

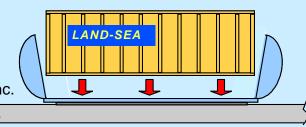
CargoRail[™] Heavy Cargo Container Shipment Option

Near-term & Affordable Solution for Gateway Cities CoG to the Cal 91/I-605 Freeway Truck Problem



Reduced Noise & Air Pollution at a Cost You can Afford

MegaRail Transportation Systems, Inc. Fort Worth, Texas

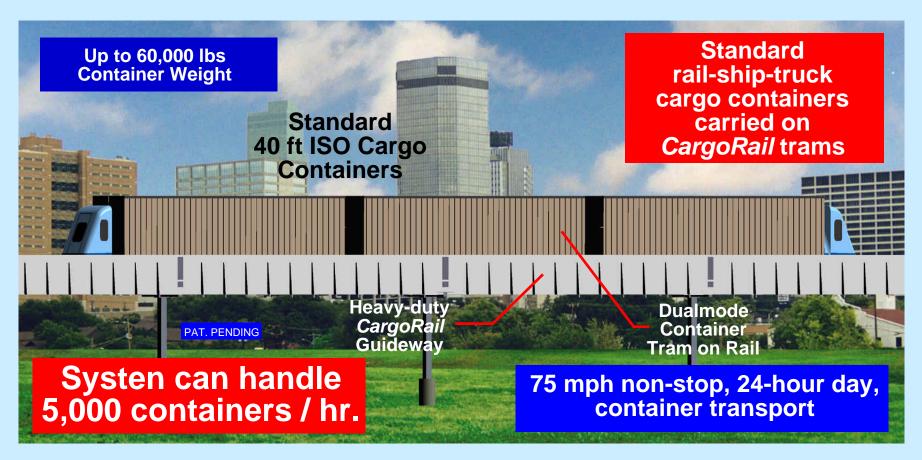


U.S. PATS. 6,039,135, 6,401.625, 6,435,100. 6,615,740, 6,742,458, 6,834,595 & 6,837,167 OTHER U.S. & INTERNATIONAL PATENTS PENDING



CargoRail[™]Manual Heavy Cargo System

Containers on electrically-powered dualmode trams

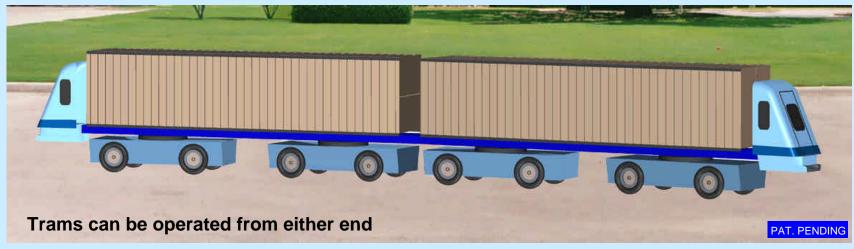


Convertible to automated single container carriers

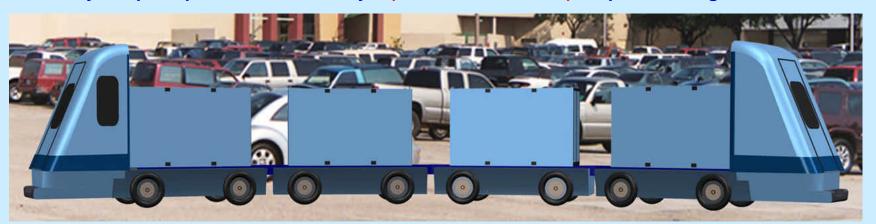
(No throw-a-way in conversion)



CargoRail_™ – Dualmode Cargo Tram!



Dualmode cargo tram operates on ground as hybrid – Similar to MicoRail™ tram shown below Adds only ramps at port & terminal entry – (No dockside mods.) – Operates on ground as trucks



Smaller MicroRaiil dualmode cargo tram exits guideway & operates on street in hybrid mode

CargoRail dualmode tram similar to tram being prototyped



CargoRail[™] System Risk is Low

Current operational prototype project offers full function demo

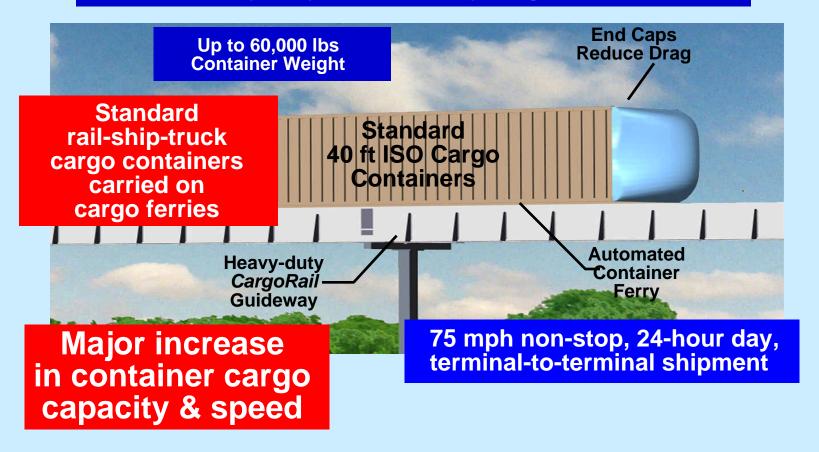
- Full-function *MicroRail*[™] prototype this summer (Demos all technology including dualmode rail & street operation)
- CargoRail is merely a larger, heavier version
- Electric train-type side rail power delivery
- Heavy-duty electric power steering actuators
- Standard heavy-duty truck tires
- Electric bus type permanent-magnet hub motors

The Low Risk, Low Cost Choice



CargoRail[™]Automated Heavy Cargo System

Heavy-duty lines for busy cargo routes

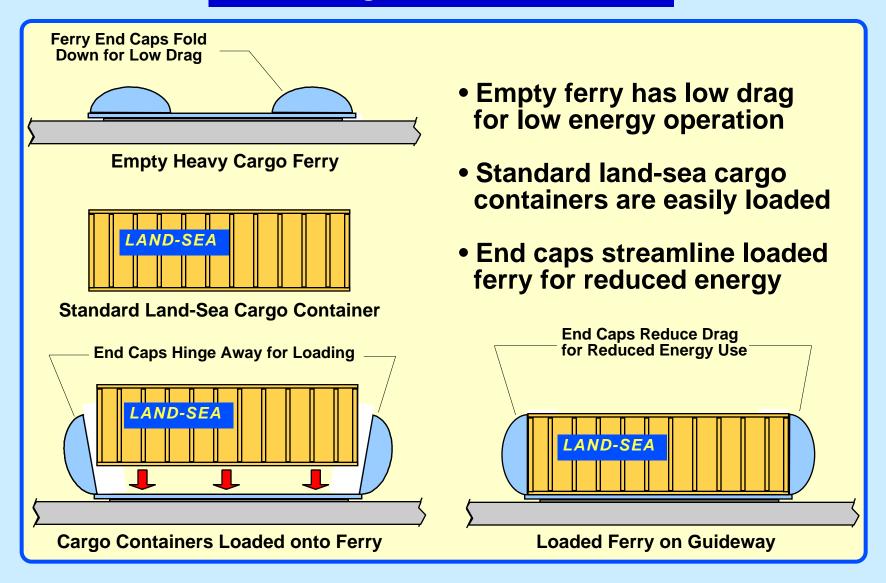


Over 5,000 containers/hour/direction rail capacity



CargoRail[™] Ferry Loading

Fast Loading of Standard Containers





CargoRail[™] Capability

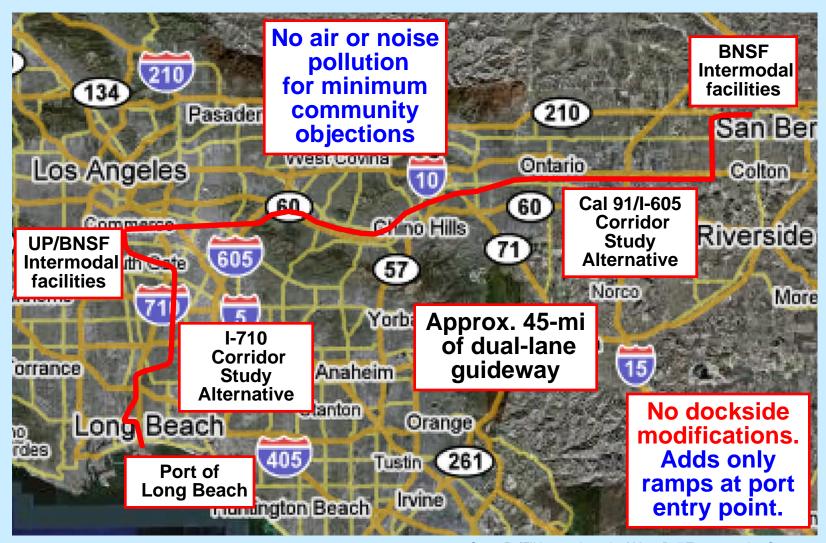
Dedicated Heavy Cargo Lines

- Heavy-duty Guideway Over either railway or public ROW
- Electrically Powered No air pollution!
- Ferries Load and Unload at Container Terminals
- Dualmode Hybrid Operation for Dockside Pickup & Intermodal Facility Drop Off
- CargoRail Capacity Over 5,000 containers per hour / dir.
- Factory Built Steel Rail Tubes & Support Posts



Possible Long Beach Port CargoRail[™] Line

Uses existent railroad right of way - No impact on rail lines

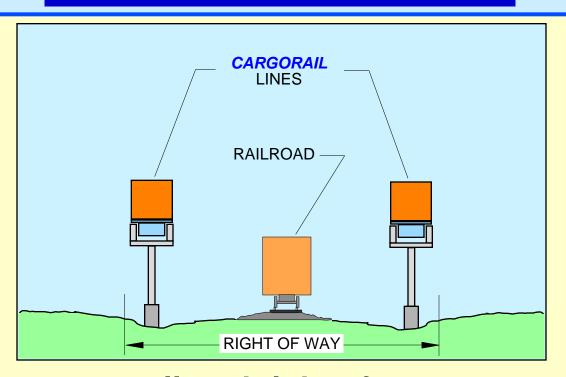


CargoRail[™] is a trademark of MegaRail Transportation Systems



CargoRail[™] Installed Along Railway

Lines beside Railway Line



- Use current railroad right of way
- No impact on railroad use
- Minimum railroad disruption for installation
 - Rapid installation of factory-built parts
 - Concrete piers only on-site construction



CargoRail[™]Line Cal 91 / I-605 route

- Total Installed Guideway
 - Typical 45-mi dual guideway = 90-lane-mi
 - Some special street/freeway/river spans may be required
- Total Carriers 2,800
 - CargoRail = 75-mph Average urban trucks = 35-mph
 - CargoRail carrier capacity per hour = 2.1 that for truck
 - CargoRail carriers to replace current 6,000 trucks = 2,800
- CargoRail System Cost Comparable to a railroad cost
- Railroads ROW Overhead Use Cost ???

Lowest cost solution to Cal 91/I-605 Truck Problem



Potential for Self-funding

Revenue Bonds - No State or Federal Tax Dollars

- State or Local Revenue Bonds Fund Construction
- Bond Retirement from Revenue
- No Federal Legislative Action Necessary
- Low Risk Shippers see lower cost and faster service
- Operation and Maintenance from Revenue

Low Risk, No Cost to Taxpayer Solution!



Suggested Action

Contract for low-cost demo project

- Build & Install 1/2-mile demonstration guideway
- Build one, three-carrier dualmode tram
- Use demo system to prove ground & rail operation
- Complete demo project within two years

Low Risk, Low Cost Project



Dualmode CargoRail vs Truck Performance

Major gains with low risk & cost

- Three Times as Many Containers per Load
- Approx. 40% More Throughput from Speed Increase
- Increased Container Security
- 60% Fewer Drivers Reduce Labor Shortage & Cost Problems
- 100% Cut in Container Trucks to Intermodal Facility



CargoRail[™] Major Benefits Summary

Solve critical large truck and port capacity problems

- Reduce Major Air Pollution Source Heavy trucks
- Increase Highway Capacity for other Traffic
- Increase Container Security & Decrease Labor
- Decrease Highway Maintenance Cost
- Increase Safety & Reduce Traffic Delays
- Increase Port Capacity without Costly Expansions

All this with one single step!



Proven Industry Team

MegaRail Transportation Systems

- System Design & Integration
- Prime Contractor
- Owner & Operator (In some cases)

Austin Bridge

- Site Engineering Design
- On-site Guideway Assembly
- Pier & Guideway Installation

Austin Bridge, Clark's & Micrin are wellestablished companies with proven records & excellent D&B ratings

Clark's Precision Machine

- Vehicle Production
- Guideway Production
- Station Production

Micrin Technologies

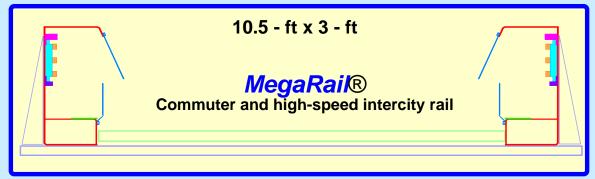
- Electronics Production
- Electrical Harness Production
- Sheet Metal Parts Production

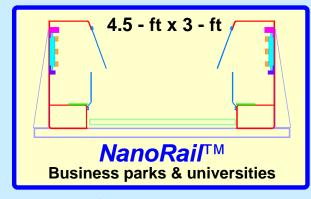
Reduced Risk to Customer

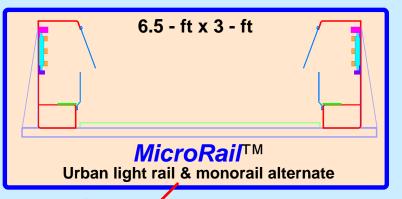


CargoRail from Family of Related Systems







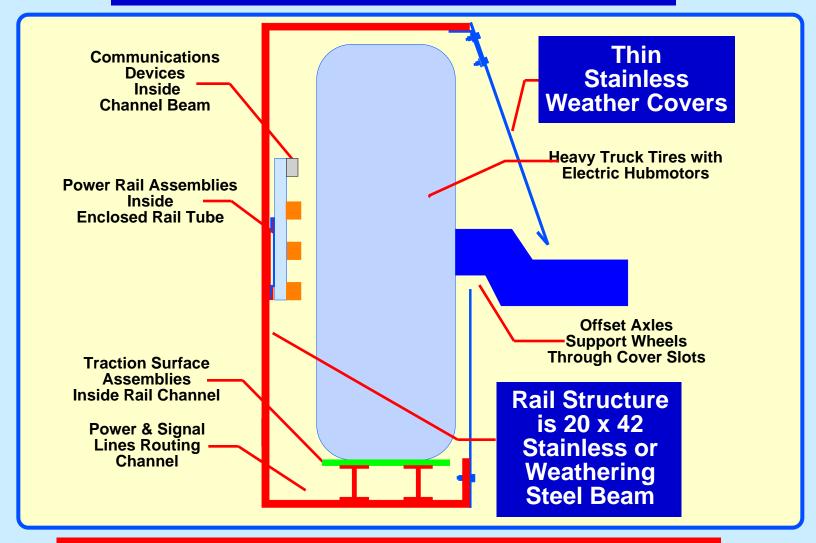


Production prototype now under construction



Unique CargoRail[™] Features

Simple, Light-weight Design Assures Low Cost

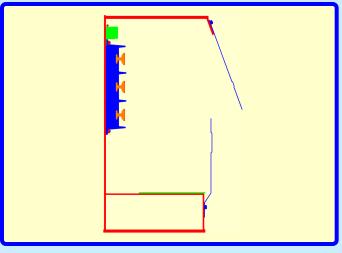


Factory-built Rail Components Enable Rapid Installation

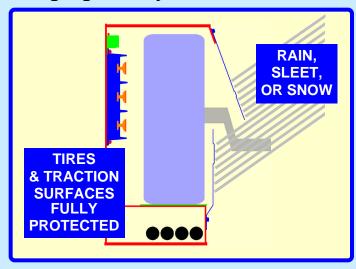


Low-cost, All-weather, Enclosed Rails

- Low-cost guideway rails
 - Formed from flat steel
 - Machine-welded construction
 - Low material & labor costs
 - Bolt-in electric power rails
 - Truck or rail to installation site
- All-weather, enclosed rails
 - Wheels & power collectors inside
 - Protected electric power rails
 - Dry & ice-free traction surfaces
 - Safe operation in any weather
 - Whisper-quiet operation



Single guideway rail cross-sections





Technical Summary

Unique new combination of off-the-shelf, proven technology

Enclosed steel guideway rails - US Pat. 6,039,135

- Simple welded steel factory fabrication
- Standard electrical side power rails

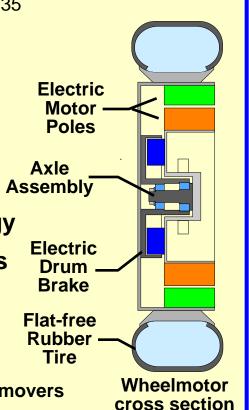
Flat-free tires — Current tire technology

Permanent-magnet electric motors

- Current commercial brushless-motor technology
- Electric motor wheels current electric vehicles

Truck-based steering & switching

- Truck-type steering with electronic control
- Switching No moving rails Used in some people-movers



Only the combination & guideway are new!



CargoRail Summary

Performance – Beats heavy trucks or any other system

- Up to 5,000 container per hour per direction rail capacity
- Shorter trip times
 Truck-type hill capability
- No dockside installations Dualmode trams operate as trucks

First service - Within 30 months! - (Train-type manual control)

Local & State Funding – No Federal funding delays

Total system cost – 20 – 30% of other system cost

Local funding and control
 No on-going operation subsidies

Environment friendly – Zero emissions

- No building or operating impacts to business or street traffic
- No earth moving
 No added right-of-way
 Noise free

Heavy truck alternate - Available NOW

Low Cos Low Tech Low Risk



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