



2026 REPORT TO THE STATE FIVE-YEAR CAPITAL PLAN

published December 2025



photo by: Kerry Tasker

OUR MISSION

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

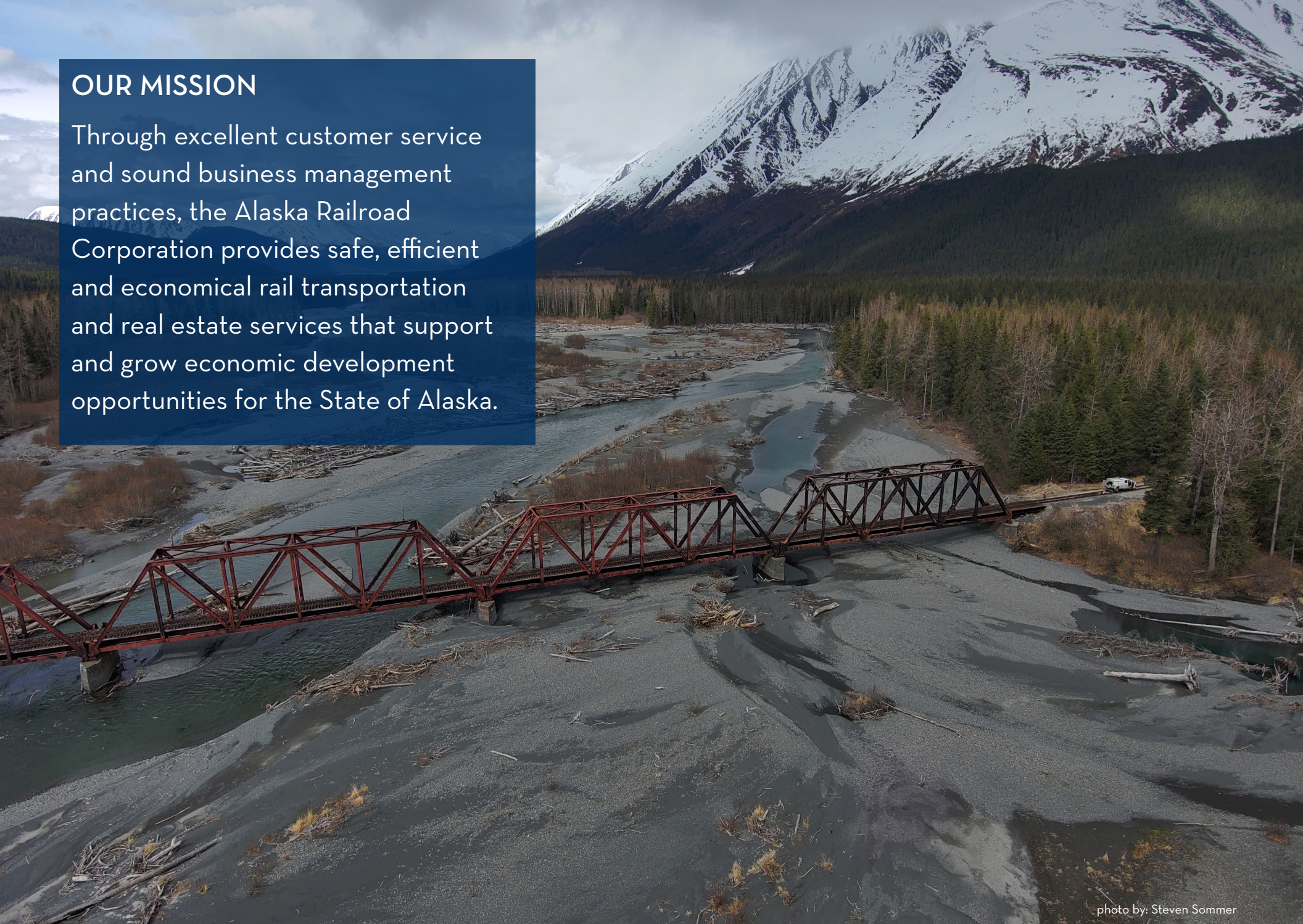


photo by: Steven Sommer

ABOUT THIS REPORT

The Alaska Railroad (ARRC) is pleased to share this year's *Report to the State*, informing the Governor, Legislators and other key officials and stakeholders about the railroad's capital improvement plans. ARRC's 2026-2030 capital plan protects Alaska's essential transportation infrastructure while also investing in future growth and resource development opportunities.

Federal Transit Administration funds continue to play a significant and critical role in supporting the mainline bridge, track, culvert and tunnel rehabilitations necessary for a healthy passenger rail network, benefiting our freight business lines as well. These investments are fundamental to ensure this railroad continues to serve Alaskans safely, reliably and efficiently.

For internally funded projects, ARRC is adopting a tiered approach to our 2026 budget, enabling us to maintain critical continuing programs while remaining responsive to the needs of a generational project. The construction of an 800-mile natural gas pipeline across Alaska would be a transformational event for our state, and we look forward to the opportunity for this railroad to help drive the project forward as an essential transportation and logistics partner – and have identified strategic capital investments in railroad terminal and corridor improvements to meet the gasline's ambitious construction schedule.

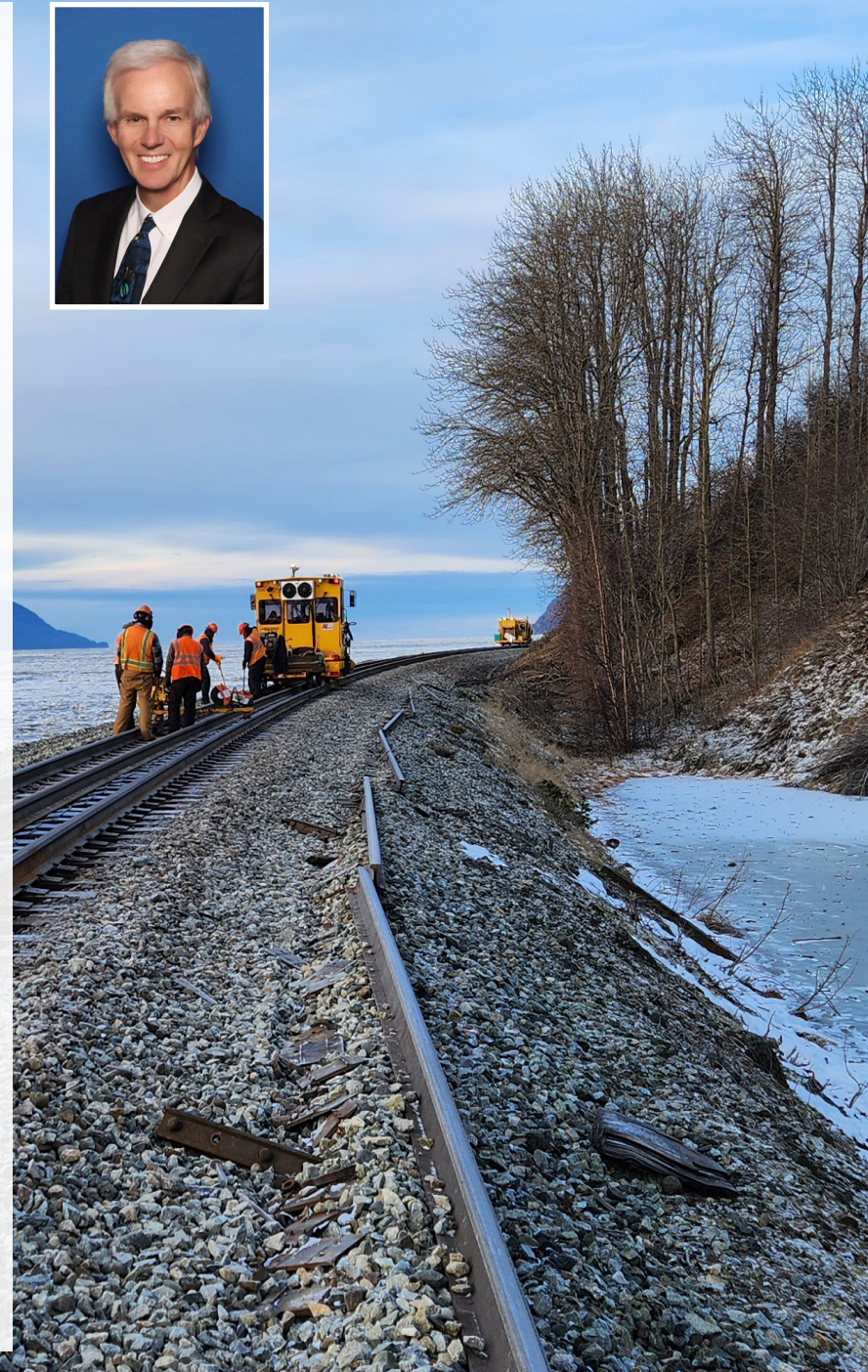
Finally, ARRC is creating a new Rail Extension Reserve fund, an internal, board-authorized tool to support activities related to advancing rail extension projects. The fund will strengthen ARRC's competitiveness for federal funding programs and position the railroad to act quickly when commercial or federal partners engage.

In total, this capital plan demonstrates our commitment to meeting today's demands while investing in the future, ensuring that a strong Alaska Railroad continues to serve Alaskans for generations to come.

Sincerely,



Bill O'Leary
President and CEO



MANAGEMENT

President and Chief Executive Officer
Bill O'Leary

Chief Financial Officer
Michelle Maddox

**Vice President
Marketing & Customer Service**
David Greenhalgh

Chief Engineer
Brian Lindamood

Chief Operating Officer
Clark Hopp

Chief Counsel
Andy Behrend

**Vice President
Real Estate**
Christy Terry

Chief Human Resources Officer
Jennifer Mergens



BOARD OF DIRECTORS



Board Chair
John Shively



Vice Chair
Judy Petry



Commissioner
Ryan Anderson



Director
John Binkley



Director
T.J. Dinsmore



Director
John Reeves



Commissioner
Julie Sande

5-YEAR CAPITAL PLAN: Funding Sources

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: Federal Funding

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 and 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: Internal Funding

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: Internal Funding cont'd

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

Alaska Railroad Corporation

327 West Ship Creek Avenue



Anchorage, AK 99501

907.265.2300

AlaskaRailroad.com