

Adam Crum
Commissioner

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Department of
Revenue

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STATE OF ALASKA

PRESS RELEASE

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State of Alaska International Airport System Receives Rating Increase on the Revenue Bonds from Moody's Investors Service

On March 4, 2024, Moody's Investors Service (Moody's) has upgraded the State of Alaska Airport Enterprise's (Alaska International Airport System) revenue bonds to Aa3 from A1 with a **stable outlook**. The rating increase reflects the Alaska International Airport System's continued strength in cargo and passenger trends including the strong financial flexibility and reduction in outstanding debt.

The outstanding debt as of June 30, 2023, for the Alaska International Airport System was \$237.7 million.

Credit agency ratings are utilized by investors to gauge the State's financial strength and the desirability of its debt. The Aa3 rating is the fourth highest rating on the rating scales.

Governor Dunleavy explained the importance of the Airport System's bond rating increase, "Alaska's International Airport System continues to serve as the Trans-Pacific air cargo hub, positioning itself in the market as the second-largest cargo airport in the US in 2022. Since taking office, the total landed weight has increased by more than 30% in FY 2023, compared to FY 2019. With the recently renewed airline agreement that will be in effect through FY2033 and our continued fiscal management policies in paying down our debt, have positioned the Airport System positively in the global bond market. I am very pleased with the leadership and hard work the Department of Revenue and Department of Transportation have put in, advancing Alaska's best interest forward."

The State's **Department of Revenue Commissioner, Adam Crum**, noted the positive impact of Moody's Airport System rating upgrade: "We continue to make huge strides in improving the State's financial and credit rating outlook at all levels. Last July of 2023, we saw a positive rating increase to our State rating by Kroll (AA); in November 2023 we saw a rating increase by Moody's to the University of Alaska's general (A3) and lease (Baa1) revenue bonds; and now the Airport System, is a clear indication that we are making a difference in improving the State's overall credit outlook. The rating increase provides the State and the Agencies a positive standing in the financial markets, which will enable favorable interest rates and cost savings in future bond deals."

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