thomas		11/13/2025
Responsible Owner:	Blake Adolfae	<i>Blake Adolfae</i>	11/13/2025
VP, Owner Department:	Brian Lindamood		11/13/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/13/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/13/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/13/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/13/2025
Board of Directors:	John Shively		

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AFE# 11421

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:																														
<p>Culvert rehabilitation is essential for ensuring track safety. Potential track issues resulting from failing culverts include:</p> <ol style="list-style-type: none"> 1. In-Track Sinkholes 2. Embankment Failures & Washouts 3. Saturated railbed & associated frost heaving and localized settlement <p>Proper assessment, prioritization, and rehabilitation of culverts will provide for long-term track safety improvements that will reduce ARRC's exposure to lost time, lost productivity, train derailments, property damage and environmental hazards.</p>																																
Scope of Work:																																
<p>The project in 2026 intends to complete preliminary engineering and design up to 30% and obtain NEPA approval of the culverts located at MP33.78, MP33.83, MP43.84, MP43.94, MP44.34, MP44.42 and MP439.66. Additionally, the 2026 program intends to complete Final Design of MP210.71.</p> <table border="1"> <thead> <tr> <th>Project Name</th> <th>AFE</th> <th>Project Budget</th> </tr> </thead> <tbody> <tr> <td>MP 33.78 PE</td> <td>TBD</td> <td>\$ 117,400</td> </tr> <tr> <td>MP 33.83 PE</td> <td>TBD</td> <td>\$ 117,400</td> </tr> <tr> <td>MP 43.84 PE</td> <td>TBD</td> <td>\$ 116,200</td> </tr> <tr> <td>MP 43.94 PE</td> <td>TBD</td> <td>\$ 116,200</td> </tr> <tr> <td>MP 44.34 PE</td> <td>TBD</td> <td>\$ 122,400</td> </tr> <tr> <td>MP 44.42 PE</td> <td>TBD</td> <td>\$ 122,400</td> </tr> <tr> <td>MP 439.66 PE</td> <td>TBD</td> <td>\$ 148,500</td> </tr> <tr> <td>MP 210.71 FD</td> <td>TBD</td> <td>\$ 139,500</td> </tr> <tr> <td>2026 Complex Culvert Program Total:</td> <td></td> <td>\$ 1,000,000</td> </tr> </tbody> </table>			Project Name	AFE	Project Budget	MP 33.78 PE	TBD	\$ 117,400	MP 33.83 PE	TBD	\$ 117,400	MP 43.84 PE	TBD	\$ 116,200	MP 43.94 PE	TBD	\$ 116,200	MP 44.34 PE	TBD	\$ 122,400	MP 44.42 PE	TBD	\$ 122,400	MP 439.66 PE	TBD	\$ 148,500	MP 210.71 FD	TBD	\$ 139,500	2026 Complex Culvert Program Total:		\$ 1,000,000
Project Name	AFE	Project Budget																														
MP 33.78 PE	TBD	\$ 117,400																														
MP 33.83 PE	TBD	\$ 117,400																														
MP 43.84 PE	TBD	\$ 116,200																														
MP 43.94 PE	TBD	\$ 116,200																														
MP 44.34 PE	TBD	\$ 122,400																														
MP 44.42 PE	TBD	\$ 122,400																														
MP 439.66 PE	TBD	\$ 148,500																														
MP 210.71 FD	TBD	\$ 139,500																														
2026 Complex Culvert Program Total:		\$ 1,000,000																														
ARRC Business Justification																																
<p>The focus of the Complex Culvert Program is to repair and replace inadequate or failing culverts. If this work is not performed, these culverts can fail, causing the roadbed to wash away or the tracks to become impassable. If the mainline is damaged and taken out of service, critical revenue will be lost. Damaged roadbeds may cause an unexpected train derailment resulting in property damage and endangering the lives of those involved in the incident. Additionally, there is a much higher cost to reactively replacing failed embankments and culverts. Poor weather conditions, lack of personnel / equipment availability, and strict time constraints may not only reduce the quality of the repair, but also increase the overall replacement cost. Preventively maintaining and replacing necessary culverts, prior to their inevitable failure will insure greater track safety, and service reliability for ARRC's customer needs, all while also reducing ARRC liabilities and ongoing maintenance cost.</p>																																
Alternatives Considered:																																
<p>Alternatives to the proposed project include items that are already performed in the field, such as maintenance. However, maintenance has limited reach and cannot properly address the structurally compromised culverts, or improve their capacity or functionality. Culverts identified herein are in need of total rehabilitation and replacement moving forward.</p>																																
Preliminary Budget:																																
Line Description	Amount																															
Equipment	\$ 64,464																															
Labor (Fully Burdened)	\$ 329,136																															
Materials	\$ -																															
Contracts	\$ 606,400																															
Other Expenses	\$ -																															
Total	\$ 1,000,000																															

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
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AFE# 11422

Page 1

General Information:	
AFE Title:	Healy Canyon Walls
Prepared By:	LaFewt Knox
Resp. Center (Name):	Project Management
Resp. Center (#):	2500
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 1,000,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 1,000,000
Other Information	
Useful Life (Years):	50
Annual Depreciation:	\$ 20,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 1,000,000	
Source of Funding	ARRC (20%)	\$ 200,000
Source of Funding	FTA (80%)	\$ 800,000
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 1,000,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,000,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Jesse Moose	<i>Jesse Moose</i>	11/13/2025
Responsible Owner:	Blake Adolfae	<i>Blake Adolfae</i>	11/12/2025
VP, Owner Department:	Brian Lindamood	<i>Brian Lindamood</i>	11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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AFE# 11422

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>Continuing movement of the natural geologic structure in the Healy Canyon area presents ongoing track, drainage, slope, and retaining wall maintenance to ensure safe train operations through the corridor.</p>		
Scope of Work:		
<p>This is the preliminary engineering phase for walls at MP 353.96, MP 354.06 and MP 354.10.</p> <p>Preliminary Engineering Scope: Perform preliminary design, field surveys, and field studies to verify underlying and existing conditions at the walls. This effort will be used to develop professional recommendations for wall rehabilitation, or reconstruction, as required. This stage of the project will produce all required documentation necessary to insure compliance with NEPA regulations. At the conclusion of this phase of work, the project should have 30% design plans, NEPA concurrence, and necessary field data.</p>		
ARRC Business Justification		
<p>The rail alignment through the Healy Canyon was engineered and constructed prior to 1922. The mainline track is supported by a terraced rock level above the river. The rock structure supporting rail infrastructure consists of natural water drainage and seepage from the mountain top to the river below.</p> <p>Legacy retaining wall and drainage features co-exist with improvements that have been installed over time to ensure stability, and provide for drainage through, and around the rail infrastructure as the water, rock and sediment continue to creep toward the river.</p> <p>The construction effort this project propose enhances and provides long term stability to a section of track that is susceptible to slope failure.</p>		
Alternatives Considered:		
<p>No build</p> <p>The alignment through this area will continue to require capital maintenance investment to maintain and/or improve the infrastructure so as to allow for stability and the continuation of safe and efficient rail operations.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	16,560
Labor (Fully Burdened)	\$	157,440
Materials	\$	-
Contracts	\$	826,000
Other Expenses	\$	-
Total	\$	1,000,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

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Authorization for Expenditure Form

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AFE# 11423

Page 1

General Information:	
AFE Title:	2026 Railroad Tunnel Rehabilitation Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Maintenance
Resp. Center (#):	1318
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 756,982
2027	\$ 84,018
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 841,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 168,200
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	841,000
Source of Funding	ARRC (20%)	\$ 168,200
Source of Funding	FTA (80%)	\$ 672,800
Source of Funding		\$ -
Grant Number	TBD	
Grant Name	TBD	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 841,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 841,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Gabriel Thomas		11/12/2025
Responsible Owner:	Blake Adolfae	<i>Blake Adolfae</i>	11/12/2025
VP, Owner Department:	Brian Lindamood		11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	<i>Christina Isabelle</i>	11/13/2025
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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AFE# 11423

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
<p>The primary purpose of this project is to implement safety improvements throughout the tunnel district, which spans from MP 51 to MP 53. Safety improvements will reduce the risk of incidents (property damage, service disruption), and bodily harm that may result from tunnel maintenance backlogs, slope stability concerns, and snow/debris slides.</p>		
Scope of Work:		
<p>This 2026 Capital Request is to advance 30% engineering efforts of the most critical assets of the previously identified projects to 100% Ready to bid construction package.</p>		
ARRC Business Justification		
<p>The project will decrease maintenance costs, improve transportation efficiency, and reduce the likelihood of rail outages as a result of failure.</p> <p>Potential Improvements include the following:</p> <ul style="list-style-type: none"> – Installation of a new retaining wall to stabilize the failing embankment adjacent to the southern portal of Tunnel 4 and all necessary associated drainage improvements. – Finish blasting the rock face running parallel to the mainline track between the two tunnel portals to reduce risk of rock fall. (Final phase to complete MP 52.24 rock fall mitigation Ref. 10793) – Demolish the legacy tunnel lining / icing shield and replace with a multi-plate insulated tunnel liner for approximately 242 feet of track within Tunnel 2 near the northern portal. – Resurfacing of the mainline track post-construction to include placement of ballast. – New retaining walls and associated drainage improvements at MP 52. 		
Alternatives Considered:		
<p>Alternatives will be evaluated and prioritized during the 0-15% phase. After which, priority projects will be identified and progressed through PE and NEPA approval.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	25,586
Labor (Fully Burdened)	\$	132,914
Materials	\$	-
Contracts	\$	682,500
Other Expenses	\$	-
Total	\$	841,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE# 11424

Page 1

General Information:	
AFE Title:	2026 Docks and Slips Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Project Management
Resp. Center (#):	8910
Depreciation Center:	8910-Dock Ops & Maintenance
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 500,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 500,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 100,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$	500,000
Source of Funding	ARRC (100%)	\$ 500,000
Source of Funding		
Source of Funding		\$ -
Grant Number	N/A	
Grant Name	M/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 500,000	11/07/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 500,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Elizabeth Greer	<i>Elizabeth Greer</i>	11/12/2025
Responsible Owner:	Brian O'Dowd	<i>BO</i>	11/12/2025
VP, Owner Department:	Brian Lindamood	<i>[Signature]</i>	11/13/2025
Functional User(s):	Shane Maloney	<i>Shane Maloney</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle-Glover	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Alaska Railroad Corporation
Authorization for Expenditure Form

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AFE# 11424

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
The annual docks and slips program keeps our marine assets in functional condition.		
Scope of Work:		
This project continues the multi-year program of on-going capital for docks and slips maintained by ARRC. This year's Program is anticipated to include capital maintenance projects as identified on the annual prioritized plan to address critical work system-wide.		
The planned work for 2026's program includes annual PM and ARRC staff, scheduled inspections, and allowances for unanticipated repairs. Work Specific to 2026 includes Seward Freight Dock repairs prior to extension and Whittier Anode replacements		
ARRC Business Justification		
A consistently supported docks and slips rehabilitation and improvement program allows ARRC to maintain the structural integrity of marine assets, and improve the corporation's ability to meet customer needs in a timely manner.		
Alternatives Considered:		
There are no known alternatives to basic maintenance. Facilities require various levels of maintenance. New facilities can be designed and constructed for lower maintenance levels, however, existing assets have less opportunity to improve durability and maintenance levels. The primary driver for many of the facilities is corrosion; not wear from use.		
Preliminary Budget:		
Line Description	Amount	
Equipment		
Labor (Fully Burdened)	\$	231,000
Materials		
Contracts	\$	169,000
Other Expenses	\$	100,000
Total	\$	500,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

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AFE# 11425

Page 1

General Information:	
AFE Title:	2026 Vehicle & Equipment Program
Prepared By:	LaFewt Knox
Resp. Center (Name):	Internal Service Fund
Resp. Center (#):	1461 & 1462
Depreciation Center:	1461-ISF-Vehicle Maintenance
Line of Business:	Corporate
Spending Timetable:	
2026	\$ 500,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	\$ 500,000
Other Information	
Useful Life (Years):	5
Annual Depreciation:	\$ 100,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 500,000	
Source of Funding	ARRC (100%)	\$ 500,000
Source of Funding		
Source of Funding		
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 500,000	10/30/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 500,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Christopher Champney	<i>Christopher D Champney</i>	11/13/2025
Responsible Owner:	Rachel Maddy	<i>Rachel Maddy</i>	11/12/2025
Owner Department:	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Functional User(s):	Lloyd Tesch	<i>Lloyd Tesch</i>	11/12/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	11/13/2025
Grant Administration:	Christina Isabelle	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	11/12/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	11/12/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	11/12/2025
Board of Directors:	John Shively		

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Is this project related to health and/or safety?	Yes	If yes describe:
<p>Replace, rehabilitate, and maintain vehicles and equipment in a state of good repair to ensure safe and functional devices and systems are in place and operational to support the intended function.</p>		
Scope of Work:		
<p>This project will provide funding to procure vehicles, equipment, and non-mobile (small) equipment as needed to support operations and maintenance activities of the Railroad. The project supports general capital improvements, overhauls and repairs on existing assets. This serves as a stop gap until we can appropriately meet the need of our vehicle & equipment needs.</p>		
ARRC Business Justification		
<p>ARRC requires the use of non-mobile or small equipment as well as on and off-track vehicles and equipment in support of meeting customer commitments and ongoing maintenance and operations requirements.</p> <p>The vehicle and equipment fleet must be maintained, rehabilitated, or replaced to ensure units are in a state of good repair and available for safe use for their intended purpose.</p> <p>The Fleet Manager collaborated with ARRC departments to update the fleet multi-year replacement plan. Ongoing capital maintenance and non-mobile equipment investment is estimated based on historical and current environment needs.</p>		
Alternatives Considered:		
<p>Do nothing alternative leaves ARRC fleet in a state of disrepair, unable to support activities as needed, and increases in maintenance downtime, and increase expense and capital maintenance cost due to increased age, wear on fleet units, and continuing and significant cost increases in the manufacturing environment.</p> <p>Reduction of program presents deferred maintenance and results in increasing expense and capital maintenance due to increase age and wear of fleet units.</p>		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$ 500,000	
Labor (Fully Burdened)		
Materials	\$ -	
Contracts		
Other Expenses	\$ -	
Total	\$ 500,000	

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation**Authorization for Expenditure Form**

For Accounting Use Only

AFE 11427

Page 1

General Information:	
AFE Title:	Terminal Logistics Expansion - Seward & Fairbanks - AKLNG
Prepared By:	Brian Lindamood
Resp. Center (Name):	Project Management
Resp. Center (#):	2500
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 7,734,000
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	
Other Information	
Useful Life (Years):	20
Annual Depreciation:	\$ 386,700
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 7,734,000	
Source of Funding	ARRC (100%)	\$ 7,734,000
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 7,734,000	12/03/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 7,734,000	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Blake Adolfae	<i>Blake Adolfae</i>	12/8/2025
Responsible Owner:	Brian Lindamood Christy Terry	<i>Christy Terry</i>	12/8/2025 12/8/2025
VP, Owner Department:	Clark Hopp Christy Terry	<i>Christy Terry</i>	12/8/2025
Functional User(s):	Andy Burgess	<i>Andrew Burgess</i>	12/8/2025
Chief Operating Officer:	Clark Hopp		
Grant Administration:	Christina Isabelle	n/a	
Chief Financial Officer:	Michelle Maddox		
Accounting Department:	Amy Kinnaman		
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	12/8/2025
Board of Directors:	John Shively		

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AFE 11427

Page 2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work:		
<p>To facilitate the AKLNG project, this scope of work includes expanding and enhancing the operational logistic areas of the reserves. The expansion will include the addition of loading and unloading tracks to enhance cargo movement, the relocation of overhead and other utilities to ensure safety, fill, grading and adjustments to existing roadways to improve access and traffic flow. The final scope of work will be developed in close coordination with AKLNG when they are prepared to discuss site-specific requirements.</p>		
ARRC Business Justification		
<p>ARRC must support the significant movement of pipe between Seward and Fairbanks. Based upon the limited information made available to ARRC to date, the existing terminal reserves require additional capacity for the staging and loading/unloading of pipe for the AKLNG project.</p>		
Alternatives Considered:		
None		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	1,100,000
Labor (Fully Burdened)	\$	1,045,000
Materials	\$	2,905,000
Contracts	\$	1,395,000
Other Expenses	\$	1,289,000
Total	\$	7,734,000

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Alaska Railroad Corporation
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AFE# 11428

Page 1

General Information:	
AFE Title:	Spur Expansions - AKLNG
Prepared By:	Brian Lindamood
Resp. Center (Name):	Project Management
Resp. Center (#):	2500
Depreciation Center:	1318-Maintenance Depreciation
Line of Business:	Engineering
Spending Timetable:	
2026	\$ 2,878,800
2027	\$ -
2028	\$ -
2029	\$ -
2030	\$ -
Total	
Other Information	
Useful Life (Years):	20
Annual Depreciation:	\$ 143,940
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2026 Budgeted
Total Amount	\$ 2,878,800	
Source of Funding	ARRC (100%)	\$ 2,878,800
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 2,878,800	12/04/25
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 2,878,800	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Blake Adolfae	<i>Blake Adolfae</i>	12/8/2025
Responsible Owner:	Lloyd Tesch	<i>Lloyd Tesch</i>	12/8/2025
VP, Owner Department:	Clark Hopp		
Functional User(s):	Andy Burgess	<i>Andrew Burgess</i>	12/8/2025
Chief Operating Officer:	Clark Hopp		
Grant Administration:	Christina Isabelle	n/a	
Chief Financial Officer:	Michelle Maddox		
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	12/8/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	12/8/2025
Board of Directors:	John Shively		

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AFE# 11428

Page 2

Is this project related to health and/or safety?	No	If yes describe:
Scope of Work:		
<p>Scope is based upon the limited information provided to ARRC to date. Prepare sidings and spur tracks to be able to off-load up to 2600-feet of railroad cars at Sunshine, Hurricane, Broad Pass, Cantwell, Healy, 388 Pit, Harding, and Dunbar. Specific scope for each site will be finalized once AKLNG is prepared to have detailed discussions about their needs.</p>		
ARRC Business Justification		
<p>ARRC must support the significant movement and unloading of pipe at 8 locations between Sunshine and Fairbanks. Although ARRC has sidings at each of these locations, some will require additional work to provide the required 2600 linear feet of track requested by AKLNG.</p>		
Alternatives Considered:		
None		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$	241,750
Labor (Fully Burdened)	\$	830,250
Materials	\$	1,327,000
Contracts	\$	-
Other Expenses	\$	479,800
Total	\$	2,878,800

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

Res. No. 2025-33_ 2026 Five Year Capital Plan_FINAL for Special Meeting 12-11-2025

Adopted:

Resolution 2025-33

Relating to the 2026 Five Year Capital
Improvement Plan

WHEREAS, Section AS 42.40.290(a) of the Alaska Railroad Corporation Act requires the corporation to prepare and the Board of Directors to adopt a long-range capital improvement and program plan that describes the corporation's anticipated capital improvements during each of the five years after the plan is adopted; and

WHEREAS, Section AS 42.40.290(b) of the Alaska Railroad Corporation Act requires the Board of Directors to annually review and approve revisions to the long-range capital improvement and program plan and to provide copies of the updated plan to the Governor and Legislature by December 1 of each year; and

WHEREAS, the Board of Directors has reviewed and discussed the proposed revisions to the long-range capital improvement and program plan as submitted by Management; and

WHEREAS, the Board of Directors have made such additional revisions to the long-range capital improvement and program plan as deemed appropriate.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Alaska Railroad Corporation hereby adopts the capital improvement and program plan as submitted by Management. The Board hereby authorizes and directs the President and CEO, or his designee, to provide copies of the updated plan to the Governor and Legislature by December 1, 2025.