

PROPOSED COASTAL UTILITY CORRIDOR PUBLIC ROAD

FROM HOUSTON, BC TO KITIMAT, BC

Presented by the Kitimat Harbour Group - Chairperson, Mr. Ron Burnett and Victor Maskulak

August 31, 2010, Kitimat, BC

A focus of the Terms of Reference for the Enbridge Northern Gateway Pipeline has specifically identified the need for the Project to demonstrate how it is meeting the Principles of Sustainability. For our community, the principles of sustainability are rooted in economic, social and environmental components of the project. For the purpose of this presentation, we want to focus on one aspect, economic.

Since 1987, the Kitimat Chamber of Commerce has been promoting a public highway to connect the town of Houston, BC and Kitimat, BC to promote development by offering an alternative and shorter route for shipping goods from the interior and Alberta to a port with an abundance of opportunity for expansion. This proposed highway would open potential for development throughout the whole region. Various studies have been conducted but the construction cost was prohibitive for the limited amount of traffic. Recently, a range of pipeline companies have studied the various pipeline routes to the coast in anticipation of the developing world markets. In 2005, Enbridge choose Kitimat as its Western Terminal for the proposed Northern Gateway Pipelines. In May of this year, Enbridge made application to the National Energy Board to develop two pipelines from northern Alberta to Kitimat, where a large tank farm will be located to service bulk tankers. Kitimat Liquefied Natural Gas (Kitimat LNG) has also chosen Kitimat for its pipeline terminus and conversion plant. This application has been approved by the Province of BC and the Federal Environmental Review Board.

In 2006, the Kitimat Port Development Society received funding from the Western Economic Diversification Canada and the BC Provincial Government to study the potential of constructing a publicly accessible common carrier break bulk port in Kitimat. This study is very positive but transportation infrastructure must be improved to ensure that Kitimat is economically accessible to the various exporters.

Our Kitimat Harbour Group (*a group of community volunteers with no funding source who meet weekly to work to promote development within our region*) feel that the pieces of the development puzzle have come together with submission by Enbridge to construct a pipeline through the Coast Mountains. Our proposal is that the Federal and Provincial Governments construct a public highway between Houston and Kitimat and any developer utilizes this corridor or portions of it for access. ***Due to the difficult terrain, there is only one opportunity to locate a two lane highway through the Coast Mountains in this area; therefore the pipelines must share this right-of-way or portions of it.***

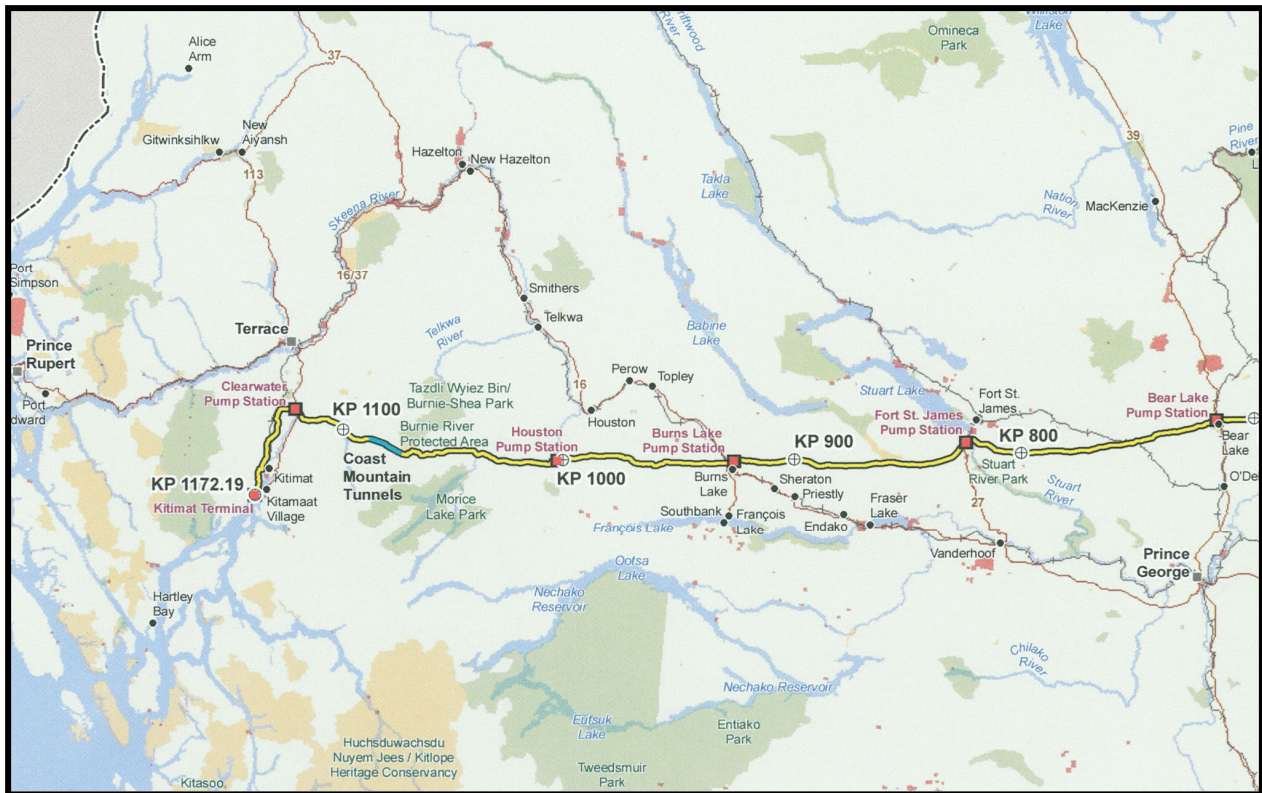
The requirement of this project to open up the north to a new traffic route for commercial traffic will ensure that a sustainable and competitive industrial base will be established; preserving existing employment and attracting entirely new opportunities to the northwest.

*To detail the route that this proposed highway would follow, we have used an extract from the Enbridge Northern Gateway Project Proposed Pipeline Routing Project Overview Map dated 18 Aug 2008 – Map # 00-036-001 shown in **Appendix 1**. Starting at Houston this highway will follow an existing two lane gravel logging road for 41 km, then follow a one lane logging road for 40 km, to hook up with Enbridge's KP 1052 km. A new road will be required for 35 km from KP 1052 to KP 1087. This is the section through the Coast Mountains and it includes two tunnels being 7 km each under Mount Hope and Mount Nimbus. From KP 1087 to KP 1124 a distance of 37 km follows a single lane logging road to Highway 37 South. The total distance of new highway from Houston to Highway 37 is 153 km. It is a further distance of 32 km to Kitimat on existing highway. Total distance of 185 km between Houston and Kitimat, a savings of 142 kilometers one way. ***This will make a significant savings in trucking costs and CO² emissions.****

The existing distances between communities in the northwest and distances after the proposed highway is established are compared in **Appendix #2**.

Appendix #1

Excerpt from the Enbridge Northern Gateway Project Proposed Pipeline Routing Project Overview Map dated 18 Aug 2008 – Map # 00-036-001



Appendix #2

Comparison of the existing distances between communities in the northwest and distances after the proposed highway is established. Distances are shown in kilometers.

Present Road		Kitimat	Terrace	Smithers	Telkwa	Houston	Pr. George	Pr. Rupert
	Kitimat	0	66	271	282	327	642	215
	Terrace	66	0	206	217	266	577	147
	Smithers	271	206	0	11	65	371	353
	Telkwa	282	217	11	0	54	360	364
	Houston	327	266	65	54	0	307	410
	Pr. George	642	577	371	360	307	0	724
	Pr. Rupert	215	147	353	364	410	724	0

PROPOSED Road		Kitimat	Terrace	Smithers	Telkwa	Houston	Pr. George	Pr. Rupert
	Kitimat	0	66	250	239	185	492	215
	Terrace	66	0	256	245	191	498	147
	Smithers	250	256	0	11	65	371	403
	Telkwa	239	245	11	0	54	360	392
	Houston	185	191	65	54	0	307	338
	Pr. George	492	498	371	360	307	0	645
Pr. Rupert	215	147	403	392	338	645	0	

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August 31, 2010