



PRESS RELEASE

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18-2026

FOR IMMEDIATE RELEASE: October 20, 2026

AIDEA welcomes \$249 million federal investment in Port MacKenzie Rail Extension, commits up to \$34 million in matching funds

PALMER, Alaska – The Alaska Industrial Development and Export Authority (AIDEA) welcomed U.S. Transportation Secretary Sean Duffy’s Oct. 19 announcement of a \$249 million federal Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant for the Port MacKenzie Rail Extension.

The announcement took place at the Matanuska-Susitna Borough Gateway Visitors Center in Palmer, Alaska, marking a long-awaited funding milestone for the Port MacKenzie Rail Extension. Joining Secretary Duffy were Governor Mike Dunleavy, Sen. Dan Sullivan, Congressman Nick Begich, U.S. House Natural Resources Committee Chairman Bruce Westerman (R-Ark.), community and project leaders, supporters, and local officials.

AIDEA supported the Alaska Railroad Corporation’s application to the Federal Railroad Administration’s Consolidated Rail Infrastructure and Safety Improvements, or CRISI, program by authorizing up to \$34 million in non-federal matching funds. [Second Amended Resolution G26-07](#), approved June 17, authorizes AIDEA’s executive director to use up to \$34 million from the Authority’s Revolving Fund as matching funds for a CRISI grant awarded to the Alaska Railroad.

“As part of a huge package, \$2.3 billion in a nationwide rail package, you all are going to get a \$250 million investment in the Port MacKenzie Railway Expansion Project,” **said Sean P. Duffy, U.S. Secretary of Transportation.**

“We are going to move this grant at Trump speed,” **Secretary Duffy added.** “And what that means is, we want to get this out by spring. We want to be turning dirt.”

The federal investment combined with AIDEA matching funds represents a major step toward completing a strategic rail-to-port connection that will expand opportunities to move Alaska resources to tidewater and support future mineral, industrial and economic development.

The Port MacKenzie Rail Extension has the potential to unlock an entirely new scale of resource development in Alaska, including the Ambler Mining District and other areas of Alaska. [AIDEA's 2026 statewide mineral transportation study](#) evaluated potential mineral exports reaching approximately 6.6 million tons per year and found Port MacKenzie uniquely positioned among Southcentral ports to accommodate sustained, high-volume, multi-commodity exports. Its combination of more than 9,000 acres of industrial land, 60-foot deep-water access, and space for rail, storage and future expansion provides opportunities extending beyond mineral exports to include inbound mining and project cargo and potential Alaska-based smelting and refining, creating the foundation for a major industrial import-export hub.

"This historic investment reflects the fact that Alaska is central to securing an American supply chain for critical minerals," **said Governor Mike Dunleavy**. "The Port Mackenzie Rail Extension Project will help Alaska get its unrivaled mineral resources to market and support American manufacturing and defense as well as new economic opportunities across Alaska. I want to thank President Trump, Secretary Duffy, and the Trump Administration for their unrelenting support for Alaska."

"This is a major win for the Mat-Su Borough and our entire state, and another important step toward unlocking Alaska's extraordinary resource potential," **said Senator Sullivan**. "Alaska has enormous deposits of critical minerals, world-class energy resources, and a strategic location at the crossroads of the world. But having these resources isn't enough. We need the infrastructure to develop them responsibly and get them to market."

"This \$249 million investment will finally help complete a long-awaited connection between Port MacKenzie and the Alaska Railroad, opening new opportunities for mineral development, supporting major energy projects like Alaska LNG, and creating good-paying jobs for Alaska's hard-working families. It will also strengthen our supply chains, improve transportation efficiency, and bolster America's economic and national security," **Senator Sullivan continued**. "I want to thank the administration, especially Secretary Duffy, Governor Dunleavy, the Mat-Su Borough, the Alaska Railroad, AIDEA, and all the local, state, and federal partners who have worked for years to make this project a reality. This is how we build a stronger future for our great state and create new opportunities for the next generation of Alaskans."

"This is a monumental victory for the Mat-Su Borough and the future of Alaska," said State **Representative Kevin McCabe**, whose district includes Port MacKenzie. "For years, we have worked tirelessly to bring the Port MacKenzie Rail Extension across the finish line, knowing its significance extends far beyond laying railroad tracks. This connection will unlock Alaska's vast natural resources, open new pathways to domestic and global markets, strengthen military logistics, and provide critical transportation redundancy when disaster strikes. I am deeply grateful to President Donald Trump, Secretary Sean

Duffy, Senator Dan Sullivan, Congressman Nick Begich, and the many partners who recognized the importance of finishing what Alaska started. I could not be prouder to have championed this project and helped bring this vision closer to reality. Alaska's future just got a whole lot bigger."

"This is a powerful example of what can happen when Alaska's public corporations think outside the box and work together toward a common goal," **said Julie Sande, commissioner of the Department of Commerce, Community, and Economic Development.** "AIDEA stepped up at a critical moment to provide the matching funds needed to secure this historic investment, demonstrating how collaboration and creative problem-solving can unlock transformational economic development opportunities for Alaskans."

"This federal investment demonstrates what can be achieved when state, local and federal partners align around infrastructure that can unlock long-term economic opportunity," **said AIDEA Board Chairman Bill Kendig.** "AIDEA's commitment to the grant match reflects our board's confidence in the Port MacKenzie Rail Extension as a strategic investment in Alaska's transportation network, resource economy and future prosperity."

"This investment can fundamentally improve the economics of resource development and transportation in Alaska," **said AIDEA Executive Director Randy Ruaro.** "Completing the Port MacKenzie Rail Extension will create infrastructure capable of serving multiple projects and expanding opportunities to move Alaska resources to market. AIDEA recognized that opportunity when our board authorized up to \$34 million toward the match."

"This award brings the region closer to completing a project that can improve freight mobility, expand Port MacKenzie's reach and support a more resilient transportation system," **said Mat-Su Borough Manager Mike Brown.** "The borough looks forward to continuing its coordination with the Alaska Railroad, AIDEA and our federal partners as the project advances."

"Completion of the rail extension is key to unlocking the port's potential," **said Port MacKenzie Port Director Dave Griffin.** "This investment is an important step toward realizing the port's future as Southcentral Alaska's industrial hub, and a new gateway to the Interior."

AIDEA's support reflects its economic development mission and its interest in infrastructure capable of supporting resource development across Alaska.

When completed, the 32-mile connection between Port MacKenzie and the Alaska Railroad mainline will enable goods to move by rail between the port and Interior Alaska. Using rail for the longest portion of freight shipments can reduce fuel consumption and greenhouse

gas emissions compared with road transport, with actual savings depending on shipment routes and operating conditions.

The project also has the potential to improve the economics of future development. Investment in shared transportation infrastructure can reduce the amount of enabling infrastructure individual projects must finance and create better conditions for subsequent private investment. More efficient logistics for critical minerals and energy will strengthen Alaska's ability to serve the nation's resource needs while supporting sustainable economic growth.

About AIDEA

[The Alaska Industrial Development and Export Authority](#) is an independently governed public corporation of the state of Alaska established by the Legislature in 1967. AIDEA promotes, develops and advances economic growth and diversification in Alaska by providing financing and investment tools that support economic development, job creation, infrastructure and responsible resource development.

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