

ALASKA CANADA RAIL LINK



Phase 1 Feasibility Study

Executive Overview





. . To A Pacific Rim Perspective

Whitehorse

alaska canada rail link



For Resource & Container Shipping

ALCAN RaiLink Inc.



North Pacific Rim Trade Route

• A new Alaska port/rail_gateway

• Avoiding West Coast Congestion

Linking North Asia and North America



Rails to Resources To Ports

Low cost rail access

From northern mines

To high capacity ports





In British Columbia or Alaska



Heavy Haul Bulk Trains

Remove Trucking Constraints

For Large Scale Mine Development

And Longer Term Mineral Market Viability



- Integrate Alaska Port Options
- With Inland Resupply Operations
- And New Supply Chain Opportunities





Mitigating Heavy Haul Impacts

Enhance Tourism Experience

• Improve Public Highway Safety

Relieve Road Reconstruction Cost

• Reduce Greenhouse Gas Emissions



alaska Canada rail link Alaska and Canada are Developing

MUK'LUK

• New Ports • New Mines • New Pipelines

New Railways?

alaska canada rail link Feasibility Study Implementation

Alaska-Canada Rail Advisory Committee

Bilateral Mgmt Working Group

Project Management On Behalf of Alaska and Yukon

Contractors

University of Alaska



Feasibility Study Structure

Alaska Canada Rail Link Project

Stage 1 Stage 2 Engineering & Economic Evaluation Public Planning & Evaluation Financial Market Analysis Analysis **Inbound Traffic Analysis Private Sector Business Case Outbound/Export Analysis Public Sector Benefit-Cost** Startegic Opportunity Analysis Public/Private Investment **Public Interest** Technical

Analysis

Rail Route/Engineering Analysis

Multimodal/Port Access Analysis

Comparative Economic Analysis

Analysis

Strategic Environmental Assessment Land-Use Optimization Planning Joint Regulatory Review

Tech/Eng - Route Evaluations



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Ports

Full Investment

Continental Rail Link to Alaska







Or Phased Investment





Resource Railway Cost Coverage

For First Phase Port Access Options From Ross River/Carmacks



canada rail link Relative Capital Cost Comparison

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First Phase Resource Railway & Port Development Options



alaska canada rail link Economic Impact Assessment

Major Yukon and BC Resource Shipper Savings (excluding iron ore)

Savings/RTM **Total RTMs Total Savings** Yukon Minerals (truck-rail cost saved*) \$0.050 22,069,350,000 \$1,103,467,500 \$0.027 51,870,000,000 \$1,421,238,000 BC COal (600 CN Miles Saved**) Major Yukon and BC Shipper Savings (excluding iron ore) \$2,524,705,500 \$1,262,352,750 Shipper Investment Incentive at 50% \$.15/RTM - \$.10/RTM = \$.05/RTM Dease Lake extension at 2006 CN rate levels)

Iron Ore Shipment Savings

Equivalent to (truck-rail costs***) \$.10/RTM x 415.8 Billion RTMS = \$41 Billion Incentive for Market Competitive Mine Production – and Railway Investment *** \$.15/RTM truck cost - \$.053/RTM final market competitive rail rate



New Rail Infrastructure

For New Northern Development: • Arctic Oil & Gas

Base Metal Mines

• Coal and Iron Ore

Intermediate Processing



A Rail Connection

Linking Alaska, Yukon and Northern BC Development with North America and North Asia



The End . . . The Beginning