8.0 Airport System

Airports in Minnesota provide a direct link to economic hubs and metropolitan areas throughout the United States and around the world. The aviation system in Minnesota is the preferred mode for moving high-value or time sensitive goods over long distances. This mode is critical to high-technical industries such as *Electronics, Medical*, and *Computers*. Firms in Central Minnesota are limited in their ability to connect with international destinations; however, because of more frequent international service available at Minneapolis/St. Paul Airport (MSP), air cargo is often shipped to MSP via truck, and then sent by air or truck to Chicago connecting to international destinations.

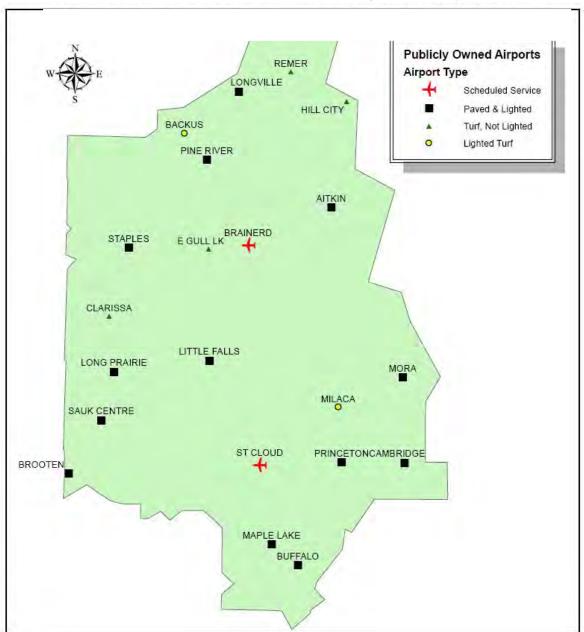


Exhibit 61: Mn/DOT District 2 Publicly Owned Airports

8.1 Air Cargo

High-value and/or time-sensitive goods are shipped via the aviation system, especially when moving over long distances. Freight airports fall into three categories: major, local/regional and on-demand air cargo service airports. Major airports, such as Minneapolis-Saint Paul International (MSP), have scheduled air cargo service with jet aircraft that provide a time-efficient and direct link to global destinations. Due to the relative close proximity to MSP, air cargo facilities are limited in the region, particularly in the southern portion.

In general, a large share of international air cargo travels in the baggage compartment of passenger aircraft. Air cargo services are provided by several types of carriers that are differentiated by the services they offer for a wide range of customer demands. There are four basic industry segments in the air cargo industry: Integrated express operators; All-cargo carriers; Commercial service passenger airlines; and, On-demand cargo charter carriers.

Of the four airports in the region, <u>only</u> Brainerd Lakes Regional Airport provides primary scheduled air cargo activity. Mesaba Airlines, a Northwest/Delta Airlines partner, operates daily service at Brainerd. This airport serves as local market stations, serving their respective surrounding market areas.

Cambridge Municipal Airport and Maple Lake Municipal Airport provide scheduled feeder air cargo activity. These airports serve as consolidation points for feeder aircraft and trucks.

St. Cloud Regional Airport is an on-demand air cargo airport that provides belly-hold cargo activity. The airport has two runways and serves private, commercial, corporate, cargo and military operations. Approximately 100 aircraft are based at the field with over 200 aircraft operations averaged daily. Although this is the largest airport in the region and has two runways, it does not serve as a major freight airport due it's close proximity top MSP. <u>At present, the St. Cloud Regional Airport does not have scheduled commercial air service.</u>

Brainerd Lake Regional Airport

The Brainerd Lake Regional Airport is located three miles east of Brainerd on Hwy 210 or Washington Street. Mesaba operates an advanced fleet of regional jet and jet-prop aircraft, consisting of the 34-passenger Saab SF340, the 50-passenger Bombardier CRJ200 and the 76-passenger Bombardier CRJ900 regional jet aircraft all with the ability to carry belly cargo. In 2007, the airline strengthened its future by entering into a relationship with longtime partner Northwest Airlines. The rapidly-expanding airline serves more than 75 cities in the United States and Canada from three major hubs: Detroit, Minneapolis/St. Paul and Memphis. In 2009, Northwest Airlines merged with Delta airline and now operates under a single certificate as Delta Airlines.

On July 1, 2010 express mail service from the Brainerd Airport offering guaranteed next-day delivery to about 10, cities within the U.S.

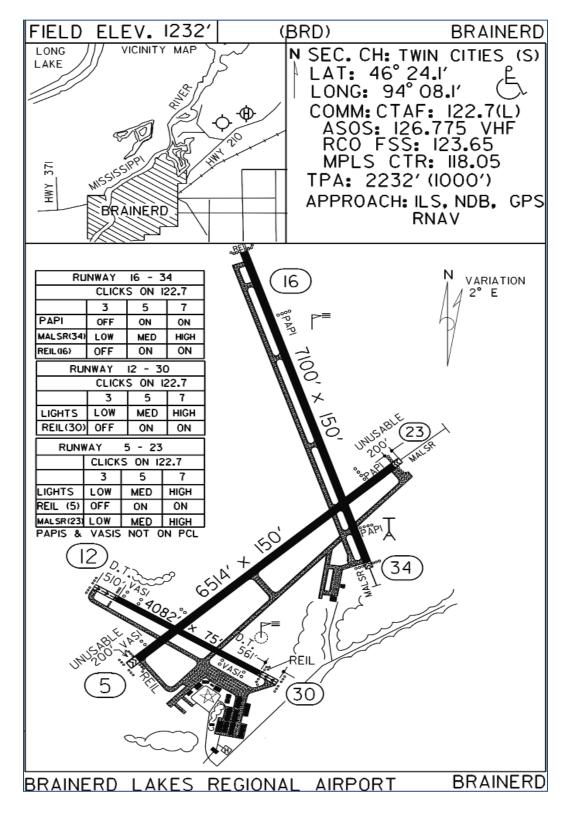


Exhibit 62: Brainerd Lakes Regional Airport