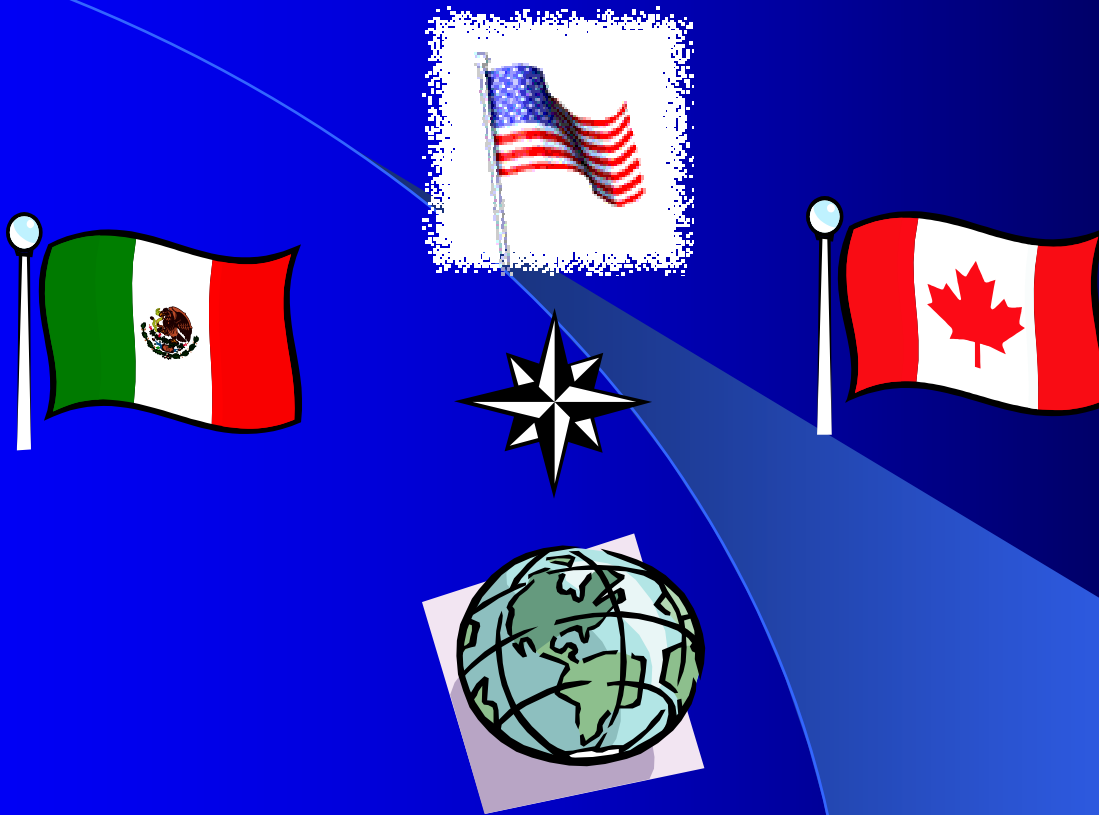


Kingman International Trade Processing Center Concept



Intermodal System Solutions

Presentation to:

Kingman City Council

on

Kingman International Trade Center
Concept

July 11, 2005

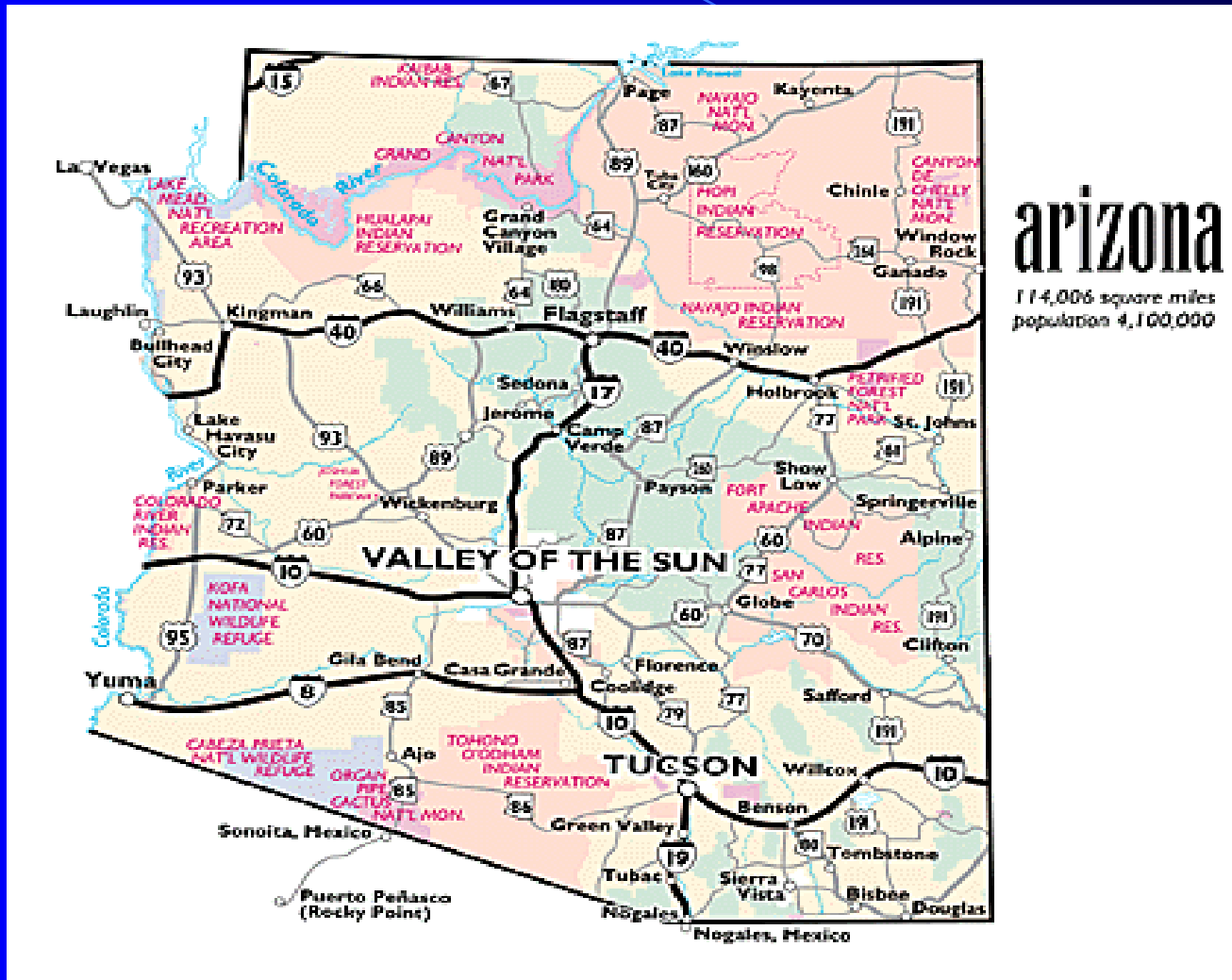


Kingman Poised For Explosive Commercial, Industrial And Residential Growth

- Boulder Dam bypass
- Moderate Climate
- Physical Space for Growth
- Unique Convergence of Intermodal Transportation Nodes
 - I 40/I 93
 - BNSF RR
 - Kingman Airport
 - Excellent geographic access to West Coast Ports, US heartland, Canada and Central Mexico
- Planning Challenges
 - Provide an economic foundation and commercial infrastructure compatible with anticipated growth
 - Leverage existing commercial features and infrastructure
 - Fund the process!

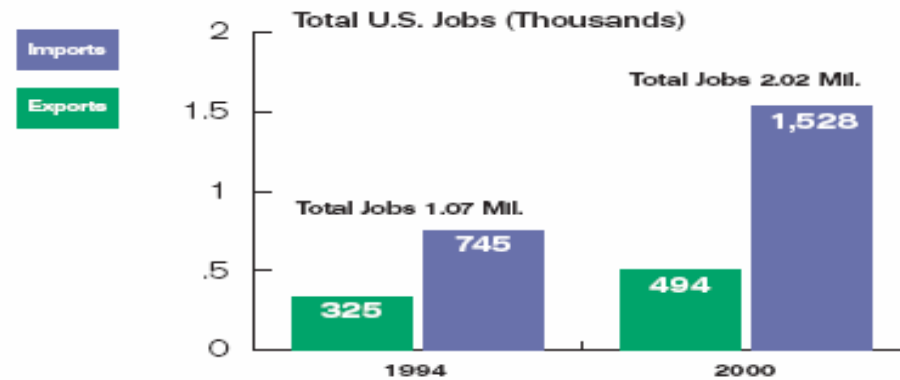
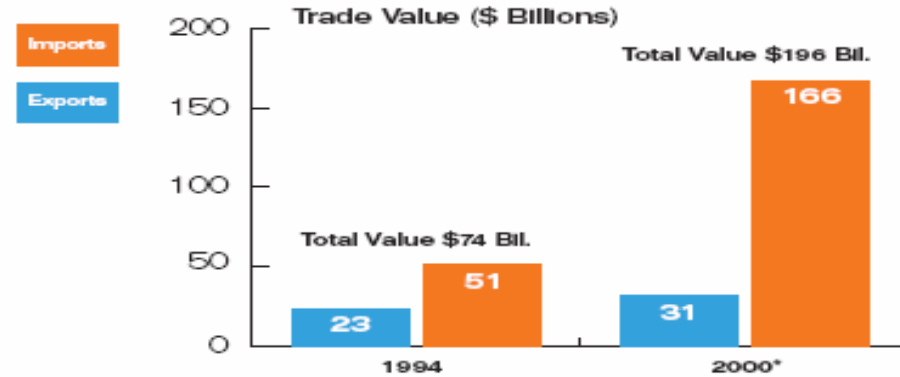


Kingman's Unique Geography in Relation to West Coast Ports and Major Highways



West Coast Generated Dollars And Jobs Present Opportunity For Kingman

Ports of Los Angeles and Long Beach



Source of chart information: BST Associates
* Numbers may not add to total due to rounding



About 60% of Ports of Los Angeles and Long Beach Eastbound Rail Traffic is Carried By BNSF Passing Through Kingman

Alameda Corridor East Daily Rail Forecast



Alameda Corridor Daily Rail Traffic

| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 0 | 0 | 0 |
| Freight | 35 | 67 | 137 |
| Total | 35 | 67 | 137 |



UP Mainlines Daily Rail Traffic

| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 14 | 26 | 44 |
| Freight | 55 | 78 | 117 |
| Total | 69 | 104 | 161 |



BNSF Mainline West Daily Rail Traffic

| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 46 | 76 | 106 |
| Freight | 50 | 74 | 112 |
| Total | 96 | 150 | 218 |



BNSF Mainline East Daily Rail Traffic

| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 17 | 38 | 62 |
| Freight | 57 | 82 | 121 |
| Total | 74 | 120 | 183 |



Los-San Corridor Daily Rail Traffic

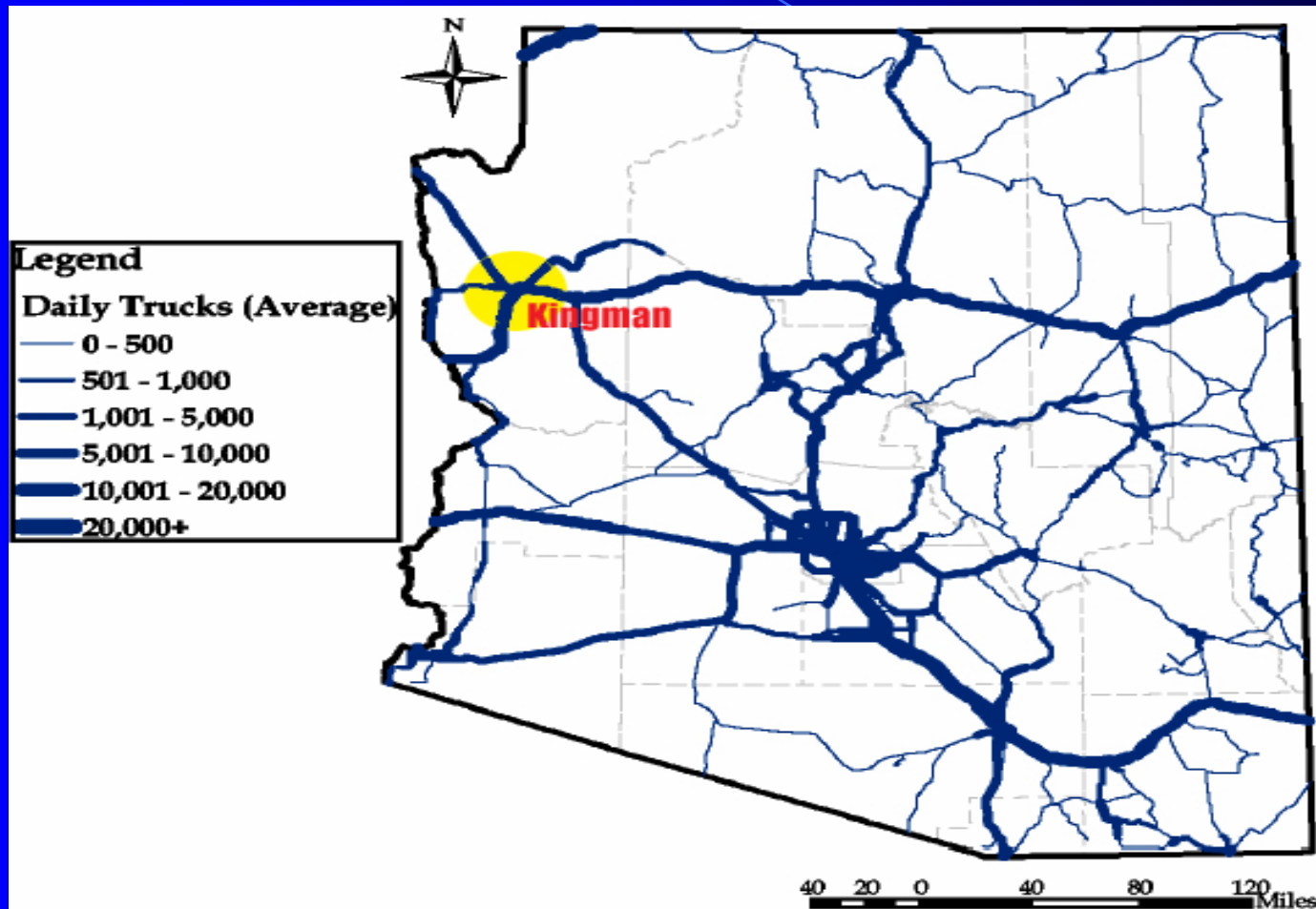
| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 55 | 69 | 100 |
| Freight | 5 | 6 | 9 |
| Total | 60 | 75 | 109 |



Joint UP & BNSF Daily Rail Traffic

| YEAR | 2003 | 2010 | 2025 |
|-----------|------|------|------|
| Passenger | 11 | 24 | 36 |
| Freight | 92 | 96 | 138 |
| Total | 103 | 120 | 174 |

Kingman's Geography Will Support Major Intermodal/Trucking/Distribution Facility Growth



Source: Arizona Department of Transportation, Highway Performance Monitoring System, 2002.



With Economic Focus On Southern Arizona Kingman's Potential As Yet Unrealized

- Of the ten top intermodal trucking facilities in Arizona, none are in Kingman
- Kingman lies astride the N-S Canamex I 93 corridor, but economic focus is biased toward Phoenix/Tucson
- The only major Arizona cargo airports are in Tucson and Phoenix
- Kingman is in position to obtain a larger share of North American, NAFTA/CAFTA markets



Kingman Potential to Become a Major Inland Port of Entry and Distribution Center

- Growth, Geography, Cost of Living, Intermodal Transportation hub and available land
- More advantageous business climate than California
- Kingman model could include:
 - Establishment of Major Intermodal Center
 - In bond processing of rail and truck cargos coming from west coast ports, Canada and Mexico
 - Direct shipment and US/Mexican/Canadian customs processing of rail/truck/air cargos at Kingman for forward shipping
- Inland Port becomes a Commercial/Industrial Magnet



Existing Interoperability Programs And Technologies Will Support A Kingman Inland Port

–Integration with current and planned State, Federal and private Intelligent Transportation System Components

- USDOT/ADOT Commercial Vehicle Information System Network (CVISN)
- ADOT/Local Advanced Traffic Information Systems (ATIS)
- Customs Free and Secure Trade (FAST)
- Homeland Security and Customs Border Protection initiatives
- Agile Port

–Use of Inexpensive and Proven Technologies

- Roadside Automatic Vehicle Identification readers and transponders/Rail AEI
- Electronic cargo seals
- Global Positioning System for high value and hazardous cargo



Similar or Competing Inland Port Programs

- **Kansas City Smartport**
 - Groundbreaking concept
 - Ten Years in Making-Tenant Subscription Model
 - Will Receive \$500K federal funds for marketing and expansion this year
 - Will feature an on site Mexican Customs Facility
 - Attempting to draw shipping away from West Coast to Mexico
- **Victorville, California Inland Port**
 - Inland Port to rapidly move trains/goods from the congested LA/LB area via Alameda Corridor East
 - 10 Year project-Potential cost \$1B to build out rail lines, intermodal yards and warehouse space
 - Economic redevelopment around former 5000 acre George AFB
 - Recently committed \$26m to begin adding rail spurs to airport
 - Supported by Local and State agencies
 - Supports Agile Port Program
 - Lies on BNSF route to Kingman



Recommendations

- Rapidly form a small public/private steering group to discuss concept and feasibility of an Inland Port Program for Kingman
 - Solicit support from state agencies, congressional delegations, federal funding agencies, private stakeholders
- If project is deemed feasible, develop an action plan that includes “Rationale and a Funding Blueprint” with the following elements:
 - Overview of benefits and economic impact
 - Strategy for executing short term planning/studies and supporting Field Operational Tests



Recommendations (continued)

- Funding Plan and Sources to include:
 - ADOT/USDDOT/FAA (Funds or Matching Funds)
 - Congressional support (SAFETEA Earmarks)
 - Customs/Homeland Security
 - Key Private Stakeholders
 - BNSF
 - Overland intermodal shippers
 - Current or Prospective Tenants
 - New or Relocating Industries/Distribution Centers

