An International Investment, Acquisitions and Operations Group
PARTNERSHIP OPPORTUNITY TO

IMPROVE AIR QUALITY AND CONGESTION

• **Convert over 1 million truck trips onto Marine Highway**
  • More than 25% of Port of Oakland import and export freight travels to and from the San Joaquin Valley over the road
  • The Marine Highway takes the freight off the road

• **We are establishing a project with significant benefits**
  • Reduction in harmful air emissions
  • Improvement in traffic congestion and safety
  • Reduction in wear and tear of infrastructure
  • Creating family wage jobs in the San Joaquin Valley

• **Seeking a strategic alignment**
  • Endorsement of project in partnership with Port of Oakland, Port of Stockton, and US Maritime Administration
  • Investment in project for the benefit of the San Joaquin Valley
The **BROE** Group

PRIVATE INVESTMENT AND MANAGEMENT COMPANY

- 35-year history of successful value-oriented investment in an entrepreneurial environment
- 2,500 associates
- Diverse portfolio of asset-based businesses throughout North America
- Leverage expertise in real estate, rail and port operations to make extraordinary investments, attract industries, and grow local economies
  - Industrial Development
  - Economic Development
  - Public/Private Partnerships
DYNAMIC PARTNER with BROAD CAPABILITIES

• **Real Estate Experience**

• **Transportation/Logistics Leader**
  • Rail operations
  • Port operations
  • Intermodal terminals
  • Bulk Materials Handling

• **Energy Expertise**

Capital Resources, Operational Excellence
TRACK RECORD: WE STIMULATE LOCAL AND REGIONAL ECONOMIES

- $6 billion invested along our railroads in last 5 years
  - Manufacturing
  - Alternative Energy
  - Distribution, Import/Export
  - Power Generation
  - Community Development
- Our current investments will create over 3,000 jobs
- Collectively, these investments will foster over $18 bln of economic activity
REAL ESTATE

• Commercial Real Estate
  • Own/operate all types of commercial real estate
  • office, medical, industrial, retail and multi-family

• Land Development
  • Industrial parks
  • Transportation-oriented development
  • Entitlement
  • Total Land/Resource Utilization

• Selective agricultural investments
TRANSPORTATION

North America’s largest private railroad and transportation services firm

• Rail

• Intermodal (Terminal Management)

• Maritime
RAIL

• Largest private owner and manager of railroads in North America
  • 17 railroads provide unique strategic opportunities
  • Industrial switching services
  • Locomotive and railcar rehabilitation, repair and maintenance

• Building Partnerships on
  • Values
  • Relationships
  • Diversity
INTERMODAL

- **Operator of terminal facilities at Sea Ports and Inland Ports**
- **Intermodal terminal operator for Class 1’s**
  - BNSF, UP, CSX
  - Operate $3 billion of Class I assets
  - Perform 17% of all rail/truck container transfers
  - equivalent to more than 3 million TEU’s annually
- **Dynamic provider of integrated, turn-key services for multiple transportation modes**
PORTS

• Operator of terminal facilities supporting major and secondary sea ports and inland waterways:
  • Port of Churchill (MB)
  • Port of Oakland (CA)
  • Port of Houston (TX)
  • Port of Boston (MA)
  • Illinois International Port (IL)
  • Port of Guntersville (AL)

• We have implemented and managed major port infrastructure improvements
  • $180mm past and ongoing funded projects

• Developing Public-Private Partnerships in several East, West and Gulf Coast ports
ENERGY

• **Oil & Gas**
  - Great Western Oil & Gas Company
  - Top 100 driller in US

• **Renewable Energy**
  - **Bio Fuels**
    - 8 ethanol plants along OmniTRAX railroads
    - Bio-Diesel
  - **Wind Energy**
    - First US manufacturing facility for Vestas (#1 wind turbine co. in the world – 35% market share)
  - Joint Venture with operators of National Renewable Energy Lab (MRI and Batelle)
Family Owned Company that has been active in the tug and barge industry for over 50 years

Provides inland and ocean going towing services, as well as dredge service for over thirty years

Ship assist services include the Ports of Stockton, Sacramento, Eureka, and Port Hueneme & Gray’s Harbor, Washington

Fleet of over 40 tugs and 30 barges

Pride in providing a safe working environment and personal and friendly service
TOGETHER
we are
EXPERIENCED, FINANCED
and READY TO ACT

We are looking for opportunities to bring our capital investment and management to:

PORTS
RAILROADS
MARINE TRANSPORTATION
INTERMODAL TERMINALS
REAL ESTATE INVESTMENT
ENERGY
Mission

Creating jobs and economic growth in California by initiating safe and ecologically sustainable goods movement on Marine Highways.
DEMANDS DRIVING SHORT SEA SHIPPING

**Container Traffic**
- **Over 1,600 containers/day between Oakland and Stockton**
  - (I-580, I-880, I-205, I-5)
- **Shipping Lines are getting out of the inland logistics business**
  - Decrease cycle time
  - Containers are repacked into 53’ trailers at Stockton Area DC’s
- **2 Intermodal Ramps**
  - Lathrop (Union Pacific)
  - Mariposa (BNSF)
DEMANDS DRIVING SHORT SEA SHIPPING

Environmental Issues

• Transportation accounts for 40% of California’s annual greenhouse gas emissions

• 9,000 tons of pollutants emitted in San Joaquin Valley each year from mobile sources exceeding air pollution standards

• AB 32: reduce carbon emissions to 1990 levels by 2020

GO CALIFORNIA

• California Goods Movement Action Plan
• January 2007
• $107 billion for transportation infrastructure improvement and congestion mitigation
• Reduce truck trips and solve the “port truck problem”

*Source: 2006 SJVAPCD Annual Report on the District’s Toxic Air Program
DEMANDS DRIVING SHORT SEA SHIPPING

Inefficiencies in current logistics

- I-580 ranks 2nd most congested highway in the State
- Empties and loads are passing each other on the highway
- Poor cycle-time for trucking industry
- Long queues at Port of Oakland
## CONGESTION
Bay area Freeway Locations With Most Delay During Commute Hours

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Interstate 80, westbound, a.m. — Alameda/Contra Costa County State Route 4 to Bay Bridge metering lights</td>
<td>10,930</td>
<td>1</td>
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<tr>
<td>2</td>
<td>Interstate 580, eastbound, p.m. — Alameda County Interstate 680 to east of El Charro Road</td>
<td>6,100</td>
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<td>4</td>
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<tr>
<td>3</td>
<td>Interstate 580, westbound, a.m. — Alameda County West of North Flynn Road to Airway Boulevard</td>
<td>5,830</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>12</td>
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<td>4</td>
<td>U.S. 101, northbound and Interstate 80, eastbound, p.m. — San Francisco U.S. 101 from Alemany Boulevard to I-80; I-80 from U.S. 101 to Sterling Street on-ramp</td>
<td>5,140</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>8</td>
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<tr>
<td>5</td>
<td>U.S. 101, southbound, a.m. — Marin County South of Route 37 to Interstate 580</td>
<td>4,490</td>
<td>7</td>
<td>6</td>
<td>9</td>
<td>7</td>
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<tr>
<td>6</td>
<td>Route 4, westbound, a.m. — Contra Costa County A Street/Lone Tree Way to west of Loveridge Road</td>
<td>4,000</td>
<td>6</td>
<td>5</td>
<td>7</td>
<td>15</td>
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<tr>
<td>7</td>
<td>Route 92, eastbound, p.m. — Alameda County Clawiter Road to Interstate 880 Interchange</td>
<td>3,880</td>
<td>5</td>
<td>15</td>
<td>35</td>
<td>11</td>
</tr>
<tr>
<td>8</td>
<td>Route 4 eastbound, p.m. — Contra Costa County West of Bailey Road to A Street/Lone Tree Way</td>
<td>3,780</td>
<td>13</td>
<td>17</td>
<td>20</td>
<td>19</td>
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<tr>
<td>9</td>
<td>U.S. 101, northbound, p.m. — Marin County North of Marin City to Central San Rafael</td>
<td>3,690</td>
<td>8</td>
<td>20</td>
<td>16</td>
<td>22</td>
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<tr>
<td>10</td>
<td>Interstate 80, eastbound, p.m. — San Francisco and Alameda counties Yerba Buena Island to Emeryville</td>
<td>3,120</td>
<td>10</td>
<td>18</td>
<td>37</td>
<td>34</td>
</tr>
</tbody>
</table>

Sources: Metropolitan Transportation Commission, Caltrans District 4

Rankings are for routes in which continuous stop-and-go conditions occur with few, if any, breaks in the queue. Thus, corridors that have equally severe delays, but where congestion is broken into several segments, may rank lower in this type of congestion listing.
HEALTH IMPACTS

• San Joaquin Valley ranked among the worst in the US for particulate matter (PM) and ozone

• **Classified as severe non-attainment area**
  - Federal and State ground-level ozone
  - Federal and State particulate matter

• **Incidence of asthma, chronic bronchitis, cardiovascular illness, premature death**

• **More people die prematurely in the San Joaquin Valley as a result of diesel pollution than homicide**

*Source: Kirsch Foundation*
COMPARE

Equivalent Units

1 BARGE  2 STACK TRAINS  350 Containers/Trucks
ECONOMIC

Barge Transportation: The Economic Advantage

One gallon of fuel moving one ton of cargo

*Source: US DOT Maritime Administration*
ENVIRONMENTAL

Barge Transportation: The Environmental Advantage

100 Pounds of Emissions per Ton-Mile

Source: US DOT Maritime Administration
Ratio of fatalities per million ton-miles versus marine

- Highway: 155
- Rail: 23
- Marine: 1

*Source: US DOT Maritime Administration*
1st Truck Move
Dispatch notifies shipper that loaded import container is ready for pick up. Shipper calls trucker dispatch and asks for load to be picked up and placed at the Distribution Center (DC).
2nd Truck Move
Trucker waits in-line at terminal, gets in-gated (and opens equipment interchange), picks up chassis, picks up loaded container, and is out-gated.

Trucker exits terminal and heads down I-580 to Stockton shipper’s DC.

CURRENT TRUCK MODEL INEFFICIENCY | IMPORT: DROP + PULL

2nd Truck Move
Trucker waits in-line at terminal, gets in-gated (and opens equipment interchange), picks up chassis, picks up loaded container, and is out-gated.

Trucker exits terminal and heads down I-580 to Stockton shipper’s DC.
3rd Truck Move
Trucker drops container and leaves shipper site bare.
4th Truck Move
Shipper calls trucker back to DC site to pull the loaded container out.

CARBON EMISSIONS

CURRENT TRUCK MODEL INEFFICIENCY | IMPORT: DROP + PULL
5th Truck Move

Trucker picks up empty container and travels I-580 to container terminal in Oakland and returns the empty container.
6th Truck Move

Trucker waits in-line at terminal, gets inspected for equipment damage, has interchange closed out and leaves bare.
Shippers between Port of Oakland and Stockton make only one turn per day, per driver, due to severe congestion and excessive terminal time.

**Current Truck Model Inefficiency** | **Import: Drop + Pull**

- **Total Truck Miles:** 254
- **Total Driving Hours:** 8

Shippers between Port of Oakland and Stockton make only one turn per day, per driver, due to severe congestion and excessive terminal time.
**1st Truck Move**

Shipper calls trucker and asks for empty container to be brought to their site for loading.

Trucker dispatches a truck to get a container at the Port of Oakland.
2nd Truck Move

Trucker drives to terminal, waits in-line, is in-gated (and opens equipment interchange), waits to be given a chassis, waits for container to be lifted to the chassis, out gates terminal with empty container heads to customers site in valley.

CURRENT TRUCK MODEL INEFFICIENCY | EXPORT: DROP + PULL

CARBON EMISSIONS
3rd Truck Move
Trucker drops empty container and departs shipper’s site bare.

CURRENT TRUCK MODEL INEFFICIENCY | EXPORT: DROP + PULL

CARBON EMISSIONS

The BROE Group
4th Truck Move
Shipper calls trucker dispatch and requests pick-up of loaded container.
5th Truck Move
Trucker picks up loaded container and drives back down I-580 to Oakland Container Terminal to close out the equipment interchange.

CURRENT TRUCK MODEL INEFFICIENCY | EXPORT: DROP + PULL

CARBON EMISSIONS
6th Truck Move
Trucker waits in-line at terminal, in gates, drops loaded container and out gates bare.
Total Truck Miles: 254
Total Driving Hours: 8

Shippers between Port of Oakland and Stockton make only one turn per day, per driver, due to severe congestion and excessive terminal time.

CURRENT TRUCK MODEL INEFFICIENCY | EXPORT: DROP + PULL
SOLUTION: SHORT SEA SHIPPING (container-on-barge)

Our Operation:

• **Transportation and Stevedoring**
  – Tug & Barge feed from/to Oakland
  – Dockside operation

• **Satellite Container Terminal**
  – Gated facility
  – Dispatch
  – Storage
  – Repair & Maintenance

• **Warehousing/Bulk Storage**
  – Drives export business
  – Overweight containers
1st Truck Move
Shipper calls trucker and asks for an empty container to be brought to their site for loading.
Trucker dispatches truck to Eco Transport terminal to get an empty container.
2nd Truck Move

Trucker in-gates picks up container already mounted on wheels. Gets in and out gated in 15 minutes.
3rd Truck Move
Trucker drops empty container and leaves site bare.
4th Truck Move
Shipper calls trucker dispatch requests pick-up of load at their site.
MARINE HIGHWAY MODEL | EXPORT: DROP + PULL

5th Truck Move
Trucker picks up loaded container and delivers back to Eco Transport.
MARINE HIGHWAY MODEL | EXPORT: DROP + PULL

6th Truck Move
Eco Transport Stockton in-gates load, holds in yard.
Trucker departs Eco Transport bare.

CARBON EMISSIONS
Total Truck Miles: 130
Total Driving Hours: 2.6
Shippers between Port of Stockton and Stockton production site can make four turns per day, per driver.
Total Truck Miles: 22
Total Driving Hours: 1

Shippers between Port of Stockton and Stockton production site can make eight turns per day, per driver.
BENEFITS TO THE SAN JOAQUIN VALLEY

- **Improve traffic congestion, air quality, health impacts**
  - Remove 1 million truck trips from highway system each year
  - Substantial reduction of harmful emissions

- **Create family wage jobs in the San Joaquin Valley**
  - Direct employment: 50-100
  - Indirect employment: 300-600
PUBLIC PRIVATE PARTNERSHIP
A shared responsibility

- **Public**
  - Port of Stockton (signed MOU)
  - Port of Oakland (support through port tenants)
  - MARAD (Marine Highway Designated Project)
  - California Department of Business, Transportation, and Housing (Goods Movement)
  - San Joaquin Valley Council of Governments

- **Private**
  - Broe Group/Eco Transport
  - Customers:
    - Importers (retailers, distributors)
    - Exporters (agriculture)
  - Shipping Lines
PARTNERSHIP OPPORTUNITY TO IMPROVE AIR QUALITY AND CONGESTION

• Convert over 1 million truck trips onto Marine Highway
  • More than 25% of Port of Oakland import and export freight travels to and from the San Joaquin Valley over the road
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