

Port MacKenzie Rail Extension

**3 MILLION CUBIC YARDS OF SOIL MOVED
TRUCK/RAIL EMBANKMENT IN PORT-DONE
RAIL LOOP-2/3S COMPLETE**



Ken Graham

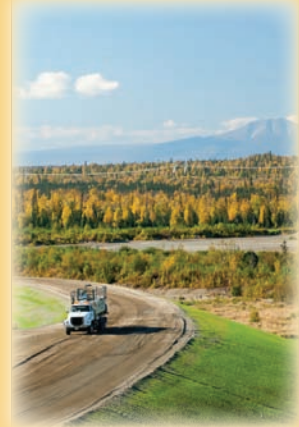


THE LONGEST RAIL CAR LOOP IN ALASKA FOR THE EFFICIENT OFF-LOADING & LOADING OF BULK RESOURCES FROM TRAIN TO SHIP. SHIP: TOO LARGE TO FIT THROUGH THE PANAMA CANAL, THE VESSEL, "JP AZURE," EASILY TIED UP ALONG THE FENDERS AT THE DEEP DRAFT DOCK AT PORT MACKENZIE JUNE 2010. MAP: SYMBOLS SHOW MINERAL DEPOSITS. A 32-MILE RAIL LINK NEAR HOUSTON ON THE ALASKA RAILROAD MAINLINE WILL CONNECT TO THE DEEPWATER DOCK AT PORT MACKENZIE. BELOW: A TRUCK TRAVELING ON THE RAIL EMBANKMENT/HAUL ROAD.

REQUESTING: \$60 MILLION

— with this funding two-thirds of the rail embankment & bridge work will be completed and hundreds of new jobs will be created.

- EIS completed, Record of Decision issued November 2011
- Funding to date: \$92.5 Million
 - rail/road loop ready for rail by Sept. 2012, is 2/3s complete
 - bid opens in December for first 5 miles of rail embankment
 - bid opens in February 2012, for another 6.2 miles of embankment



COMMITTED USERS

- **PacArctic, Inc.**, trucking and logistics, subsidiary of Koniag Inc; 20-year lease at port "The rail link is part of our long-term plan."—King Hufford III, PacArctic
- **Central Alaska Energy**, fuel importer will provide Alaskans another source of ultra low sulfur fuel; 25-year lease
- **Usibelli Coal Mine**, up to 4 million tons of coal a year could export via Port Mac. Usibelli says it needs two ports to handle record exports.
- **Alutiq**, subsidiary of Afognak Native Corp., transport oilfield modules for North Slope and housing for western Alaska, 30-year lease at Port MacKenzie

Description & Justification:

The 32-mile Port MacKenzie Rail extension will bring Alaska economic diversification, state revenues, and thousands of new jobs.

This new rail link will shorten the distance to tidewater, lowering transport costs for bulk resources and providing the tipping point for mineral deposits to develop into working mines. The value of mineral production is projected to be nearly \$1 billion a year over 100 years, according to ISER, Institute of Social & Economic Research.

State revenues are estimated to reach \$300 million annually in taxes, royalties, and fees. Some 3,000 construction-related jobs and 4,000 mining jobs will be created. Any of the gasline projects will gain savings by transporting pipe north by rail through Port MacKenzie.