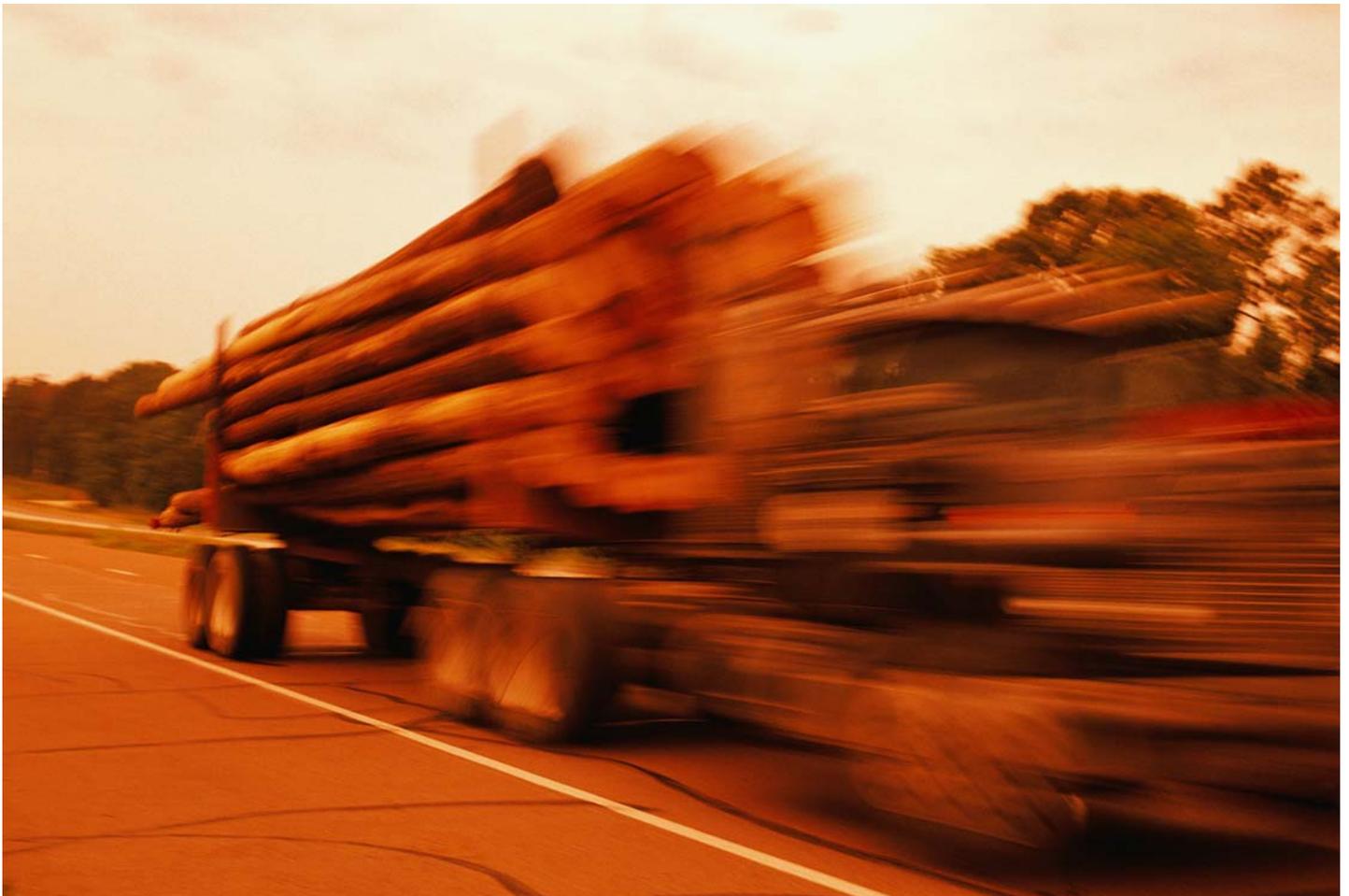


Utah Distribution and Transportation

SECTION 8 OF THE B&E PROFILE

12



Distribution & Transportation

HIGHLIGHTS

Crossroads of the West

- Central location for distribution to major western cities and states with a 1- to 2-day access to half the nation's population.
- Central point for distribution along the Canada to Mexico corridor.

Distribution Hub

- Multiple modes of transportation and distribution that are easily accessible.
- Salt Lake City International Airport, operating Delta's 5th largest hub, is the 24th busiest airport in the nation.¹
- Successful and expanding public transit system in metro areas.

HIGHWAYS AND GROUND FREIGHT²

With over 700 trucking companies in Utah and being part of the Mexico/Canada corridor, Utah is a great location for product distribution.



Source: McNally Road Atlas, EDCUtah

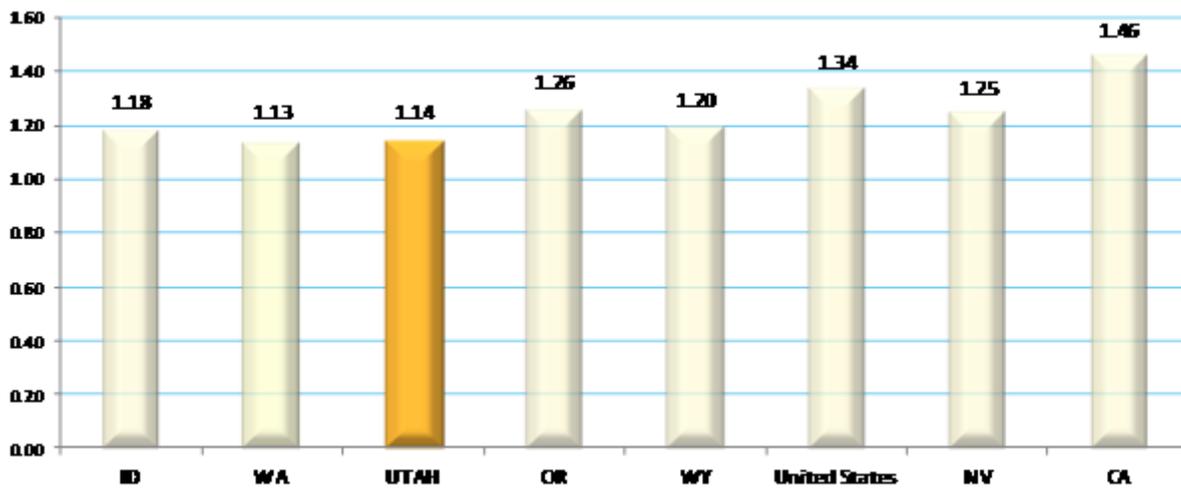
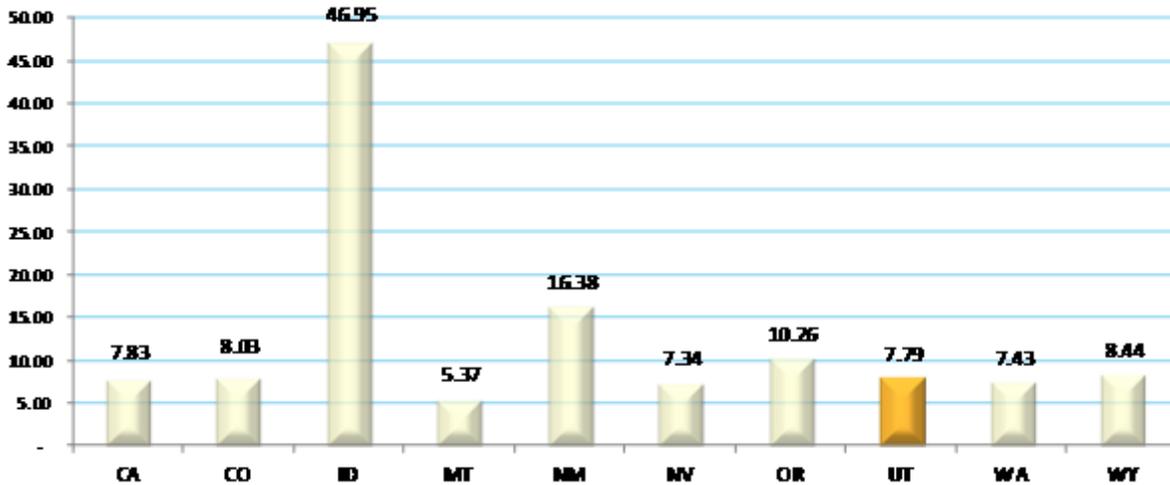
1 Source: Salt Lake City International Airport

2 Source: Utah Trucking Association, Utah Department of Transportation

FRIEGHT SHIPPING COSTS

Utah has the lowest shipping rate per mile of the western states at \$1.13/mile.

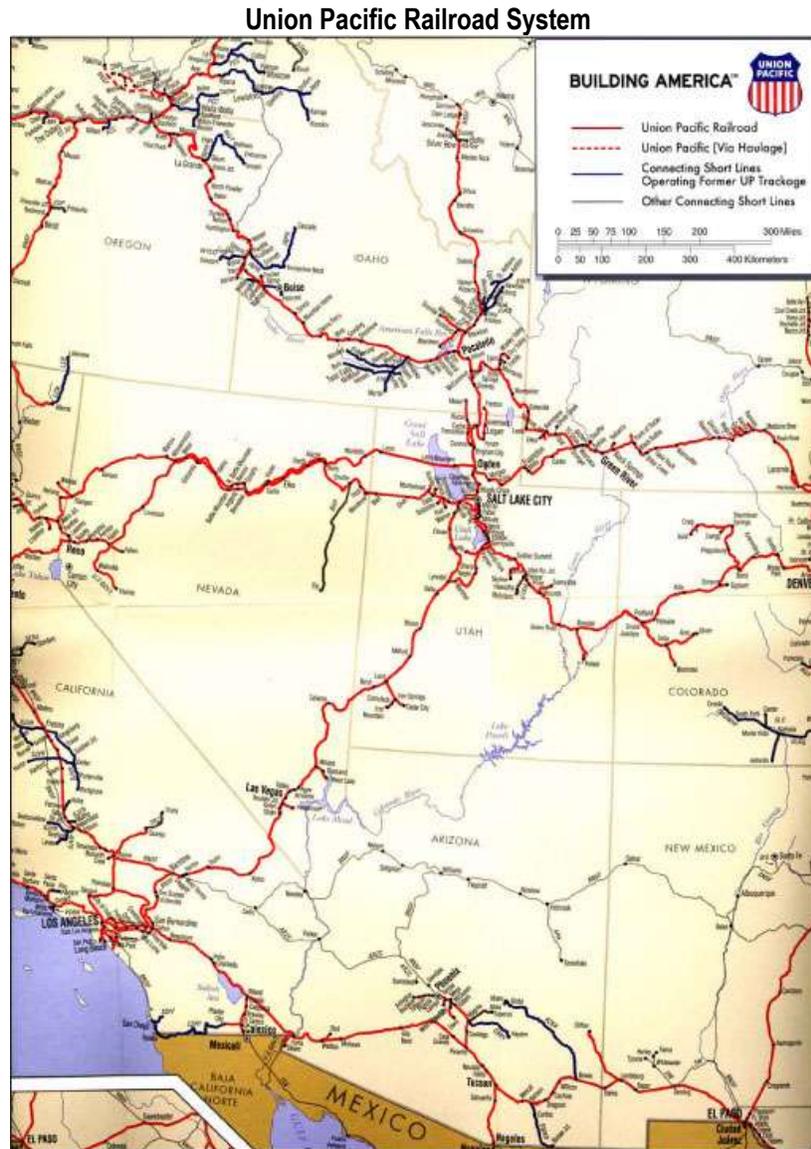
Western States Shipping Rates (\$/mile)



The load to truck ratio can affect the quality of delivery, timeliness, and security of the product being delivered. Load to truck represents how many loads are available to the number of trucks available in a market area. High truck ratio means it is a carriers market, and the carrier can hold out for whoever is the highest bidder for that truck. Utah trucks are sent to Idaho to help that state meet their demand needs. As can be seen from the load to truck ratio and is then reflected in their delivery prices.

RAIL

Utah has 1,400 miles of railroad track throughout the state that converge in the Salt Lake-Ogden metropolitan area. Union Pacific is the primary rail service provider for the state. The main lines link Utah to major sea ports such as Los Angeles, Oakland, Portland, and Seattle, as well as many other key locations throughout the country.



Source: Union Pacific Railroad

AIR FREIGHT

Sixteen cargo carriers handle more than 550 million pounds of air cargo and airmail annually. Air cargo volumes within the state have grown at an average annual rate of 9%. This increase in airfreight growth pushed for the development of a new cargo area located at the north end of the terminals at the Salt Lake International Airport in 1998.³

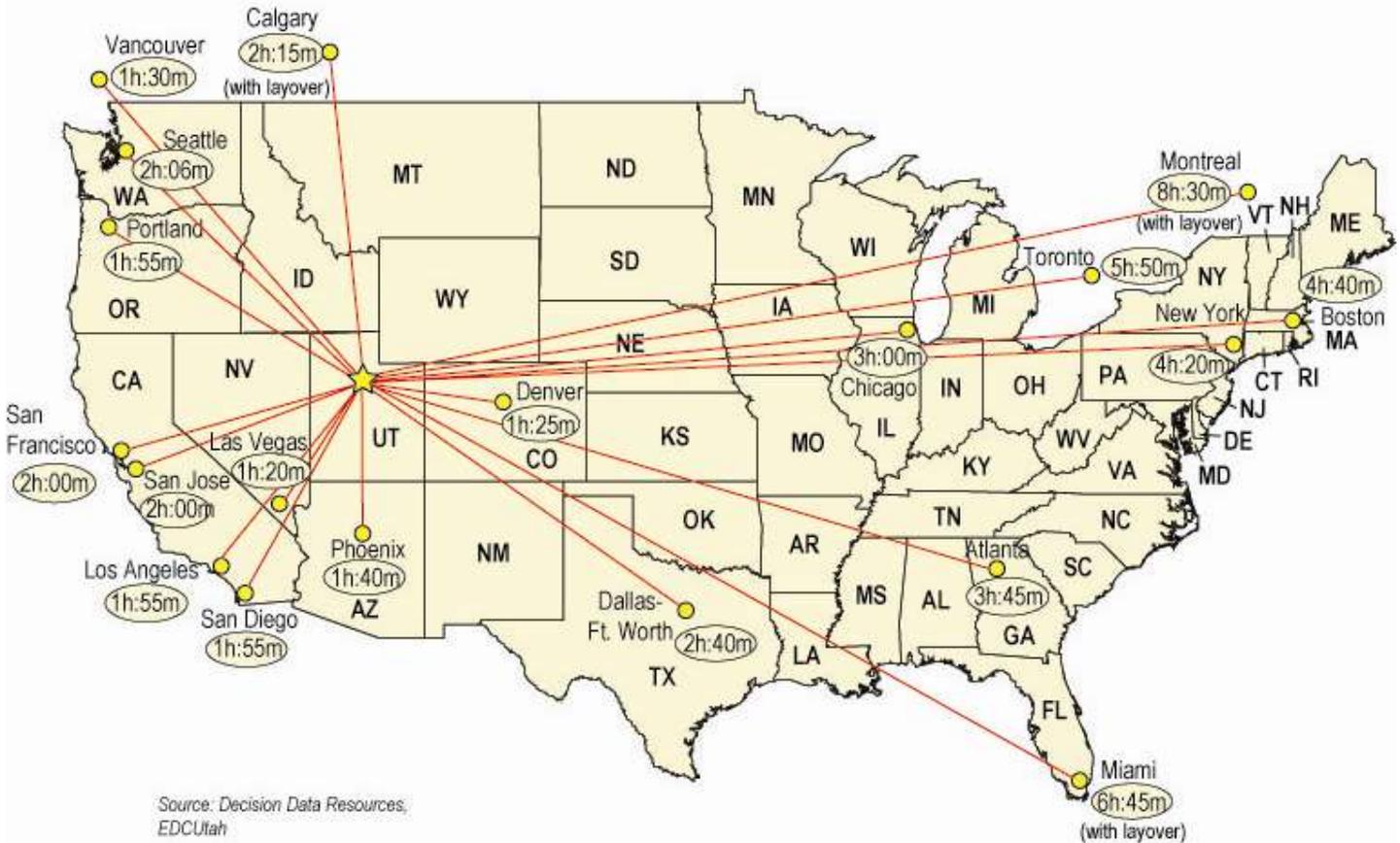
³ Source: Salt Lake City International Airport

AIR TRAVEL

Salt Lake City International Airport served 21 million passengers in 2010 which ranks it as the 24th busiest airport in North America and the 62nd busiest in the world. In 2010, there were 362,654 operations (take-offs and landings) including commercial air traffic, general aviation and military activity. Yet, the airport frequently ranks first in the nation in on-time performance. In the heart of the Rocky Mountains, the average annual snowfall at the airport is around 62 inches. Airport snow removal crews have fine-tuned their approach and equipment to minimize winter storm impact. During the winter of 2008-2009, the airport received 48.3 inches of snow. Operations were suspended on all runways for only an hour and twenty-six minutes during the entire season. Typically, one runway is closed at a time for snow removal while keeping the others open.

Salt Lake City International Airport is located about 15 minutes from the Salt Palace Convention Center and downtown hotels. It is a hub for Delta Air Lines who, along with commuter partners, operate around 438 scheduled daily domestic flights. In total, there are 588 scheduled daily flights from the facility serving nearly 90 cities with non-stop flights. International service continues to grow with new flights to Canada and Mexico. The airport's first transoceanic flight started in June 2008 with Delta's new non-stop service to Paris. Travel activity for this flight has far exceeded initial projections. Delta expanded foreign operations by resuming its Salt Lake to Tokyo flight summer of 2010.⁴

Flight Time to Major U.S. Cities



⁴ Source: Salt Lake City International Airport

PUBLIC TRANSIT⁵

Utah Transit Authority (UTA) has invested millions in the construction of a public transportation system that spans much of the Wasatch Front.

TRAX

The 15-mile Salt Lake City to Sandy and 4-mile downtown to University of Utah TRAX light rail lines have been a huge success and transport, on average, over 55,000 travelers daily, greatly exceeding initial ridership projections. UTA is working on expanding the TRAX light rail system to include more east-west lines, including an extension from downtown Salt Lake City to the International Airport.

FrontRunner

Construction was completed in spring 2008 on a 44-mile *FrontRunner* commuter rail line from Salt Lake County north to the northern end of Weber County. The *FrontRunner* system has also exceeded ridership projections, transporting over 5,000 travelers daily. The next *FrontRunner* rail extension is underway. This line will run from Salt Lake City south to the southern end of Utah County. Once completed, this will provide commuter rail along the entire Wasatch Front, where roughly 80% of Utah's population resides.

Bus System & Intermodal Hub

UTA also operates 140 bus routes covering 1,400 square miles with a daily estimated count of 71,000 travelers. The new Union Pacific Intermodal Hub serves as a transportation nerve center in downtown Salt Lake City, complete with an Amtrak station, Greyhound bus depot, bus transfer station, light rail station, commuter rail station, taxi cab stands, amenities for bikers and ample parking space.



Source: Utah Transit Authority, EDCUtah

⁵ Source: Utah Transit Authority