Alaska Railroad and Alaska to Alberta Railway agree to cooperate on rail connection to Canada, Lower 48

Anchorage, July 27, 2019 – The Alaska Railroad Corporation (ARRC) and the Alaska to Alberta Railway Development Corporation (A2A) have established a Master Agreement of Cooperation toward building a 1500-mile connection between the Alaska Railroad and Canadian railroads that also serve the Lower 48 states.

The agreement was announced after approval by the Alaska Railroad Corporation Board of Directors today.

Under the terms, the two railroad companies will cooperate in applying to the Alaska Department of Natural Resources for a right-of-way guaranteed under state law for a rail connection to Canada. In addition, the two firms will develop a joint operating plan which will specify not only the new track needed to connect Alaska’s rail to Canada, but will also identify work needed to upgrade existing rail facilities, bridges, and track on the Alaska Railroad’s 512-mile mainline which runs from Seward to North Pole, Alaska.

The entire project is expected to cost approximately $13 billion USD ($17 billion CAD). Full construction would begin after a right-of-way is approved by state authorities, a Presidential border crossing permit is received, environmental reviews are conducted by the U.S. and Canada, and two national agencies – the Surface Transportation Board (STB) in the US and the Canadian Transportation Agency (CTA) – give their approvals. First Nations, Indigenous groups and Alaska Native entities, whose traditional lands are crossed by the route, are being consulted during this process. These entities have been invited to participate in the economic benefits of the project. A full project description for the rail link in the U.S. and Canada is expected to be completed this year.
“We are pleased to reach this milestone with the Alaska Railroad,” said Sean McCoshen, CEO and co-founder of A2A Rail. “It will help assure global investors that obtaining a right-of-way in Alaska is achievable, and sets up major cooperation in permitting, operations, and marketing with the Alaska Railroad. We expect this project to generate significant economic activity in Alaska and Canada.”

“A rail connection between Alaska and Canada and the rest of the United States is a project that has been talked and dreamed about for close to a century,” said ARRC President and CEO Bill O’Leary. “Completing that connection has amazing potential for Alaska and this agreement between the Alaska Railroad and A2A Rail is an important first step to get the project underway.”

A summary of the Master Agreement follows and a map of the current proposed rail corridor can be found at http://www.a2arail.com/resources.html.

About the Alaska Railroad Corporation (ARRC): In operation since 1923, ARRC is a full-service passenger and freight railroad with more than 650 miles of track and more than 600 full-time year-round employees that serves as a vital transportation link to ports and communities throughout Southcentral and Interior Alaska. ARRC is owned by the State of Alaska and overseen by a seven-member board appointed by the Governor of Alaska. www.AlaskaRailroad.com

About Alaska to Alberta Railway (A2A Rail): The Alaska – Alberta Railway Development Corporation was established to build, own, and operate a new railway connecting the Alaska Railroad and Alaska tidewater ports to northern Alberta (1,500 miles or 2,400 km). A2A Rail will provide critical infrastructure connecting North America to global markets through safe and efficient transport of commodities, containers, natural resources and people.

A2A Rail is privately funded by Sean McCoshen, a U.S. and Canadian based businessman who has extensive experience in infrastructure development across the globe. In addition, Sean has spent the last 10 years working alongside First Nations in both the U.S. and Canada. www.a2arail.com
Summary of June 27, 2019 Master Agreement
between the Alaska Railroad Corporation & the Alaska to Alberta Railway

• In 2004, the State of Alaska passed legislation, SB 31, codified in AS 42.40.460 and AS 42.40.465, to encourage the expedited construction of a railroad to connect Alaska to the North American railroad system (“Project”). Pursuant to AS 42.40.460 and AS 42.40.465, the ARRC has authority to apply to the Alaska Department of Natural Resources (“DNR”) for a 500-foot transportation corridor to complete railroad service to the Alaska and Canada border and to work with private parties to advance the Project in order to connect the North American rail system to the Alaska Railroad.

• The ARRC and A2A have entered into a historic agreement (“Master Agreement”) that establishes the commercial structure for this Project and will allow the Project’s investors to advance this Project into the feasibility phase and then, if successful, into construction and operation.

• More specifically, the Master Agreement announces a partnership between the ARRC and A2A where the parties will work together on completing feasibility studies, environmental review, permitting and marketing and establishes a framework for negotiating multiple project-enabling agreements.

• Under the Master Agreement, A2A will bear the Project costs and, if the Project is completed, will receive a long-term lease from the ARR to operate the new railroad. Costs incurred by the ARRC to advance the Project will be reimbursed by A2A.

• Over the past few years, A2A has contracted with the world’s leading railroad engineering and environmental consulting firms, actively engaged with indigenous communities in both Alaska and Canada, filed a draft application with the United States State Department to secure a Presidential Permit for the border crossing, entered into a Project Undertaking Reimbursement Agreement with the United States Customs & Border Protection Agency, and begun the assemblage of base line data needed for the Project. A2A will soon commence the “460 Process” with the DNR to secure a railroad corridor between Delta Junction and the Canadian border and will also commence the pre-filing process with the United States Surface Transportation Board to initiate an Environmental Impact Statement and secure a Certificate of Public Convenience and Necessity. A2A Rail intends to connect and interchange with the ARR at the end of its existing mainline at North Pole (or Delta Junction, if the currently permitted Northern Rail Extension is completed by ARR), which provides access to ports at tidewater.

Benefits of the Project:
• Higher use of ARR facilities and greater revenues.
• Better service to Alaska’s resource industry while maintaining passenger service.
• Diversifies Alaska’s economy by creating new jobs during and after construction of the railway.
• Expands Alaska’s transportation infrastructure to gain access to global markets.
• Increases national security with critical infrastructure that will improve our military’s supply routes and increase our military’s access to training grounds in the Arctic.
• Reduces ocean-going freight time between Asia and North America by allowing cargo to avoid congested West Coast ports.
• Improves environmental quality and stewardship by transporting goods to world markets in an efficient and environmentally friendly way.