

InterContinental Railway Project Summary July 2018

Project Background



The InterContinental Railway (ICR) involves the design, engineering and construction of nearly 5,500 miles of new railroad, connecting existing railroad networks from Yakutsk in Eastern Russia, across the Bering Strait and Alaska to Fort Nelson, Canada to create a continuous rail transportation link between North America, Russia, Asia and Europe. Although the entire railway is below the Arctic Circle, the project will require the construction of the longest railway tunnel in the world - a 70 mile long tunnel more than 160 feet deep under the Bering Strait. Dual gauge tracks or wheel gauge changing technology would be required for train operation across Eastern Russia.

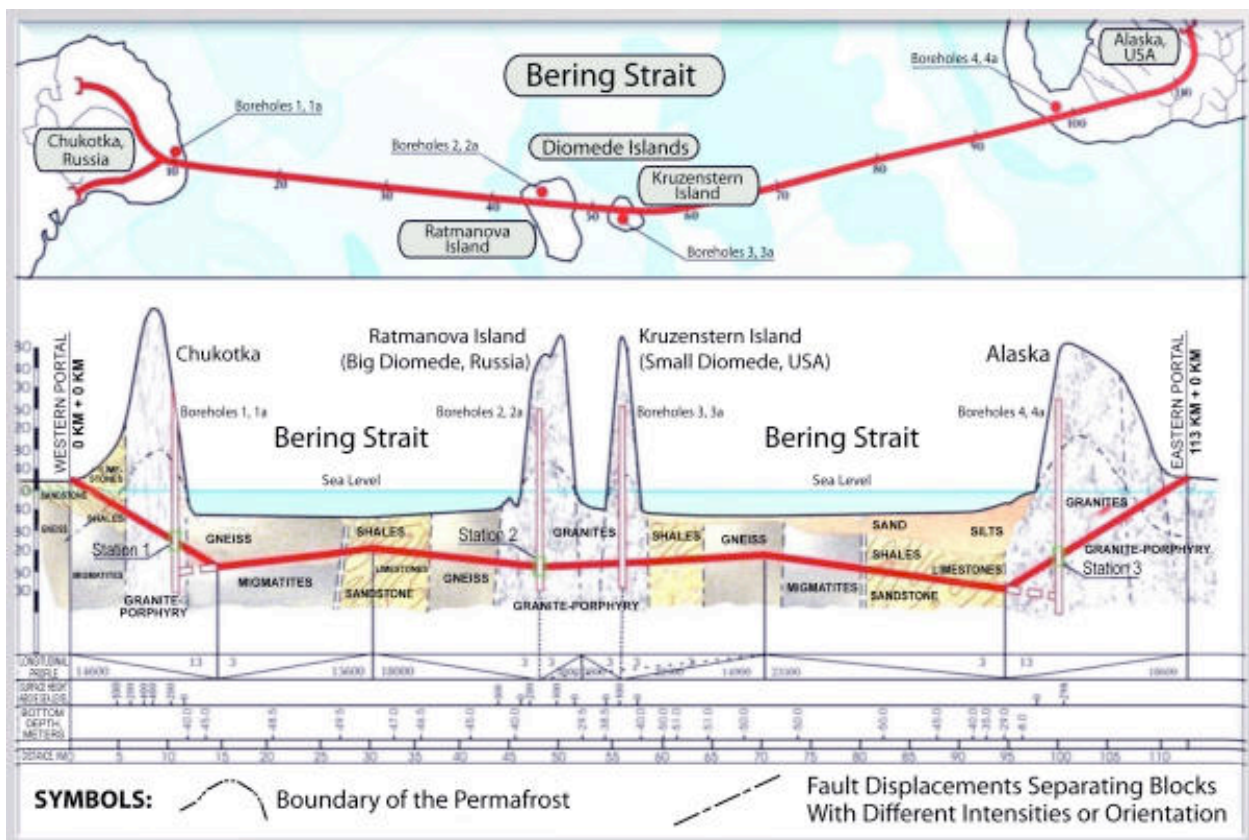
The InterContinental Railway is projected to carry at least 100 Million Gross Tons (MGT) annually of double stack container unit trains, coal, grain, oil unit trains and automobile shipments for foreign trade between the United States, Canada, Russia, China, Japan and Europe. Shipping via ICR trains will take less than half the time of ocean shipping and avoids expensive and time consuming cargo transfers and the delays of ships waiting for berths at seaports. A proposed Trans Korean Main Line would also provide direct service to North and South Korea.

The total cost of the \$100+ billion dollar project would be financed by access to resource development rights along the route, waybill fees for shipments, government incentives and low interest government loans.

Project Infrastructure Elements

North America: Fort Nelson, Canada (existing rail network terminal) to Fairbanks and Wales, Alaska - 3,030 miles (80 miles currently under construction as part of the Alaska Railroad's Northern Rail Extension Project)

Bering Strait Tunnel: 70 miles (includes mid-point vent shafts on Big and Little Diomedé islands):



Russia: Uelen - Yakutsk (existing rail network terminal) 2,392 miles of dual gauge railroad

Electrification through the Bering Strait tunnels and over most of the route would be powered by numerous hydro-electric sources along the route.

Project would also evaluate the feasibility for transmission lines, fiber optic links, oil and natural gas pipelines

Constructibility Issues

Over 70 miles of spoils from construction of the dual Bering Strait Tunnels will provide significant amounts of fill for the grading of the railroad in Russia and North America.

Most Bering Strait Tunnel construction activities limited to four month “warm weather” windows

Construction logistics will require ocean shipping support of materials and equipment to the Bering Strait

Bering Strait Tunnels will require design and construction of an electrification system

Dual gauge design and construction required over broad gauge network in Eastern Russia for through operation of unit trains between North America and Asia

Operations and Markets to be served

Provides transportation between Asia and North America in less the half of the time of ocean shipping on a joint railway line with multiple railroads offering service

Shipment of automobiles and parts between plants and markets without delay of two port transfers

With \$50+/barrel oil, rail is a faster, more cost effective alternative than ocean shipping via the Pacific Ocean/Panama Canal and Trans-Arctic Ocean routes

Provides flexible international market access for North American oil, grain and coal exports

Bypasses the environmental and port expansion constraints of Trans-Pacific shipping

Next Steps

InterContinental Railway Treaty for international project support and to authorize construction and operation of the ICR (China - Russia - US - Canada)

Organizing InterContinental Railway Development Corporation (ICRDC) to conduct RFQ and RFP process to select international consortium to Design, Construct, Operate and Maintain (DCOM) the ICR for the least amount of government financing by 2035

Obtain government funding for the ICRDC including \$75 million for 5 DCOM teams to prepare RFP proposals by 2020 to develop and operate the InterContinental Railway

Plan Phase I: Alaska to Canada rail link to connect Alaska to the lower 48 states

InterContinental Railway Project Benefits

Eliminates two costly and time consuming land - water transfers of cargo at sea ports for Trans Pacific shipping

Reduces the need for expensive and environmentally difficult port expansion of congested ports in Asia and on the West Coast of North America to support the growth of global commerce over the next 100 - 200 years

Provides significantly faster shipping times between Asia and North America since the ICR trains can operate up to 80 MPH and the route is considerably shorter than Trans Pacific shipping lanes

Opportunity to shift Asian - North American commerce from expensive fossil fuel burning, ocean polluting ships to zero-emission, hydro-electric powered electric trains

Efficiency of InterContinental Railway trains provides responsible and environmentally sensitive access to natural resources along the entire route

Provides lower cost transportation for Alaska to the lower 48 states, export markets and between Alaskan communities that have extremely limited transportation access

Operation as a joint railway line will allow multiple railroads such as the Union Pacific, Canadian National, BNSF and others to offer a wide range of rail service options and prices for shippers of grain, minerals, raw materials, automobiles and commercial goods

Creates remarkable opportunity for intercontinental cruise train services on passenger trains operating between North America, Russia and Asia via the Bering Strait Tunnels

\$100+ billion cost of the InterContinental Railway is less than the investment in the temporary International Space Station. The ICR costs can be spread over the 100 - 200 year lifetime of the infrastructure assets and related economic growth

Creates opportunity for peaceful cooperation between the United States, Canada, Russia, China, Japan, North Korea and South Korea to develop a remarkable transportation asset which will stimulate global economic activity over the next 100 - 200 years via the InterContinental Railway and Bering Strait tunnels

Responsible economic development will bring additional progress to existing and new communities along the ICR route with better access to goods, services and hydro-electric power generation and transmission

Creates opportunity to improve prosperity and develop global commerce and growth for each country's economy and GDP via InterContinental Railway service and mutually beneficial access to international markets and resources