

Yukon Department of Economic Development



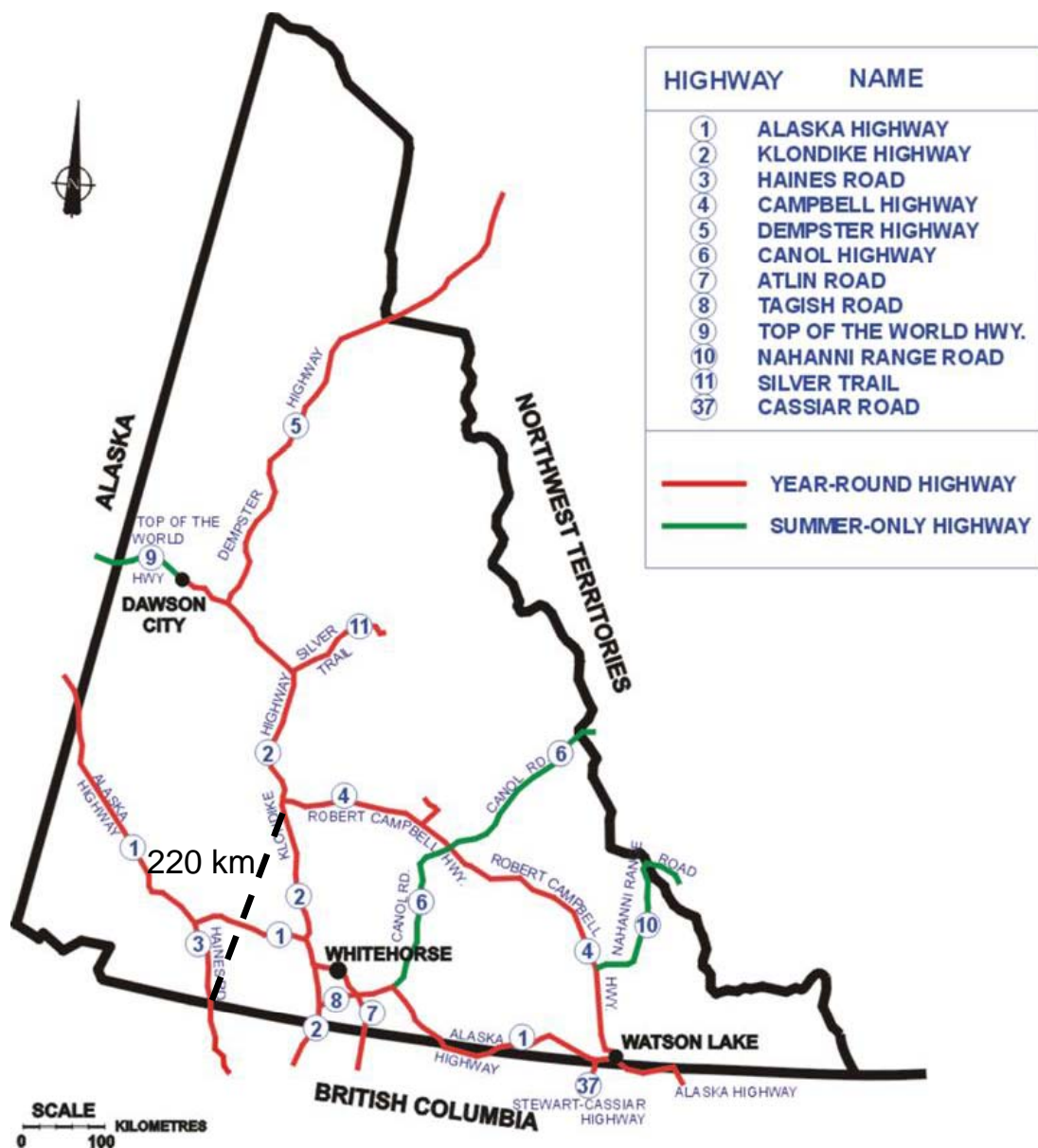
Yukon Ports Access Strategy Study *Draft Report Presentation*

May 29, 2007

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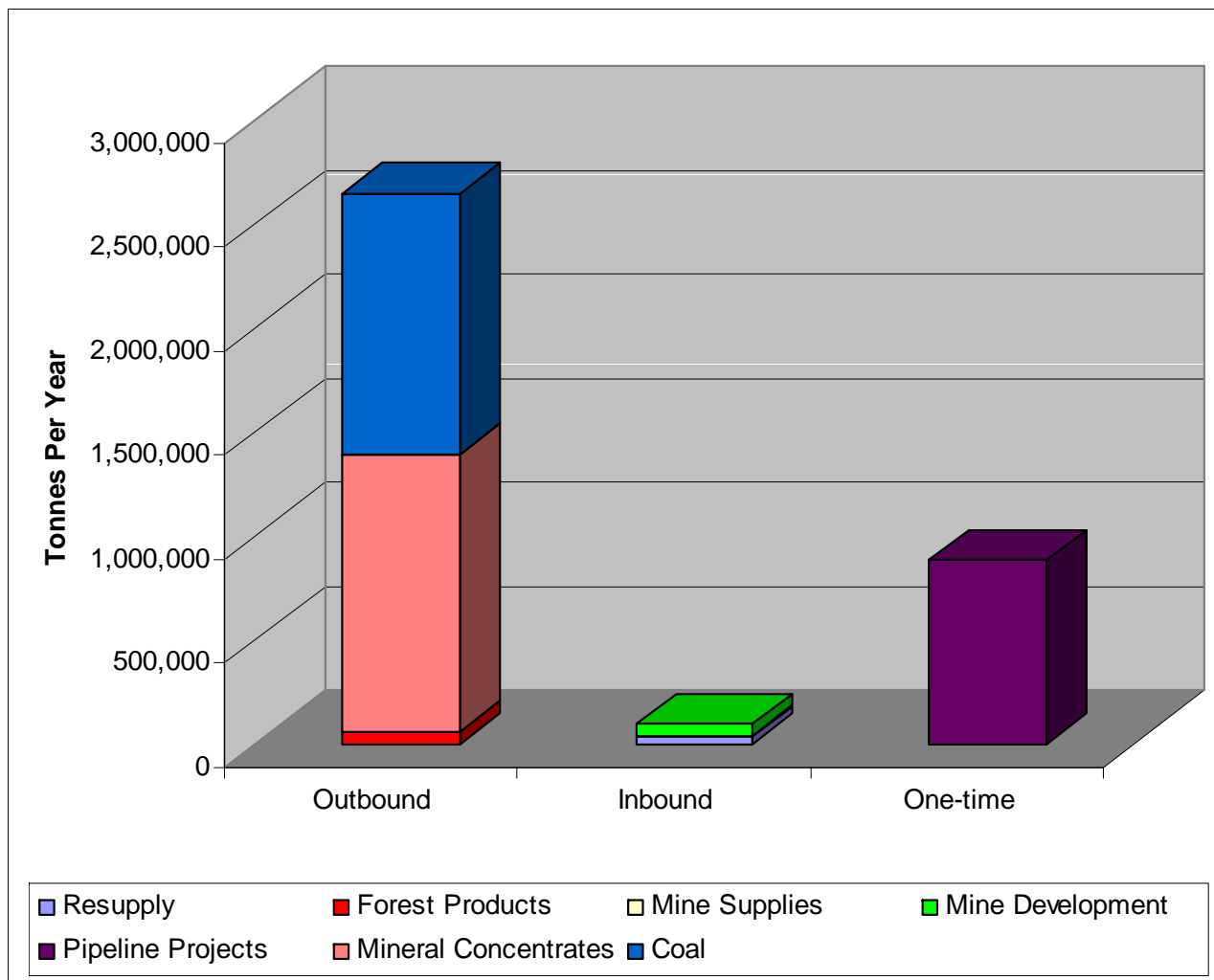
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Highway Links



Existing highway infrastructure is generally good and operates well below capacity. Traffic levels are typically below 10 percent of capacity.

Traffic Potential



Based on the economic base of the Yukon and projections about the general viability of particular economic sectors and projects, potential traffic could develop as illustrated.

The mining sector is expected to be responsible for most of the future exports from the Yukon, amounting to up to 2.5 million tonnes per year (excluding the major iron ore and coal deposits in the northern Yukon, which will demand their own logistics solutions).

Summary of Options

Port	Less Than 1 Million Tonnes				1 - 5 Million Tonnes				Over 5 Million Tonnes			
	Truck	Rail - Narrow Gauge	Rail Standard Gauge	Slurry Pipeline	Truck	Rail - Narrow Gauge	Rail Standard Gauge	Slurry Pipeline	Truck	Rail - Narrow Gauge	Rail Standard Gauge	Slurry Pipeline
Skagway	1 - 2	1 - 2	1 - 3 - 6	2 - 5 - 7	1 - 2	1 - 2	1	2 - 5 - 7	1 - 2 - 4 - 6	1	6	2 - 5 - 7
Haines	1 - 2	N/A	1 - 3 - 5	2 - 5 - 7	1 - 2	N/A	2 - 3	2 - 5 - 7	1 - 2 - 6	N/A	1 - 2	2 - 5 - 7
Stewart	1 - 2	N/A	1 - 3 - 5	2 - 5 - 7	1 - 2	N/A	2 - 3 - 5	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Prince Rupert	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Kitimat	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Seward	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Whittier	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Port Bradfield	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
Port Mackenzie	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2	2 - 5 - 7	1 - 2 - 6	N/A	2 - 3	2 - 5 - 7
King Point	2	N/A	1 - 2 - 3	2 - 5 - 7	2	N/A	2 - 3	2 - 5 - 7	1 - 2 - 6	N/A	4 - 5 - 6	2 - 5 - 7
Other North	2	N/A	N/A	2 - 5 - 7	2	N/A	N/A	2 - 5 - 7	1 - 2 - 6	N/A	N/A	2 - 5 - 7

Key

	Infeasible Option
	Feasible Option
	Potential Option

Assessment Criteria	
1 - Capacity	5 - Environmental Considerations
2 - Transportation Costs	6 - Community Acceptability
3 - Capital Intensity	7 - Proven Technology
4 - Consistency with Local Plans	N/A - Not Available

Conclusion on Assessment of Options

A Yukon Ports Access Strategy is possible beginning with low volumes and expanding to higher volumes.

- ❑ **Skagway** – Lower volumes in the short to medium term, and in the long term if volumes do not increase substantially (concentrates and smaller shipments of coal)
- ❑ **Haines** – Larger volumes in the medium to long term (e.g. Crest and Bonnet Plume)
- ❑ **Skagway and Haines** – Ongoing re-supply and potential project traffic (e.g., pipeline)
- ❑ **Stewart** – Some potential for concentrates, but does not require intervention as the private sector is willing and able to accommodate demand

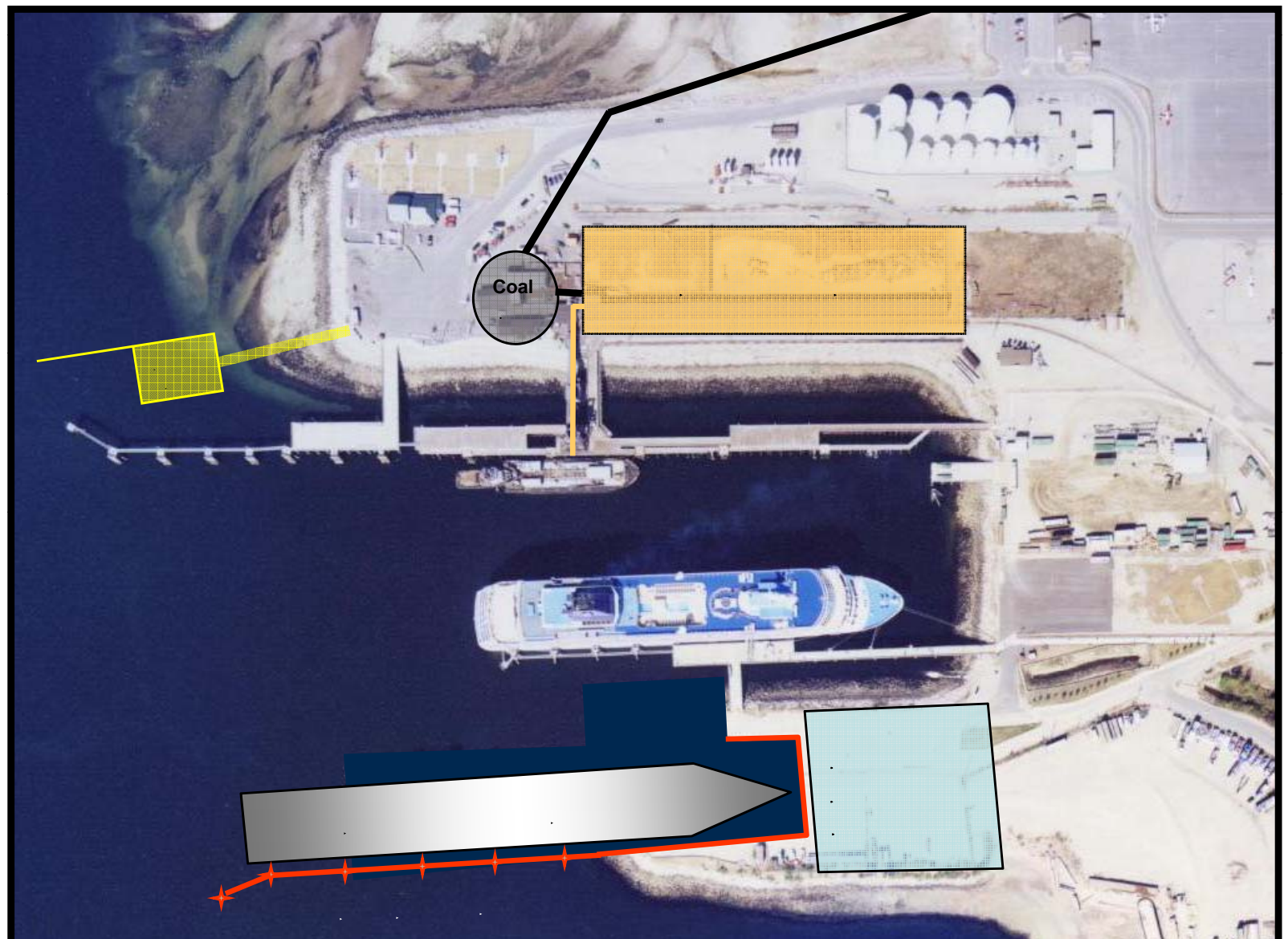
Port of Skagway



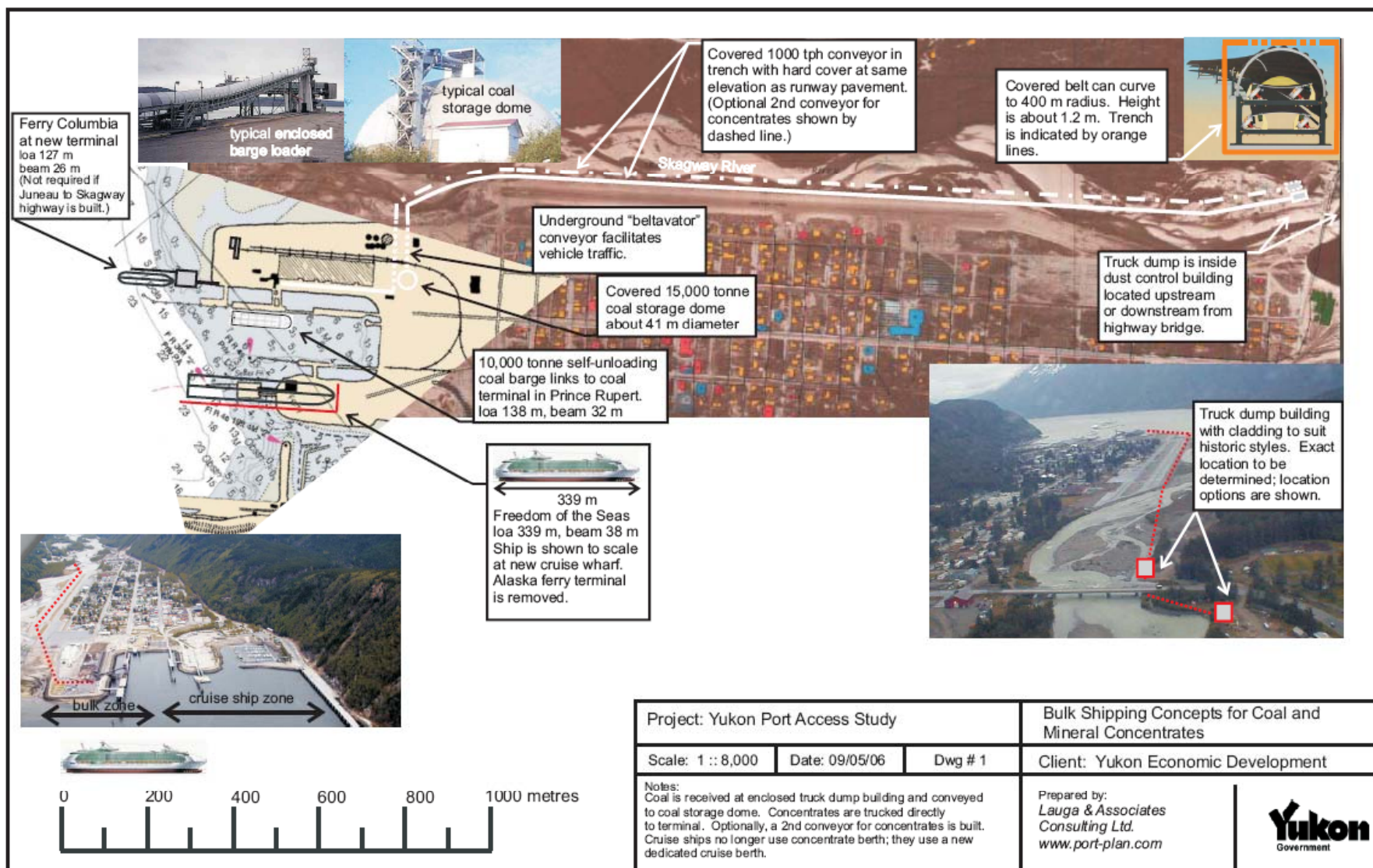
The Port of Skagway has three major marine facilities.

- ❑ **Railway Dock** – Dedicated to cruise ship activities and capable of berthing two of the largest cruise ships currently operating to Alaska.
- ❑ **Broadway Dock** – Contains one cruise ship berth and the AMH dock.
- ❑ **Ore Dock** – Currently serves as a cruise ship dock and has the remains of the old concentrate shed and ship loading facility.

Port of Skagway – Development Concept



Port of Skagway Development Concept



Skagway Critical Success Factors

For port development in Skagway to proceed as proposed, a number of critical success factors must be addressed, as follows:

- ❑ Public and municipal acceptance of the concept must be achieved.
- ❑ The solution must be affordable and fair for shippers.
- ❑ The necessary financing must be available.
- ❑ All of the permits and processes related to construction and operation of the proposed facilities must be received.
- ❑ A new cruise ship berth must be funded and built.

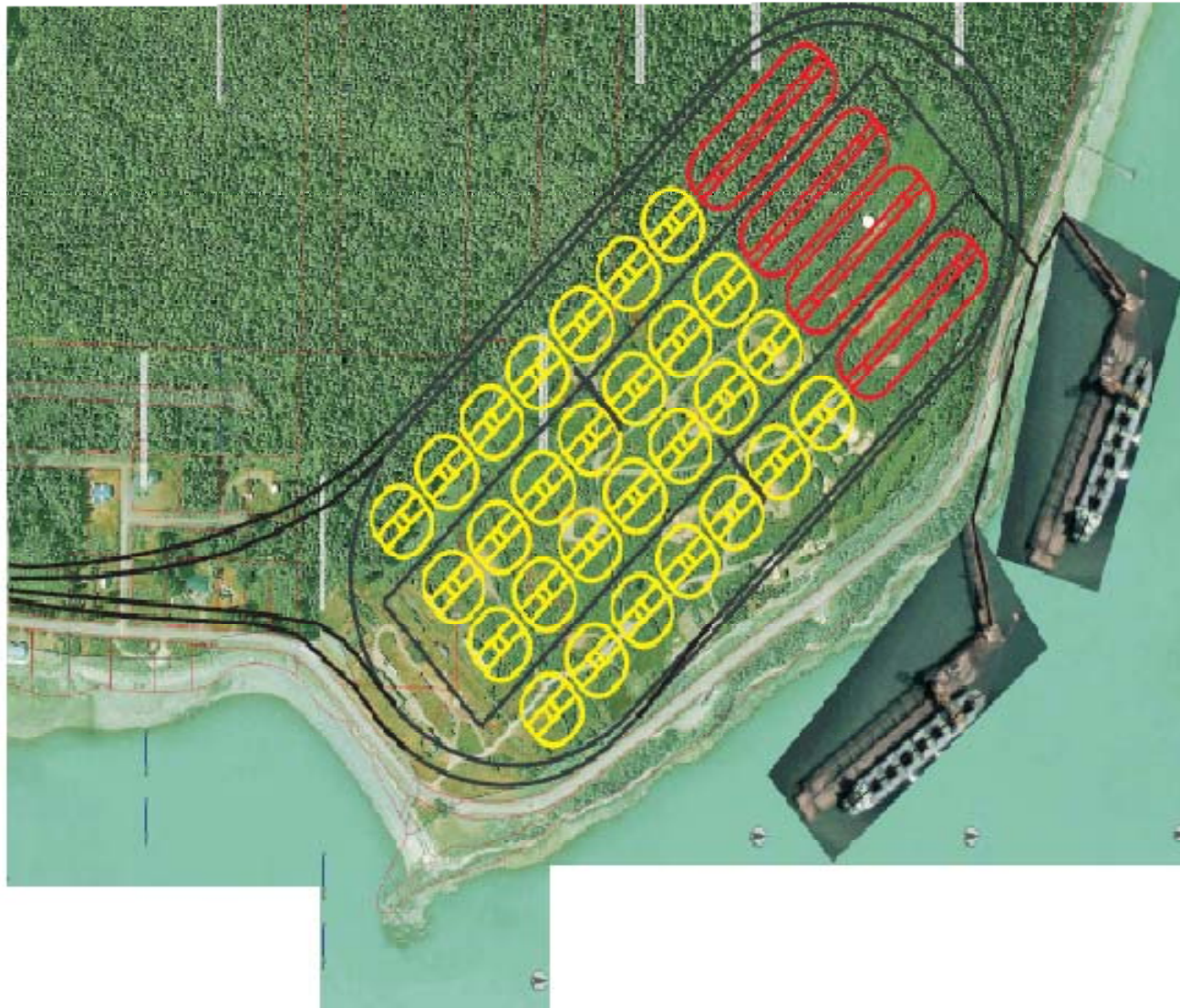
Port of Haines

Haines provides perhaps the greatest potential of the options for the development of a port facility to handle larger volumes of products such as iron ore and coal.

The long term development plan for Haines is based on the utilization of the old Army Fuel Tank Farm as a site for a major bulk terminal. The site is about 200 acres and can easily accommodate the 150 acres needed for the terminal.

Access would be by rail from northeastern Yukon. Significant work is required to fully assess the feasibility and cost of the development of the rail route.

Port of Haines – Bulk Terminal

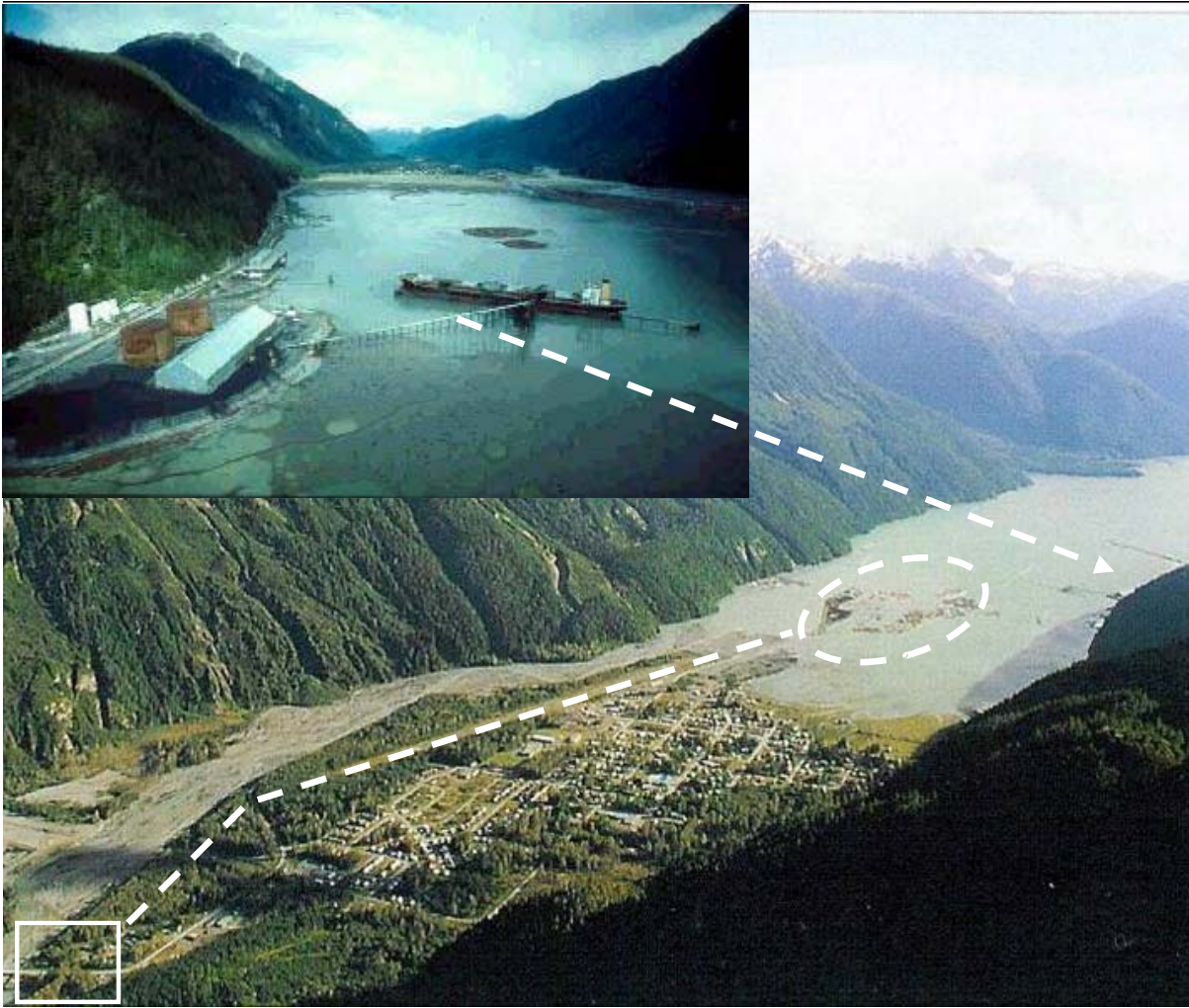


Port of Haines – Success Factors

For port development in Haines to proceed as proposed, a number of critical success factors must be addressed, as follows:

- ❑ Public and municipal acceptance of the concept must be achieved.
- ❑ A right-of-way for a potential rail line must be identified and protected for future development
- ❑ The site for the bulk terminal must be remediated and protected for future industrial development.
- ❑ The solution must be affordable and fair for shippers.
- ❑ The necessary financing must be available.
- ❑ A detailed feasibility study of constructing and operating a rail line along the proposed alignment must be undertaken.
- ❑ All of the permits and processes related to construction and operation of the proposed facilities must be received.

Port of Stewart – Two Options



The Port of Stewart can handle some increased volume of concentrates at the existing concentrate dock and facility. A permit has already been obtained for expansion of the existing facility.

Further volumes could be handled at a new facility located at the mouth of the Bear River. This could be accessed by conveyor from a truck/rail unloading facility located well off dock.

Port Governance

Timing

Short Term

**AIDEA Ownership
and Operation**

Medium Term

**Public/Private
Ownership**

Medium to Long Term

**Private
Ownership**

Governance

AIDEA Board

Public/Private Appointed
Board and Operating
Agency

Public/Private Appointed
Board and Private Entity

Conclusions

- ❑ This is an evolving strategy which allows for port development to progress based on the growth of commodities from low to higher volumes
- ❑ Beginning with Skagway it deals with identified issues then expands first through Skagway then to Haines
- ❑ It starts now to accommodate planned shipments in 2007, then continues to work with Skagway as demand by the mining industry increases

Environment – General Conclusions

- ❑ “At this high level of investigation on port options for a Yukon ports strategy, there do not appear to be insurmountable challenges of an environmental, land use or regulatory kind that would prevent moving forward with the ports scenarios considered most promising.”
- ❑ “The work associated with environmental management, securing necessary land and obtaining approvals, however, is not insubstantial.” (GLL Draft Report)