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Competitive Factors

Investor Perspective

Who are competitors?

1. Regulated Monopoly
(with explicit ability to defer overhead)
2. State Government
3. Municipalities
4. School Districts

Technical Feasibility

- If private enterprise wants to evaluate a location who do they work with?
- If private business wants to buy the commodity for re-sale who can they buy it from?



Private Business Advantages

- More locations
- Better technology (including payment)
- Lower cost
- Increased market share
- Quick to adjust



What Are Utah's Objectives?

- Clean air?
- Foreign oil displacement?
- Job creation?
- Technology development?
- Low-cost transportation fuel?



Alternatives

- Oklahoma (HB 1949, HB 1952)
 - Locate within 5 miles
 - \$300,000 loan per station for private business
 - Tax credit 75% cost of station
- Seattle WA, Waste Management
 - Existing monopoly
 - Private station, lower price

Conclusions

- Free markets need a level playing field.
- Private business in Utah needs clear signals.
 - » What is government's exit strategy?
 - » What incentives can be put in place?
 - » How can risk be mitigated?
 - » What will market look like in 5 years?

