

**Extraordinary Upgrading—**

# **General Obligation Bonds**

JUNEAU — Gov. William A. Egan said recently the state's rating for general obligation bonds has won an "extraordinary" upgrading of two steps, to an A-1 rating, by Moody's Investor Service Inc.

The improved rating, which will mean substantial savings in interest paid by the state on bond issues, follows a recent

visit to Alaska by Moody's officials invited to tour the state by Governor Egan.

Moody's is a leading bond-rating firm for issues offered by states and other entities across the nation.

"I am informed that a double-step upgrading such as the one Alaska achieved is very unusual," Egan said, "and I am of course highly pleased. This reflects a continuing and increasing recognition of Alaska's progress and confidence by investors in its great future."

State of Alaska general obligation bonds formerly carried a Baa-1 rating. The upgraded rating of A-1 brings Alaska's bonds into line with those of Pennsylvania, Louisiana, Alabama and West

Virginia, for example.

Egan credited the manner in which Alaska's development of its petroleum resources is being carried out, and the revenues which will accrue to the state as a result, as a major factor in the upgraded Moody's rating.

"This action by Moody's is all the more extraordinary in that it was taken just prior to a state bond sale scheduled for September 11," he said. "I am informed that it is most unusual for a bond rating to be upgraded for an already planned sale of bonds."

Egan said the improved rating could mean savings in interest paid by the state "of probably \$1 1/2 million to \$2 million, for example, over the life of a \$30 million bond issue."