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PRESS RELEASE
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IAIS Awarded \$32 Million RRIF Loan

CEDAR RAPIDS, IOWA – Dennis H. Miller, President and CEO of the Iowa Interstate Railroad, Ltd. (IAIS), announced the approval of a \$32,700,000 Federal Railroad Administration RRIF (Railroad Rehabilitation Infrastructure Fund) loan to be used for rehabilitating the 500-mile Iowa-based railroad.

“The funds will be used to upgrade and rehabilitate approximately 300 miles of track between Atlantic, Iowa and Bureau, Illinois. The end result will be a railroad capable of handling 286,000-pound loads and an operating speed of 40 MPH. The project will consist of bridge upgrades, siding work and extensions, 700,000 rail anchors, 5 miles of new rail, 183,000 crossties, road crossing repairs, and surfacing of 200,000 tons of ballast. Upon completion of the main project, rail grinding will be done on 40 miles of track,” Miller said.

The Project has already started and is scheduled for completion by the end of 2006. “This 25-year loan will enable the IAIS to eliminate the deferred maintenance which occurred over the past 30 years and position the railroad to handle larger cars that have become the standard in recent years,” added Miller.

Founded in 1984, IAIS is a regional carrier operating over 500 miles between Omaha, Nebraska, and Chicago, Illinois, of the former Chicago, Rock Island and Pacific (“Rock Island”), which liquidated in 1980.

IAIS Chairman Henry Posner III noted, “IAIS’ original mission was to create competition for its on-line customers through its connections with every Class 1 railroad in the USA. With these improvements to our infrastructure, not only will that competition be enhanced but also additional capacity will be created in the Central Corridor at a time when capacity is at a premium. This further validates the vision of IAIS’ founders, Heartland Rail Corp., and the State of Iowa, whose loan programs over the years have been instrumental to both the company’s formation and its survival through some very difficult times.”

IAIS is headquartered in Cedar Rapids, Iowa, and is a subsidiary of Railroad Development Corporation (www.RRDC.com). RDC is a privately held Pittsburgh-based railway management and investment company, focusing on “Emerging Corridors in Emerging Markets.”

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