



For Immediate Release
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Iowa Interstate Railroad Increases 2011 Capital Expenditures for Infrastructure to Highest-Ever as Result of Tax Credit Program

CEDAR RAPIDS, IOWA – Iowa Interstate Railroad (IAIS) today announced a \$4.5 million increase in the infrastructure portion of its capital spending program for 2011. The Company expects to invest a total of approximately \$35 million during the year. Principal components of the program include:

1. Construction of a modern diesel shop and logistics center in Homestead, IA for \$14 million to support its recently upgraded locomotive fleet;
2. Completion of a car repair shop, Maintenance of Way base, and train crew center in Silvis, IL for \$1.3 million to support current and anticipated traffic growth;
3. Installation of 15 miles of new rail for \$6.4 million; and
4. Replacement of ties and surfacing for \$7.6 million.

To meet customer-specific needs and expansion, the Company also expects to spend \$2 million on track spur improvements to a customer elevator in Atlantic, IA; \$1 million in paving an intermodal facility in Council Bluffs, IA, and \$1 million on yard improvements and construction of a new team track for transmodal expansion in Council Bluffs, IA.

Part of the required financing will be met with a bank loan and the balance will be generated from internal funds and utilization of the recently extended “45G” Tax credit through 2011.

IAIS President & CEO Denny Miller commented, “While it is gratifying to see these improvements driven by traffic growth, it is important to note that we increased the infrastructure portion of our capital program from roughly \$9.5 million to \$14 million as a direct result of the extension of the 45G tax credit program into 2011. This program provides for tax credits tied to infrastructure investment in support of increased capacity, and we are making full use of it. Additional benefits to the regional economy will of course include increased employment and purchases from our suppliers, but this is first and foremost about infrastructure investment in support of growth.”

The Iowa Interstate Railroad, Ltd. is a privately held, regional railroad that operates across the Council Bluffs, Iowa to Chicago, IL corridor with a connection to Peoria, IL. It further provides freight rail service to the Quad Cities (IA and IL), Des Moines, Cedar Rapids, and Iowa City. For more information, please visit www.IAISRR.com.

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