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PREMIER FENTIE, ALASKA GOVERNOR MURKOSWKI PROMOTE NORTHERN PIPELINE AND RAILWAY PROJECTS

WHITEHORSE – Yukon Premier Dennis Fentie and Alaska Governor Frank Murkowski are traveling to Ottawa for a series of meetings with top decision makers.

The two key issues for the leaders will be the Alaska Highway pipeline project and the proposed rail link connecting Alaska and Yukon with southern Canada and the United States.

“Momentum is building for the Alaska Highway Pipeline project, and it is critical that all governments involved have their regulatory processes in order”, Fentie said.

“Both the Yukon and Alaska governments are getting pipeline ready, and we’re now looking for regulatory certainty from Ottawa,” he added.

Yukon, Alaska and the US governments are also urging Canada to formally commit to an International Canada-US Joint Commission on the rail project.

“The other players have already agreed to this approach and have committed to funding it and now we look forward to getting a firm commitment from Canada,” Fentie said.

On February 23 and 24 the two leaders will meet with Prime Minister Paul Martin, key members of the federal cabinet, US Ambassador Paul Celluci and US Secretary of Transportation Norman Mineta.

- 30 -

Attachments:

List of meetings and events

Alaska Highway pipeline project backgrounder (2 pages)

Alaska-Canada rail link backgrounder

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Schedule of Meetings and Events, Ottawa
Hon. Dennis Fentie, Premier of Yukon
Hon. Frank Murkowski, Governor of Alaska

NB: This itinerary is subject to change.

February 23

- US Ambassador Paul Cellucci
- Hon. Jon Lapierre, Minister of Transport
Hon. John Efford, Minister of Natural Resources
Hon. Larry Bagnell, MP for Yukon and Parliamentary Secretary to the Minister of Natural Resources
- Visit to the House of Commons to be recognized by the Speaker of the House
- Dinner with Hon. Joe Camuzzi, Minister of State, Industry Canada

February 24

- Hon. John Efford, Minister of Natural Resources
- Norman Mineta, US Secretary of Transportation
- Hon. Andy Scott, Minister of Indian Affairs and Northern Development
- Hon. Jim Peterson, Minister of International Trade
- Right Hon. Paul Martin, Prime Minister of Canada
- Hon. Anne McLellan, Deputy Prime Minister
- Official reception on Parliament Hill in honour of Governor Murkowski's visit

Backgrounder: Alaska Highway Pipeline Project (AHPP)

For more information, please visit: <http://www.emr.gov.yk.ca/pipeline/>

The Alaska Highway pipeline would begin at Prudhoe Bay, Alaska, parallel the oil pipeline to Fairbanks, and then follow the Alaska Highway through the Yukon and northeast B.C. and on into Alberta. The AHPP will carry gas to southern markets.

- Approximately 830 km, or 30% of the route, would be in the Yukon.
- The pipe itself would be 42-52 inches in diameter.
- Pipeline capacity would be 2.5-5.6 billion cubic feet/day.

The construction and operation of the AHPP is expected to generate up to 375,000 person years of employment within the Yukon and Canada over a 24-year period, and pump billions of dollars into the Canadian and Yukon economies.

There are currently two proposals for the Canadian portion of the AHPP.

- TransCanada Pipelines Ltd. has a proposal under the Northern Pipeline Act.
- The North Slope Producers are advancing a proposal that would be regulated under the traditional National Energy Board process.

BENEFITS

- The pipeline would help us to ensure Yukon gas reserves are not stranded. The Yukon has eight sedimentary basins, and adding Yukon gas to the pipeline would stimulate economic development in the territory.
- Yukon could supply natural gas energy to residential, commercial and industrial sectors, advancing northern development.
- Over the longer term, employment in the Yukon would increase by between 1,000 and 2,000 jobs per year.
- Because skilled labor will be required for the project, opportunities will be available for education and training in project-related occupations.
- The project will create new business opportunities in construction, transportation, manufacturing, communication and utilities, business services, accommodation and food, and other services.
- Yukon's GDP, or economic output, would increase by an average of 30% over the construction and operation period.

CHALLENGES

- Regulatory certainty in Canada. The Government of Yukon is working with industry, First Nations and the federal Government to address this issue.
- Capacity for Yukon preparedness. Yukon is working to ensure all parties, including First Nations, have the resources necessary to actively participate in northern pipeline development.

Map showing the proposed Alaska highway pipeline route:



Please contact Anthony DeLorenzo, Yukon Executive Council Office
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Backgrounder: Alaska-Canada Rail Link

Early in 2002, the US President signed the *Rails to Resources Bill* into law. This bill authorized US involvement in a joint US/Canada body to conduct a feasibility study for building a rail link from Alaska, through Yukon, to northern British Columbia. Congress set aside \$6 million US for this purpose and the US State Department sent a formal note to Canada asking that it participate.

To date, the Government of Canada has not officially responded to the US Government's request, which has had active support from all affected provincial and territorial governments. The Government of Yukon continues to encourage Canada to respond and proceed with a bilateral feasibility study on the proposed Alaska-Canada rail project.

From the Yukon's perspective, we are confident that the study once completed will demonstrate a wide spectrum of benefits to Canada. Our preliminary analysis indicates a number of potential benefits, should the rail project become a reality:

- It would allow for further economic diversification in the north, and provide a great boost to key industries, such as oil & gas, mining and tourism.
- It will promote natural resource development, by providing key transportation access to the rich resources of Alaska and Yukon, both explored and unexplored.
- As part of a larger transportation corridor, it will contribute to greater synergies with other key projects, including the proposed natural gas pipeline and enhanced telecommunications infrastructure.
- It will allow for increased trade flows within North America and to an exceedingly important group of trade partners across the Pacific.
- It will reduce transportation costs, and ease ongoing and significant congestion issues in the North American transportation network.

The advantages of proceeding with a joint Canada-US study are numerous, including:

1. It will allow governments to pursue the research required to assess the merits of this railway without committing either government to action beyond the conduct of the study.
2. It will allow for a clear dialogue on a vision for the north, and the opportunities that would arise through the development of a transportation corridor connecting Alaska and Yukon to the greater North American network.
3. It would demonstrate cooperation with the US on a matter that they see as important for both trade and security reasons.