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HEATED CONSTRUCTION MARKET DELAYS BRIDGE

DAWSON CITY – Highways and Public Works Minister Glenn Hart announced today the government has decided to delay the construction of the Yukon River Bridge at Dawson City because an over-heated construction market has dramatically impacted the project.

“The Government of Yukon believes a bridge makes good long-term sense for Dawson – it will mean jobs and improve the future health and well-being of the community,” Hart said. “The Dawson bridge remains an active project, but the reality is that we cannot make the business case under the existing circumstances.”

Construction costs have risen to unprecedented levels in western Canada due to the high number of major construction projects underway. Both material and labour costs have substantially increased this spring; recently it was reported that the Okanagan Lake Bridge, in British Columbia, will cost 50 per cent more than estimated because of the dramatic increase in the price of steel and concrete.

In addition, oil prices have increased by 110 per cent since January 2004 and there has been a further 35 per cent increase in the first quarter of 2005. Oil is a major source of energy for both production of materials and transportation, and as such, price increases significantly impact large construction projects.

Though the P3 procurement process is cancelled, the government intends to continue working on the environmental assessment and the water license application for the bridge.

“The government is committed to providing quality infrastructure to Dawsonites and all Yukoners at a reasonable cost,” Hart said. “In addition, I would like to thank the two proponents for their submissions and the Dawson Bridge Design Committee for its excellent work and recommendations,” Hart said.

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