

2/28/12
OVERVIEW BY
DEPARTMENT OF
TRANSPORTATION:
PORT MACKENZIE
RAIL EXTENSION

<TARGET><BILL></BILL><SUBJECT>2-28-12 OVERVIEW BY
DEPARTMENT OF TRANSPORTATION PORT MACKENZIE RAIL
EXTENSION</SUBJECT><COMM>SF27</COMM></TARGET>



PORT MACKENZIE
RAIL EXTENSION



This Presentation includes animation and video



POISED FOR GROWTH

Thank you!



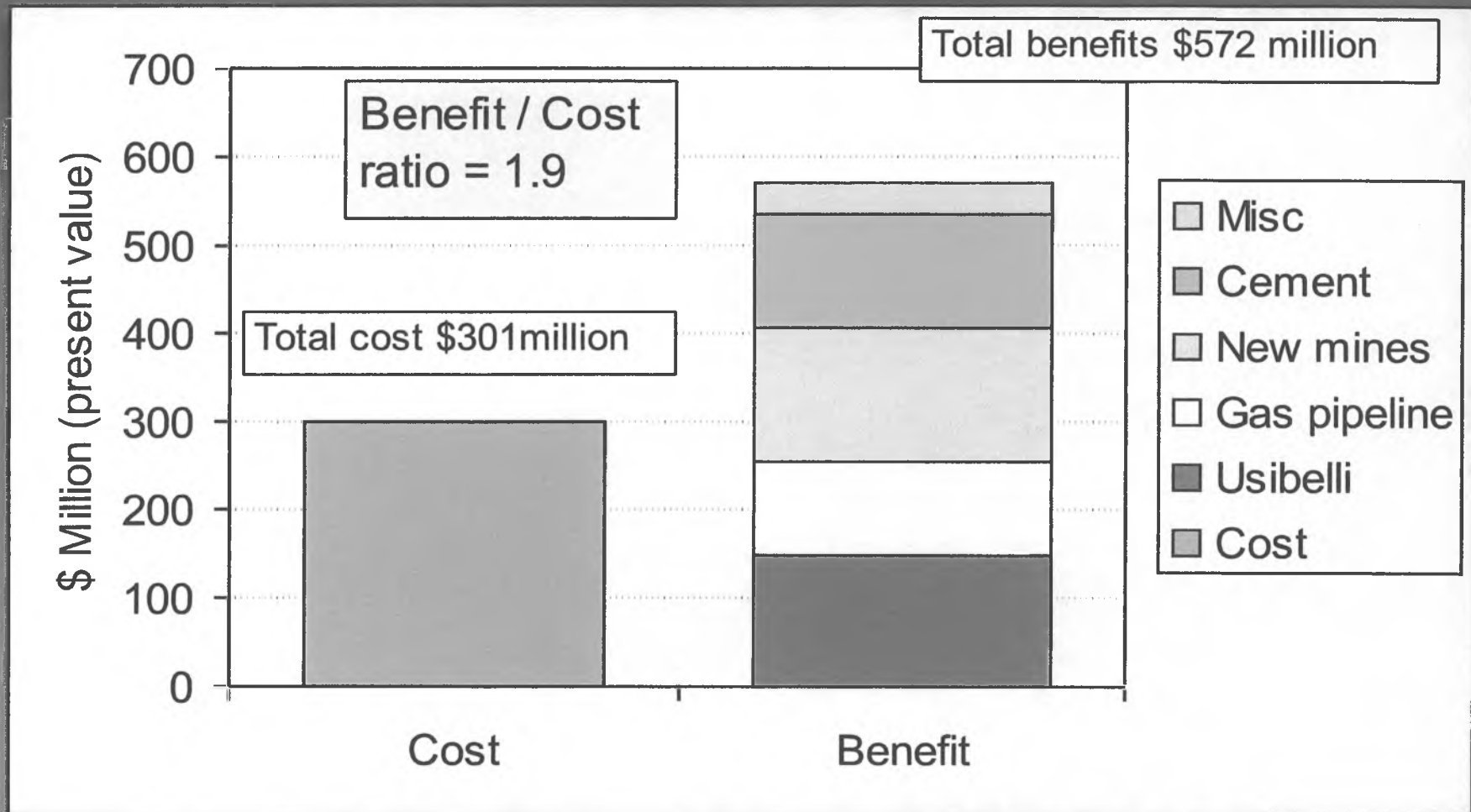
\$92.5 million

Four separate appropriations



Monday, February 27, 2012

ISER Benefit Cost Assessment of Rail Extension



Cost

Benefit



Monday, February 27, 2012



Monday, February 27, 2012



Bill Brophy
Communications
Usibelli Coal Mine

Monday, February 27, 2012

Greater Wasilla Chamber of Commerce
Raven Gold Alaska Pogo Mine
Central Alaska Energy JDM Consultants
PacArctic - Klondike Concrete Co.
Houston Chamber of Commerce **Accelergy**
Greater Fairbanks Chamber of Commerce
ALASKA GASLINE DEVELOPMENT CORP. - Alutiig
Greater Palmer Chamber of Commerce
Alaska State Chamber of Commerce - **Koniag**
Houston City **Kinross-Fort Knox**
Alaska Railroad Fairbanks North Star Borough
Resource Development Council **NPI**
International Union of Operating Engineers
AEDC **The Alaska Miners Association**

Greater Wasilla Chamber of Commerce

Raven Gold Alaska **Pogo Mine**

Central Alaska Energy JDM Consultants

PacArctic - Klondike Concrete Co.

Houston

“The proposed rail to Port MacKenzie can help carry Alaska forward and make the state’s minerals more competitive on the world market.”

Lauren Roberts, PE

Regional Vice President, North America
Kinross Gold USA, Inc.

Alaska State Chamber of Commerce

Houston City

Kinross-Fort Knox

Alaska Railroad Fairbanks North Star Borough

Resource Development Council **NPI**

International Union of Operating Engineers

AEDC

The Alaska Miners Association

Greater Wasilla Chamber of Commerce

Raven Gold Alaska **Pogo Mine**

Central Alaska Energy JDM Consultants

PacArctic - Klondike Concrete Co.

Houston Chamber of Commerce **Accelergy**

Greater Fairbanks Chamber of Commerce

ALASKA GASLINE DEVELOPMENT CORP. Alutiig

Greater Palmer Chamber of Commerce

"This project is an important step towards
assuring a brighter economic future for Alaska."

Bill Popp
AEDC
President & CEO

International Union of Operating Engineers

AEDC

The Alaska Miners Association

Greater Wasilla Chamber of Commerce

Raven Gold Alaska **Pogo Mine**

Central Alaska Energy JDM Consultants

“Reducing the cost of importing the products we need for our operations will help us be more competitive in our markets and give us better opportunities for growth and longevity.”

Chris Kennedy
General Manager
Pogo Mine

Alaska Railroad Fairbanks North Star Borough

Resource Development Council **NPI**

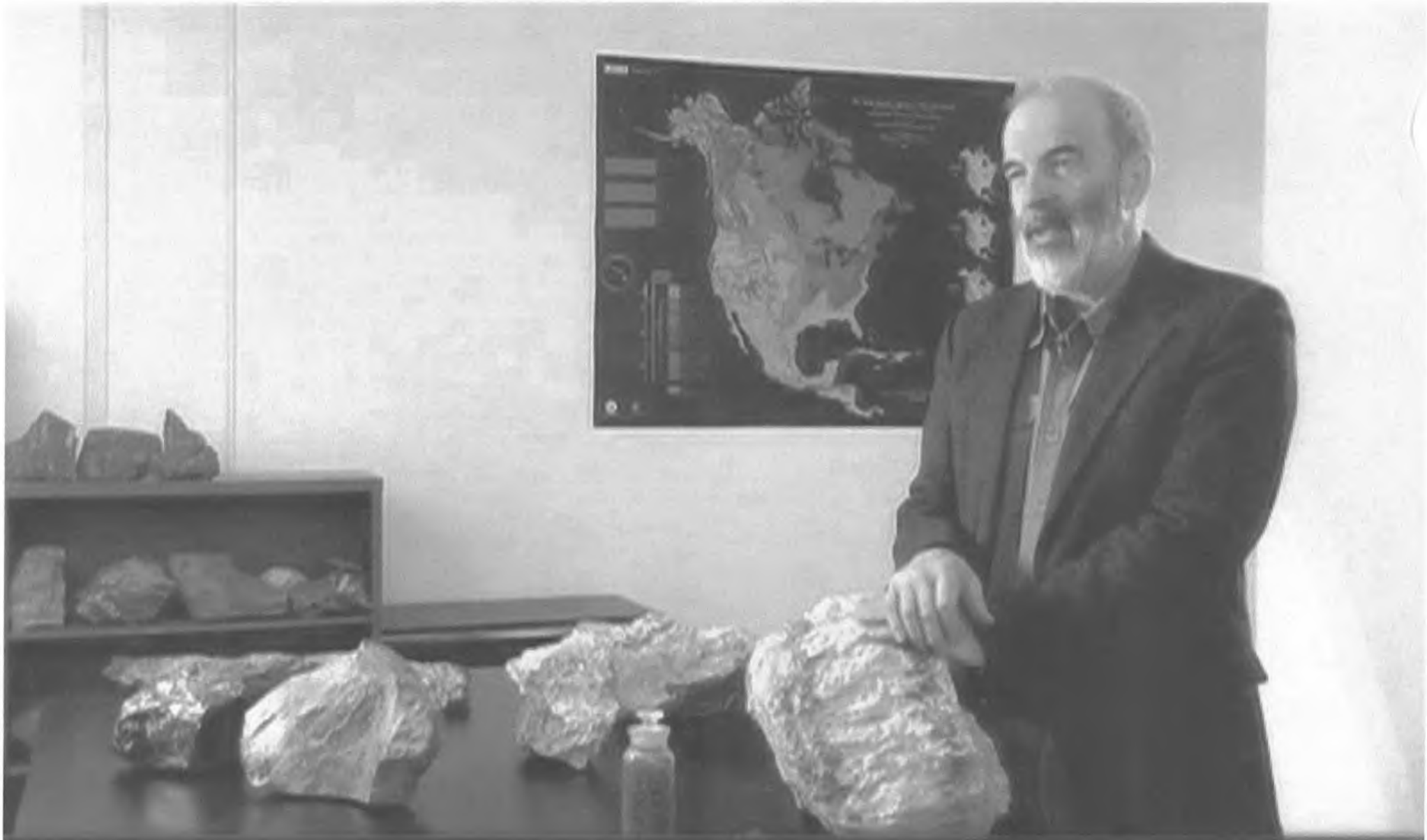
International Union of Operating Engineers

AEDC

The Alaska Miners Association

Companies & Freight on Port MacKenzie Rail

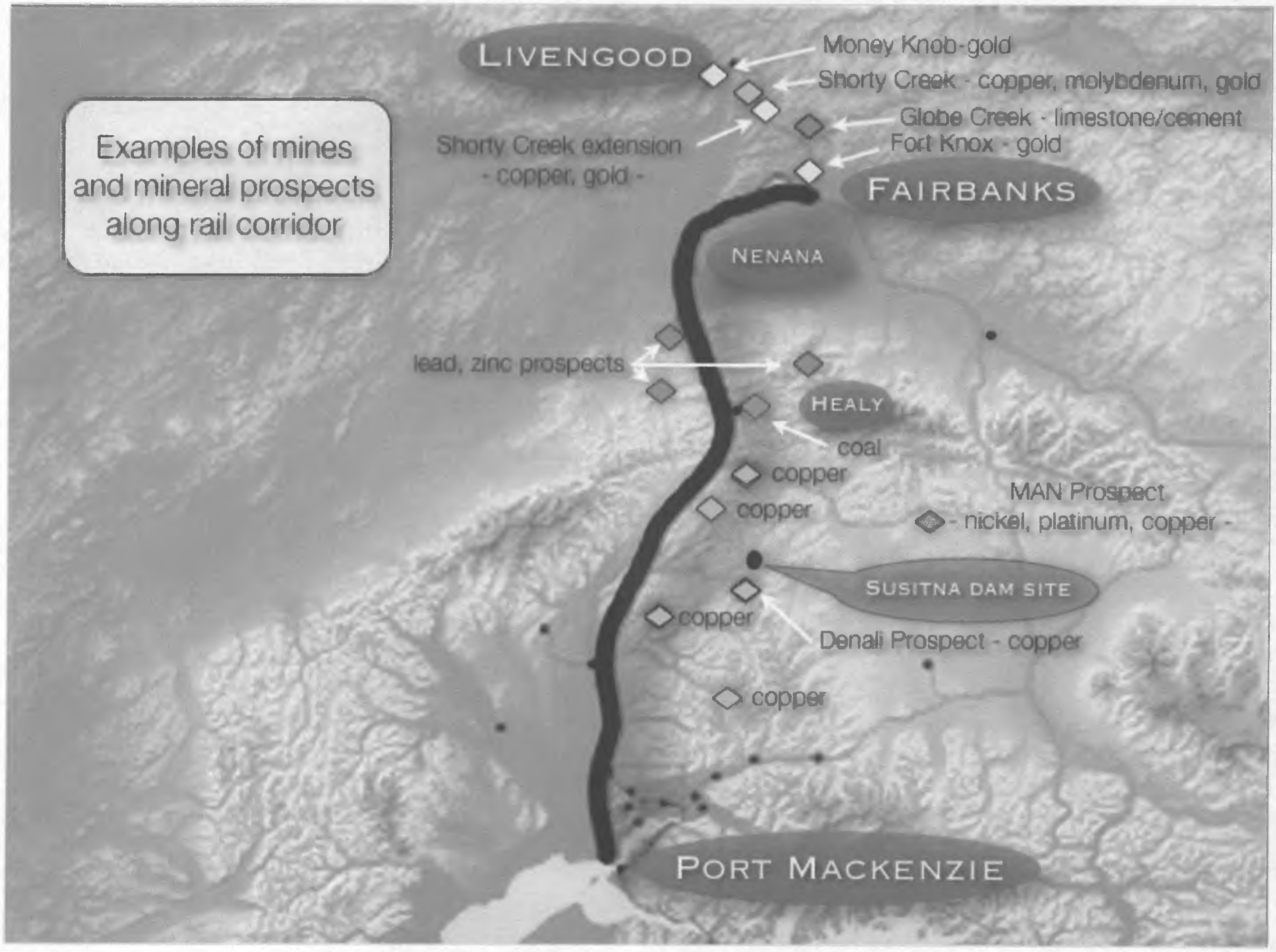
- PacArctic, Inc.
- Koniag, Inc.
- Alaska Central Energy
- Kinross Gold USA, Inc.
- Sumitomo Metal Mining
- Alutiiq
- NPI
- Accelergy
- Klondike Concrete
- Usibelli



Paul Metz

University of Alaska Fairbanks
Professor at Department of Mining and Geology

Examples of mines and mineral prospects along rail corridor



Progress at the Port

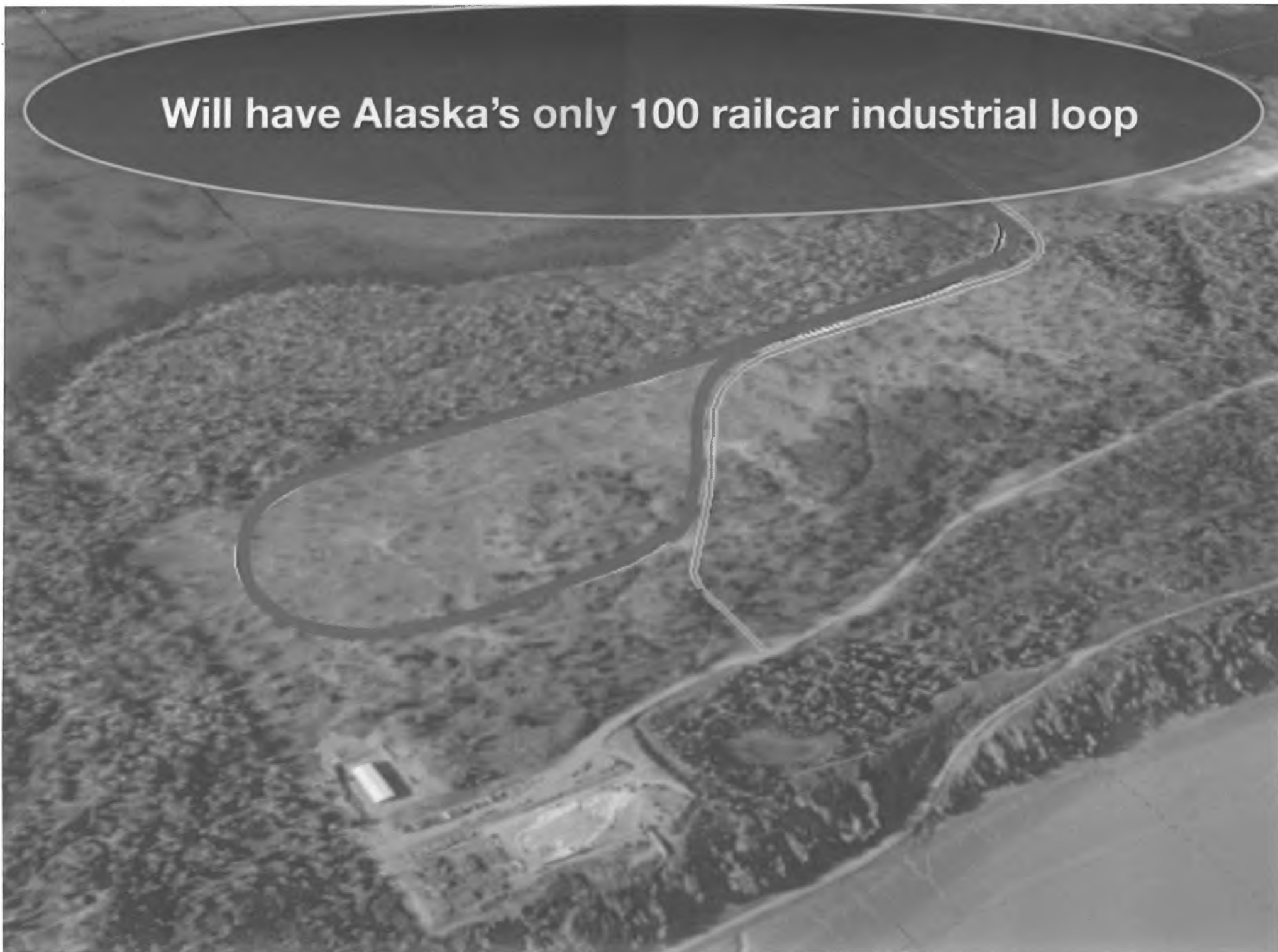


Monday, February 27, 2012



3 million cubic yards of soil moved

Will have Alaska's only 100 railcar industrial loop



Monday, February 27, 2012

Allows for efficient transfer between trains and ships



Monday, February 27, 2012

Only port in Alaska with large (14 sq. mile)
staging, storage and industrial area



This large industrial space provides excellent opportunity for value-added growth



Project funding to date

FY 2008	\$10 million	state appropriation for EIS
FY 2009	\$17.5 million	state appropriation for project
FY 2011	\$35 million	state appropriation for project
FY 2012	\$30 million	state appropriation for project

\$92.5 million: Current Total Appropriations

2013 Funding Request

\$60 million (GF)

\$120 million (GO bond)



Full length of the
future rail extension



Full length of the future rail extension

Currently funded



Full length of the
future rail extension

Currently funded

With this year's
\$60 Million funding,
we can complete
2/3 of the railbed



After that...

The balance needed
to complete project

\$120 million

– Complete rail bed –

– Lay all the track –

Project funding summary

Total Estimate for project

\$272.5 million

Appropriated

\$92.5 million

Required for completion

\$180.0 million

General Fund request

\$60 million

GO Bond request

\$120 million



PORT MACKENZIE
RAIL EXTENSION



POISED FOR GROWTH