



# **RAIL EXTENSION PROJECT**

## **Economic Benefits to the Central Alaska Regional Economy**

**(Anchorage, Mat-Su, Denali Borough, and Fairbanks)**

# **Economic Problems facing Alaska's Economy**

- 1. Uncertainty about energy availability and costs**
- 2. Uncertainty about the Gas Line construction**
- 3. Uncertainty about the future of the TransAlaska Pipeline**

# **Economic Problems facing Alaska's Economy (cont'd)**

- 4. Uncertainty about Small Business Administration contracting program for Native Business**
- 5. Uncertainty about explorations permits for Chukchi and Beaufort Sea**
- 6. Lack of Diversification of Alaska's Economy**
- 7. Lack of Transportation Infrastructure to promote Economic Development**

*But a major solution to one of these problems is just months away and the **positive effects** will be felt **next summer**.*

# The Rail Extension from Port MacKenzie to the Main Line of the Alaska Railroad



To Understand the Impact of Port  
MacKenzie and the Rail Extension, we  
need to begin thinking of the  
**Fairbanks North Star Borough, the  
Denali Borough, the Mat-Su Borough,  
and Anchorage**  
as a regional economy

***Working, Building, and Growing  
Together***

# What the Rail Extension Means to this Regional Economy

- 1. Opens up the Interior to Resource Development**
- 2. Facilitates the Development of a World Class Limestone Deposit in Livengood just north of Fairbanks**
- 3. Facilitates the Development of a Cement Production Facility in or around Fairbanks**
- 4. Opens up a development corridor along the Railbelt to exploration and extraction of strategic minerals (Lead, Zinc, Copper, Molybdenum and Silver)**

# What the Rail Extension Means to this Regional Economy (cont'd)

- 5. Improves the transportation of Lower Cost Fuel to Interior and Southwest Alaska**
- 6. Dramatically improves the world competitiveness of Alaska Coal**
- 7. Significantly reduces transportation and staging cost for the Gas Pipeline Construction (Important if it goes. Essential if it doesn't.)**
- 8. Increases employment in the Mat-Su Borough, the Denali Borough, the Fairbanks North Star Borough and Anchorage**

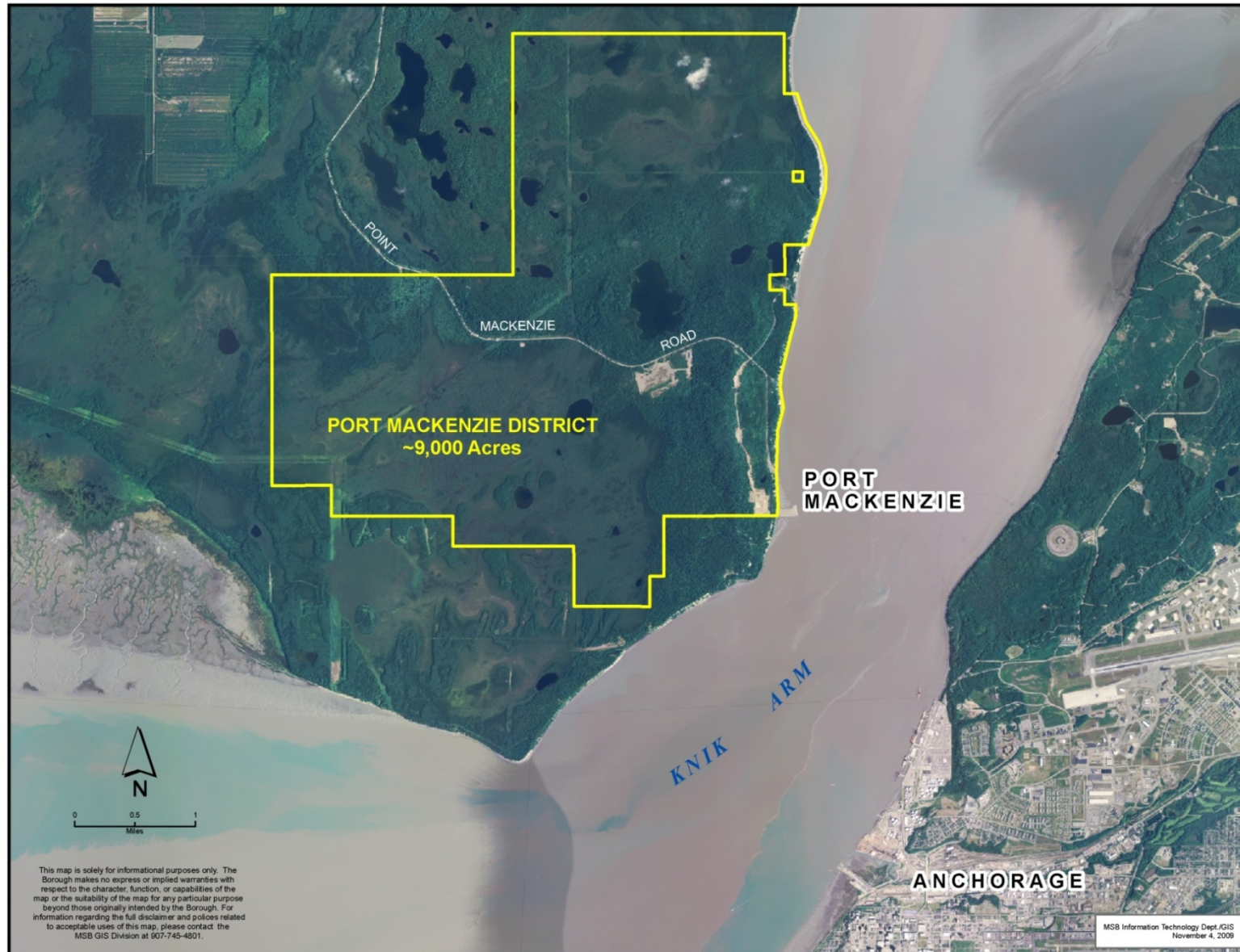
How does the Rail Extension do all these things?

**The Answer is Port MacKenzie and the Rail Extension working Together**

Port MacKenzie?

**Port MacKenzie is a Bulk Commodities Port for minerals, cement, coal, bulk fuel, pipe (Not a Consumer Goods or a Container Port like the Port of Anchorage)**

It's a Port with 14 Square Miles of Industrial Zoned Land.  
(That's nearly 9,000 Acres.)



Port  
Mackenzie  
20 Years  
Ago



## Port MacKenzie 2 Years Ago



## Port MacKenzie Now

Does not  
compete with  
the Port of  
Anchorage  
(60' mean low  
tide compared  
to 35' for Port  
of Anchorage)

No Dredging  
Required



A Deep Water Port (MLLW-60) That Can Handle The World's Largest Cargo Ships today (Panamax and Cape Size Vessels)

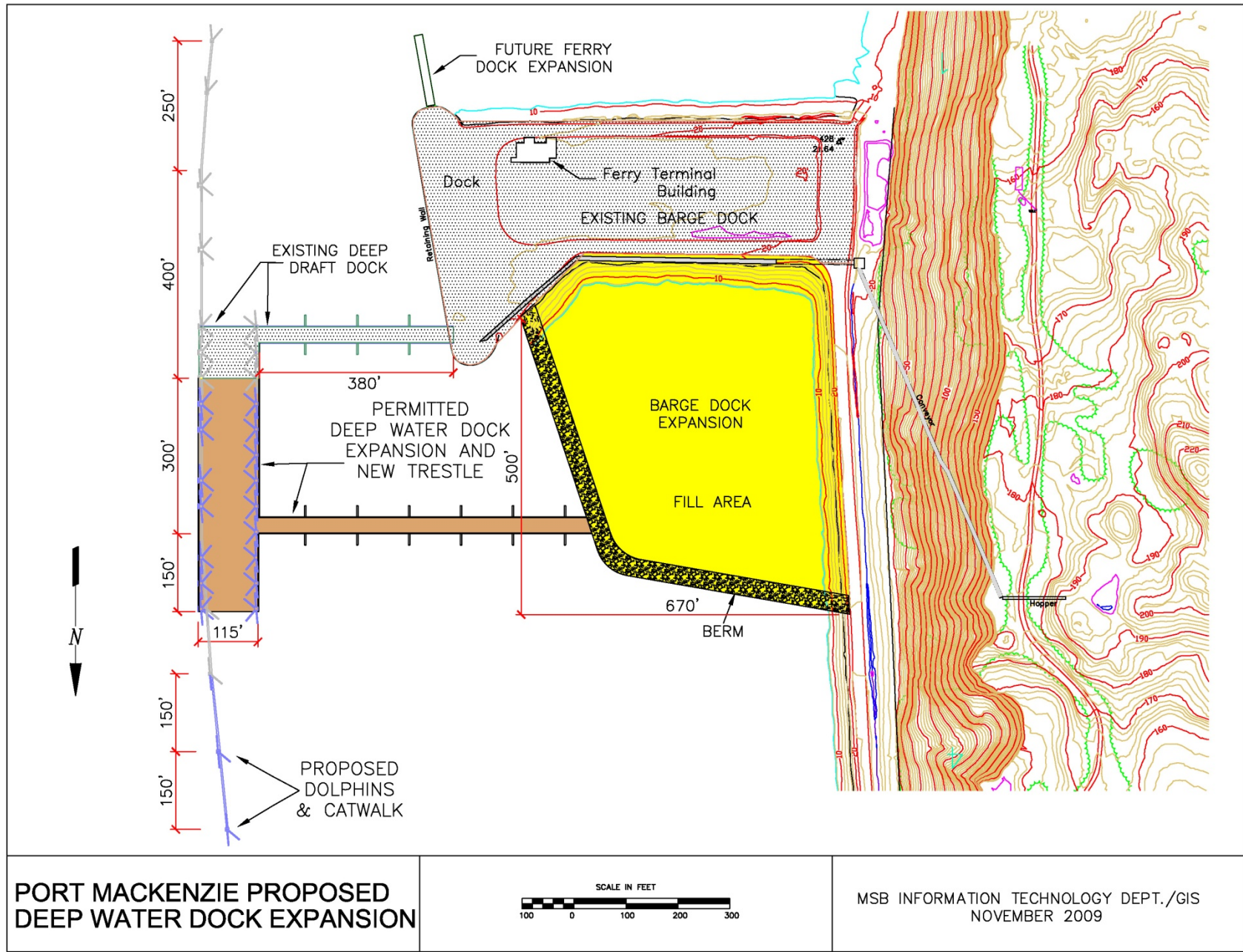


It's also  
Designed and  
Built to Easily  
Handle Barges  
Carrying Bulk  
Commodities,  
Minerals, Coal  
and Aggregate



## Barge Dock Expansion to be Complete Next Summer





## Rail Loop Under Construction



Plenty of Storage and Staging Capacity for  
All the pipe needed for both Gas Lines



## New 24,000 sq ft Warehouse



Warehouse &  
Storage Areas  
have been  
Constructed



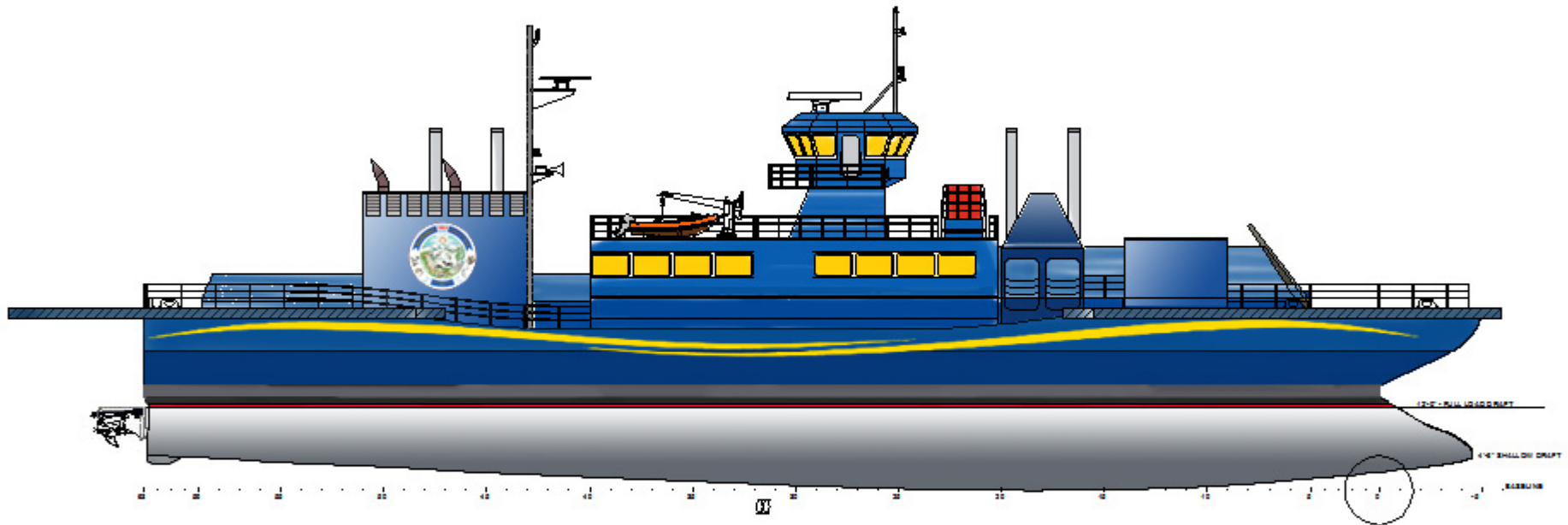
Roads have been  
Constructed or Paved



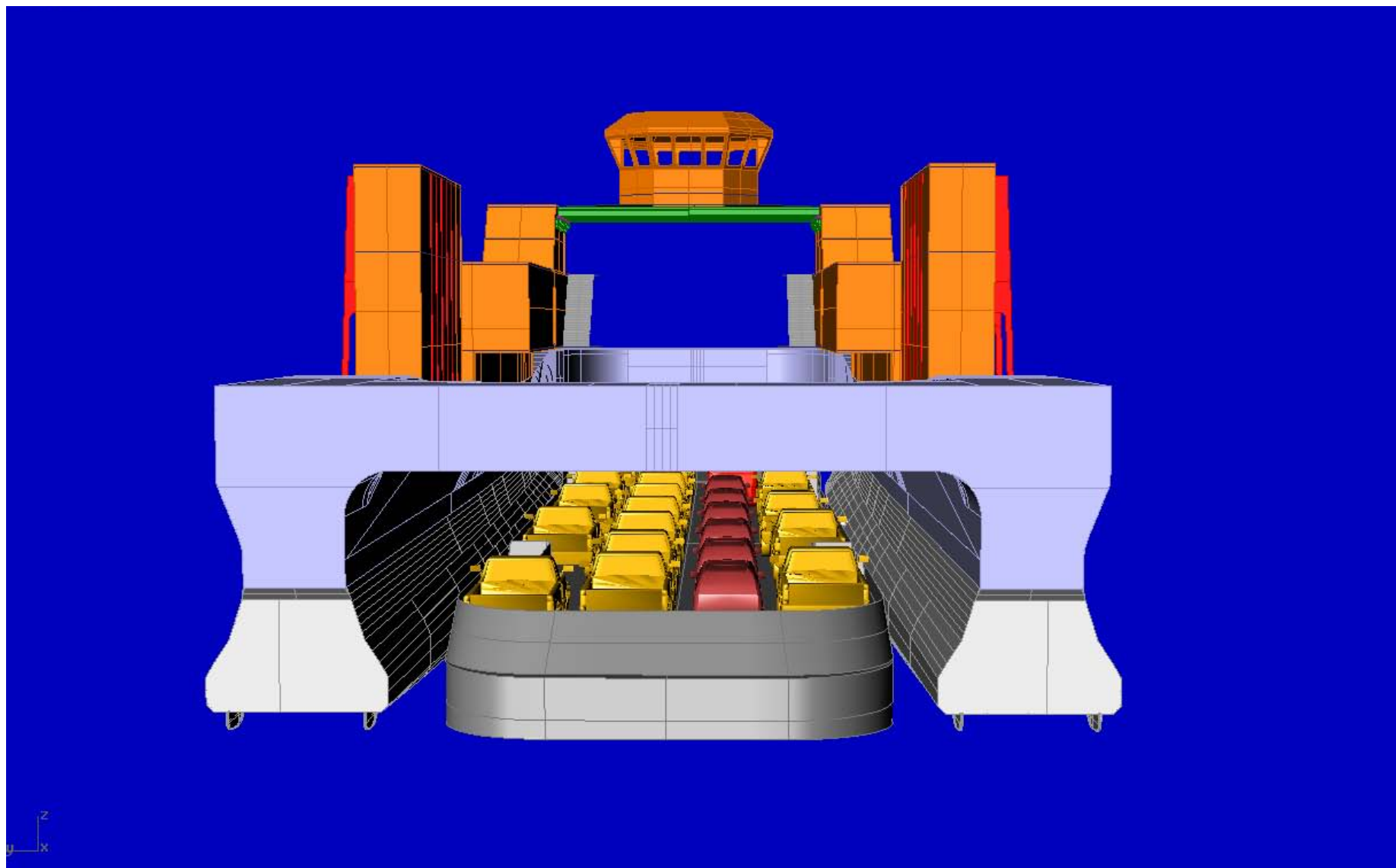
A 1,534 Bed  
Prison is  
under  
Construction

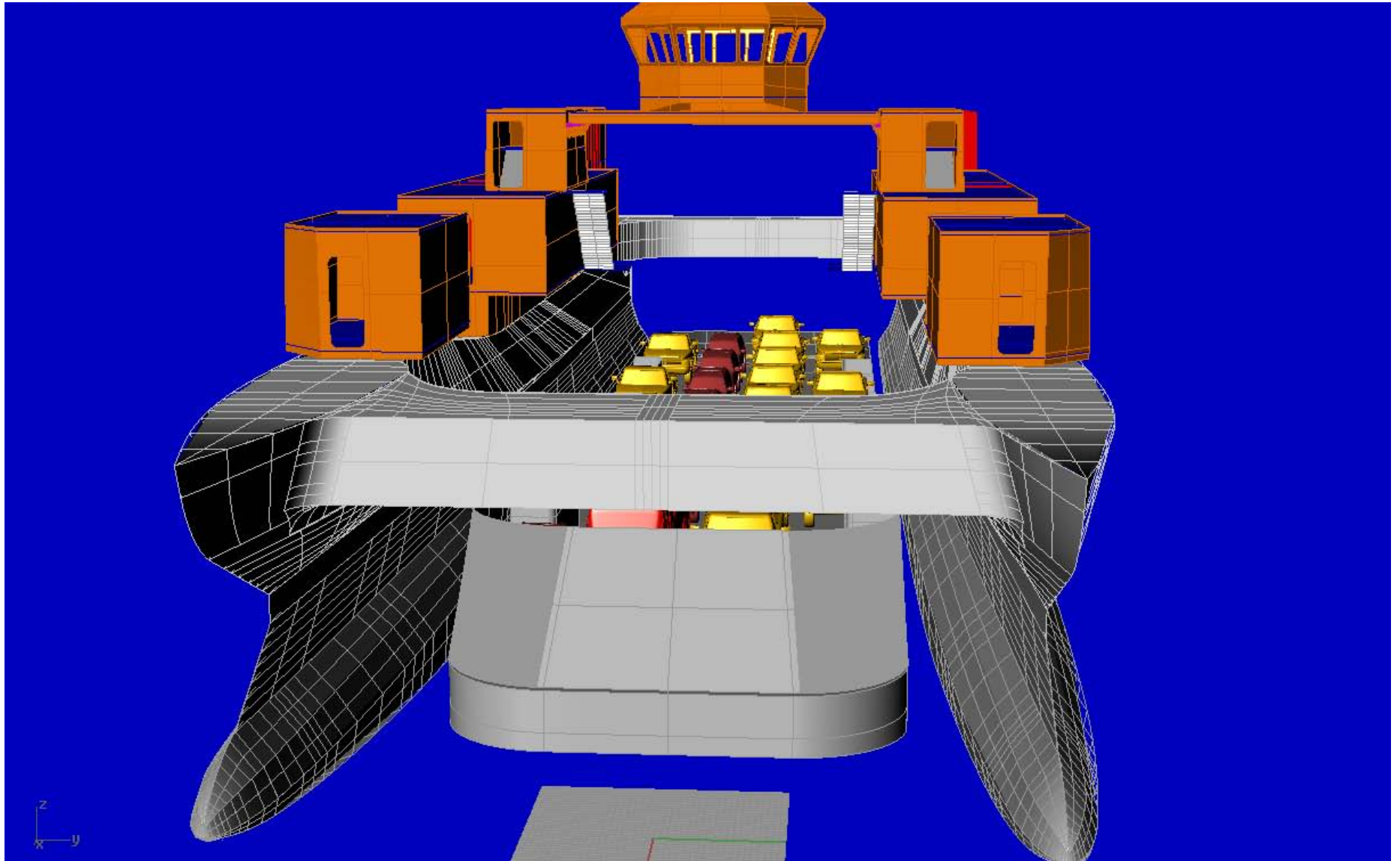


## M/V SUSITNA



New State of the Art Ice Breaking Ferry currently under construction in **Ketchikan** scheduled to start operations in late 2011



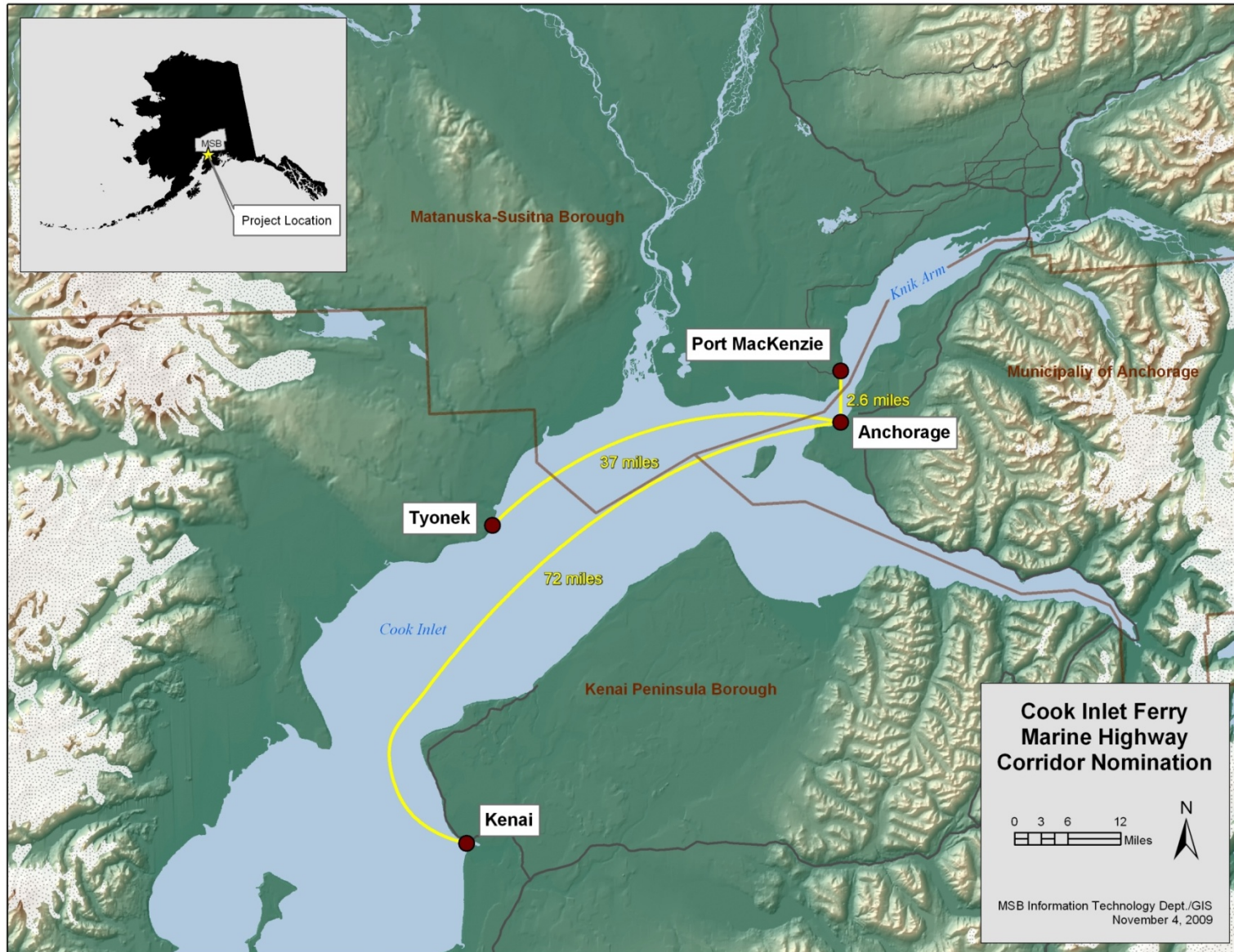








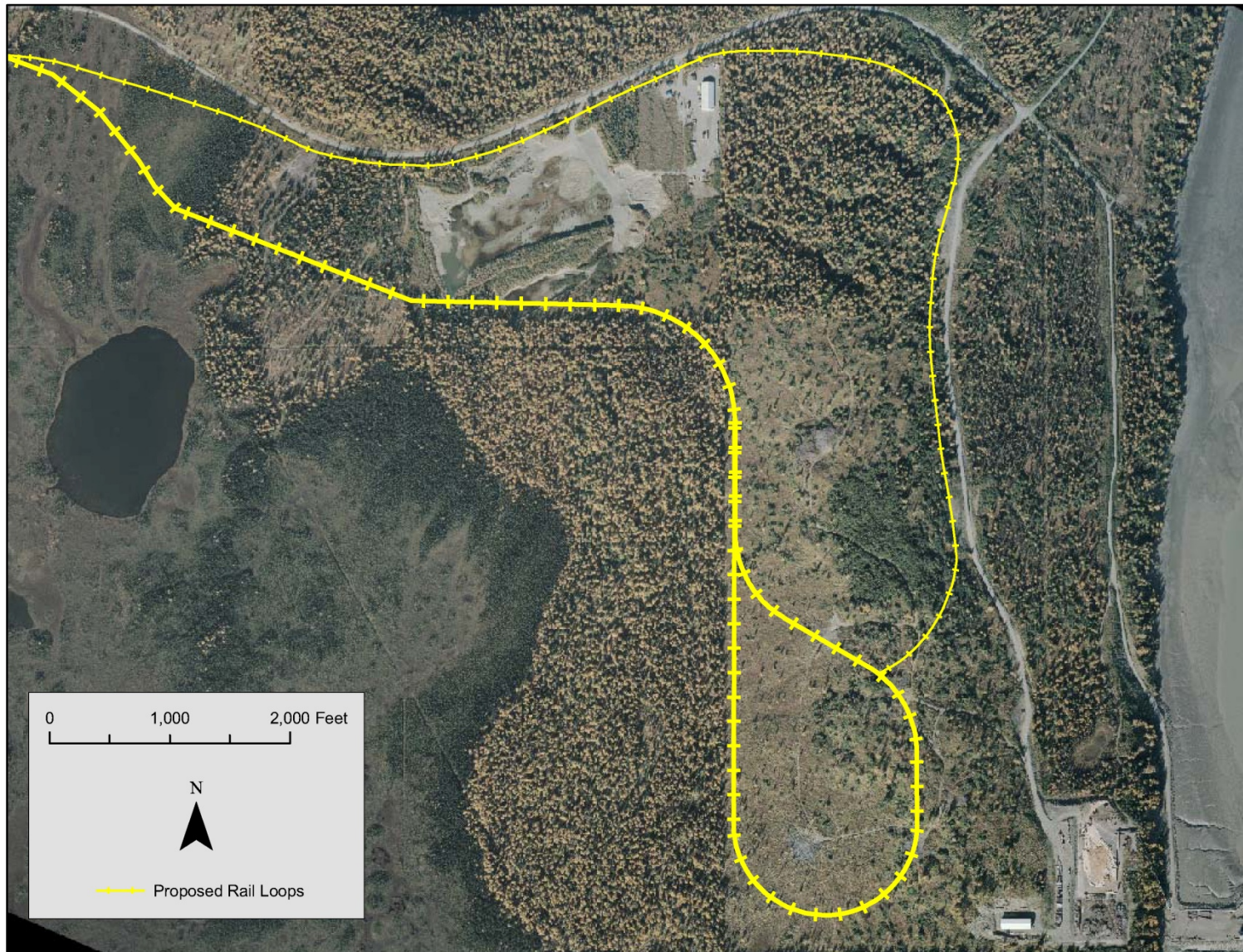
# Hourly Service between Anchorage and Mat-Su Plus Service to Kenai and Tyonek



Port MacKenzie also has a Recently Constructed Ferry Terminal for **Anchorage-Port MacKenzie** hourly runs



Port MacKenzie and the Rail Extension Together are a Major Key  
to the Economic Development of the Region



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## Jobs Created by Rail Extension and Port MacKenzie Expansion\*

<b><u>Project Segment</u></b>	<b><u>JOBS</u></b>
Rail Extension Construction Related Jobs (2010-2013)	3000
Port MacKenzie Constructon Related Jobs (2020-2013)	500
<b><u>Private Development</u></b>	<b><u>JOBS</u></b>
Mining Development Jobs along Rail Line (2013-2017)	4000
Industrial Development of Port MacKenzie (2013-2017)	3500

\*Estimates by HDR and ISER

## What's Next for the Rail Extension?

- Completion of the Environmental Impact Study (Spring 2010) \$10 Million
- Construction of the Road/Rail Bimodal Loop (Under Construction) \$17 Million
- Permitting, Design and Begin Construction of EIS Selected Alternative (Can Start Summer 2010) \$57 Million
- Construction of Railroad Bed (Starts Summer 2011)
- Laying the Tracks (Completion 2013)





*Courtesy of  
Ted Bell  
February 2005*