



Port MacKenzie Rail Extension



PROJECT FACTS

Project Scope

The Matanuska-Susitna Borough (MSB) and the Alaska Railroad Corporation (ARRC) jointly propose construction and operation of a new rail line to connect the Borough's Port MacKenzie to ARRC's rail system.

The port lies about 30 miles southwest of Wasilla and about 5 miles due north of Anchorage, across Cook Inlet. Depending on the route selected, the project would involve 30 to 45 miles of new rail line extending from Port MacKenzie to the Alaska Railroad's mainline at some point between Meadow Lakes and north of Willow.

Port MacKenzie has a deep draft dock that requires no dredging and can serve the world's largest ships (Panamax and Cape Class vessels). The port's 8,940 upland acres and 1,300 tideland acres provide ample room to accommodate bulk resource storage, transport and processing facilities, as well as rail and terminal facilities for efficient train loading and unloading.

The project includes completion of an environmental impact statement (EIS) as required by the National Environmental Policy Act (NEPA). The EIS and associated studies include identifying and analyzing feasible alignment alternatives, completing preliminary engineering design on alternatives, estimating anticipated construction costs, and determining the project's economic, financial and engineering feasibility.

When the EIS, design and construction are complete, the new rail line would operate as part of the Alaska Railroad system.

Project Benefits

- The rail line would support Port MacKenzie's potential as a bulk resources export and import facility.
- The rail line would support natural resource development. Increased rail freight activity would benefit railbelt communities through

increased employment, contributions to state and community tax base, and overall economic health.

- With room for layout and storage, Port MacKenzie would be an ideal site to supply materials for pipeline and other construction projects.

Project Status & Timeline

- In June 2007, MSB and ARRC signed a Memorandum of Agreement to pursue environmental work, engineering and alternative analysis in support of the Surface Transportation Board (STB)-led environmental document for a Port MacKenzie rail line extension.
- Ideally, the project will follow a tight schedule:
 - NEPA Environmental Study Completion / Identify Funding: 2007-2010
 - Project Final Design: 2009-2010
 - Construction: 2010-2012
 - Operation: 2012-2013
- In Summer 2007, MSB and ARRC hired HDR Alaska to assist with completing an Alternatives Analysis (AA). This entailed review of prior studies related to Port MacKenzie, as well as new preliminary engineering and environmental field work to support the NEPA process. Extensive public involvement activity took place September through December 2007, including five public meetings (Wasilla, Knik, Big Lake, Houston and Willow), and dozens of briefings and meetings with community and special interest groups, as well as with municipal, borough, state and federal regulatory agencies. A project web site was also developed, going live in September 2007 — www.portmacrail.com.
- The railroad submitted the completed Alternatives Analysis as part of an application to the STB in January 2008. See the STB NEPA



Process described in the flow chart on page 4 indicating the anticipated next steps following the application submittal.

- During 2008 and 2009, the STB is pursuing the EIS process and the EIS is anticipated to be complete by late spring 2010.
- During fall 2009 and summer 2010, the Mat-Su Borough will construct a bulk commodities road loop at the port to facilitate the trans-shipment of natural resources by truck, in advance of rail construction.

Project Participants

- **Matanuska-Susitna Borough (MSB)** – MSB is the local government that owns the Port MacKenzie land and facility. The Mat-Su Borough is the project's *Sponsor*, responsible for financial and public/government relations oversight and land use planning. MSB is co-managing the project.
- **Alaska Railroad Corporation (ARRC)** – ARRC is a self-sustaining corporation owned by the State of Alaska. The Alaska Railroad is the project's *Applicant*, responsible for rail-related technical expertise, and preparation and submittal of documents to the STB in support of the NEPA environmental document effort. ARRC co-manages the project.
- **Surface Transportation Board (STB)** – STB is the lead federal agency on the project. Because the project involves new rail line construction requiring federal approval, an environmental document is being prepared to meet NEPA requirements. The STB, through its Section of Environmental Analysis (SEA) is responsible for preparing the environmental document. In January 2008, the STB hired third-party contractor ICF International to assist.

Cost and Funding

- The State appropriated \$10 million during the 2007 legislative session to support the STB's process for achieving a license for constructing and operating the rail line. This includes alternative analysis, preliminary engineering, NEPA environmental documentation and a financial feasibility study.
- The State appropriated another \$17.5 million during the 2008 legislative session to continue to support the project.
- The Mat-Su Borough will request \$57 million during the 2010 state legislative session to pursue design and construction of the rail embankment for the southern portion of the alignment.
- Final design and construction of a rail spur to Port MacKenzie is estimated to cost \$230 to \$300 million, depending on route selection. The Mat-Su Borough and Alaska Railroad will jointly conduct a financing study to assess options for funding the project.

For More Information

Mat-Su Borough:

- Public Affairs Director Patty Sullivan at 907.745.9577

Alaska Railroad:

- Corporate Communications Officer Stephenie Wheeler 907.265.2671

www.portmacrail.com

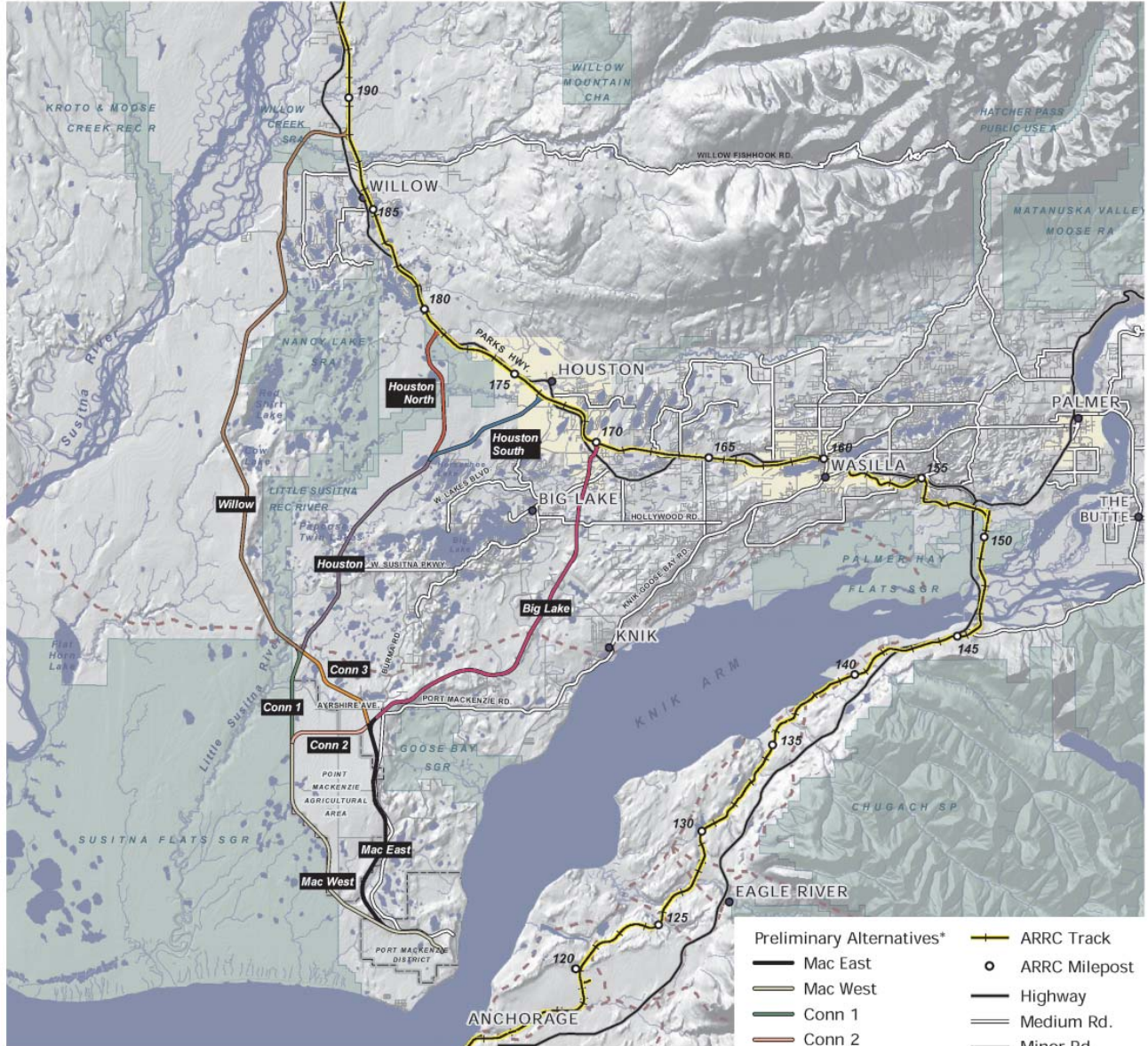
- Joint MSB-ARRC web site established to facilitate the public process prior to STB application submittal.

www.stbportmacraileis.com

- STB web site related to the Environmental Impact Statement.



Route Alternatives



Matrix Reference

Use this map as a reference for reviewing the project matrix on the following page. Footnotes regarding the matrix:

- a Criteria are rated as follows: (+) Positive; (0) Neutral; (-) Negative. Criteria are not weighted and routes are not ranked.
- b Large parcels of undeveloped land owned by the State (but not designated for parks or refuges), Mat-Su Borough, University of Alaska, Mental Health Trust, and Alaska Native Corporations.
- c Lands designated for parks, refuges or agricultural uses.
- d Routes impacting greater than 500 acres were given a minus (-) and routes impacting less than 300 acres were given a plus (+).
- e Costs do not include approximately \$10 million for a loop track constructed within the Port. This cost is common to all of the route alternatives.



Port MacKenzie Rail Extension Criteria Matrix

PROPOSED ROUTES	CRITERION ^a										+ / 0 / -	Total	Cost Estimate ^c (millions of dollars)	
	1 Poor or Highly Compressible Soil (millions of cubic yards)	2 Number of New Road Crossings	3 Land Availability ^b (acres / mile)	4 Number of Developed Parcels	5 Designated Land Use ^c (acres)	6 Train Energy Needed (horsepower-hours)	7 Wetlands (acres)	8 Number of Mapped Anadromous Fish Streams	9 High Potential for Archeological Sites (acres) ^d	10 Fragmentation of Refuges or Recreation Areas (yes / no)				
Mac West • Willow	1.15 0	5 +	15.8 0	15 0	440 -	8,100 +	200 0	5 0	585 -	Yes -	2 / 5 / 3	-1	\$285	-
Mac West • Houston North	1.73 -	4 +	14.6 0	13 +	440 -	7,300 0	350 -	7 -	225 +	Yes -	3 / 2 / 5	-2	\$220	0
Mac West • Houston South	1.19 0	5 +	16.3 0	13 +	415 -	8,100 0	280 -	6 0	280 +	No 0	3 / 5 / 2	+1	\$200	+
Mac West • Big Lake	0.66 +	11 -	11.3 -	35 -	320 -	9,800 -	220 0	7 -	530 -	No 0	1 / 2 / 7	-6	\$240	0
Mac East • Willow	1.05 0	7 0	18.9 0	7 +	150 +	8,700 0	90 +	4 +	580 -	Yes -	4 / 4 / 2	+2	\$280	-
Mac East • Houston North	1.62 -	6 0	18.7 0	5 +	145 +	7,900 0	240 0	6 0	225 +	Yes -	3 / 5 / 2	+1	\$220	0
Mac East • Houston South	1.08 0	7 0	20.4 +	5 +	130 +	8,700 0	175 +	5 0	280 +	No +	6 / 4 / 0	+6	\$200	+
Mac East • Big Lake	0.56 +	11 -	15.4 0	26 -	120 +	9,100 -	160 +	7 -	540 -	No +	4 / 1 / 5	-1	\$220	0

STB NEPA Process

