

#	Page	Paragraph/Section	Current Text	New Text
1	ALL	ALL	Draft 2016 Business Plan	<del>Draft</del> 2016 Business Plan
2	4	1st sentence	...working with Japanese partners in 1981...	...working with Japanese partners in 1981 <b>under Governor Edmund Gerald "Jerry" Brown...</b>
3	4	Paragraph #2 Sentence #2	...Senate Bill (SB) 1856 (Costa) was passed....	...Senate Bill (SB) 1856 (Costa) was passed <b>and signed by Governor Gray Davis</b>
4	5	TOC	Table of Contents Page Numbers	<b>UPDATE:</b> Table of Contents Page Numbers
5	5	TOC	Table of Contents Appendix	<b>Add New Text/Item Under Appendix:</b> Peer Review Group Letters
6	7	Statutory Requirements	All of these requirements are addressed in this Draft 2016 Business Plan. The Appendix includes a listing of the plan sections and/or supporting technical memos that correspond to each of these requirements. These documents can be found at the following URL: <a href="http://www.hsr.ca.gov/About/Business_Plans/Draft_2016_Business_Plan.html">www.hsr.ca.gov/About/Business_Plans/Draft_2016_Business_Plan.html</a>	<b>UPDATE URL:</b> All of these requirements are addressed in this Draft 2016 Business Plan. The Appendix includes a listing of the plan sections and/or supporting technical memos that correspond to each of these requirements. These documents can be found at the following URL: <del><a href="http://www.hsr.ca.gov/About/Business_Plans/Draft_2016_Business_Plan.html">www.hsr.ca.gov/About/Business_Plans/Draft_2016_Business_Plan.html</a></del> - new URL TBD
7	8	Exec Summary Map	Revised map	<b>UPDATE MAP WITHOUT MID-PENINSULA STATION</b>
8	9	Call Out Box	San Fernanco	San <b>Fernando</b>
9	10	Exec Summary Bullet #1	... within the next ten year...	... within the next ten <b>years</b>
10	13	Introduction Last paragraph:	We invite and welcome the public's comments on our Draft 2016 Business Plan as we develop the final document for consideration and adoption by our Board of Directors. The Final 2016 Business Plan will then be submitted to the California Legislature on or before May 1, 2016.	<del>We invite and welcome the public's comments on our Draft 2016 Business Plan as we develop the final document for consideration and adoption by our Board of Directors. The Final 2016 Business Plan will then be submitted to the California Legislature on or before May 1, 2016.</del>
11	15	Introduction Last Bullet	All powered by 100% renewable energy — a trip is better for you and for the environment	All powered by 100% renewable energy — a trip <b>that</b> is better for you and for the environment
12	17	Introduction Bottom of page, five bullets:	- This line: - Can be funded with the federal and state funds that have been committed to the program to date - Our business model has been refined to show how this line will be delivered and operated	<del>—This line:</del> [indent] - Can be funded with the federal and state funds that have been committed to the program to date [indent] - Our business model has been refined to show how this line will be delivered and operated
13	17	Introduction Bullet #2	– Employing over260 small businesses and putting Californians to work	– Employing <b>over 260</b> small businesses and putting Californians to work
14	19	Introduction Bullet #1	- Starting with our official groundbreaking in January 2015, there are now have more than 100 miles of construction-related activities underway with almost \$3 billion in contracts that came in lower than our estimates.	- Starting with our official groundbreaking in January 2015, there are now <b>have</b> more than <del>100</del> <b>119</b> miles of construction-related activities underway with almost \$3 billion in contracts that came in lower than our estimates.
15	19	Introduction Bullet #2	...Work has advanced work to obtain..."	...Work has advanced <b>work</b> to obtain..."

#	Page	Paragraph/Section	Current Text	New Text
16	20	Progress Bullet #6	Construction Packages 1	Construction <del>Packages</del> Package 1
17	20	Progress	Add new bullet	In February 2016, preparation began for the construction of the Cedar Viaduct which will mark the Southern end of the high-speed rail line through Fresno. The viaduct will have four, tall concrete arches and extend over State Route 99, as well as North and Cedar Avenues.
18	20	Progress	Add new bullet	Site preparation is underway at the San Joaquin River Viaduct which will feature two concrete arches and a “pergola” structure that will allow high-speed tracks to travel above the already established Union Pacific tracks.
19	20	Progress Bullet #6	As of January 29 we have acquired 642 parcels of the 1458 parcels needed. With this, we have reached critical mass and have advanced construction in Construction Packages 1 and Construction Package 2-3.	As of <del>January 29</del> March 25, we have the Authority has acquired <del>642</del> 713 parcels of the <del>1,458</del> 1,448 parcels needed. With this, we have reached critical mass and have advanced construction in Construction Packages 1 and Construction Package 2-3.
20	20	Progress	Add new Bullet	In March, the Board approved the extension of Construction Package 1 approximately 2.72 miles to the North to advance work towards Merced on an environmentally cleared section and provide the capability for a more logical connection and transfer point near an existing Amtrak station
21	21	Progress Bullet #1	As of November 2015, 214 construction craft laborers have been dispatched to work on Construction Package 1	As of <del>November</del> December 2015, <del>214</del> 248 construction craft laborers have been dispatched to work on Construction Package 1 and 17 on Construction Package 2-3.
22	21	Progress Bullet #2	As of November 2015, 266 Small Businesses are working on the program statewide	As of <del>November 2015</del> , March 2016, 266 Small Businesses are working on the program statewide
23	22	Progress Bullet #2	...the current contingency envelope for the Construction Package 1 contract...	...the current <del>approved contract</del> contingency <del>envelope</del> for the Construction Package 1 contract...
24	23	Progress Bullet #3	...the San Fernando Valley and the state.	...the San Fernando Valley and the <del>rest of</del> the state.
25	26	Progress	Exhibit 1.4	<b>MOVE EXHIBIT TO CORRECT LOCATION:</b> Move Exhibit 1.4 to page 23
26	27	Station Communities Bullet #4	The Orange County Transportation Authority held the grand opening of its Anaheim Regional Transportation Intermodal Center (ARTIC)	The <del>Orange County Transportation Authority</del> City of Anaheim held the grand opening of its Anaheim Regional Transportation Intermodal Center (ARTIC)
27	27	Environmental Benefits Bullet #2	We have approved an agreement with San Joaquin Valley Air Pollution Control District to offset emissions during construction by replacing aging farm and other equipment, including replacing school bus engines and irrigation pumps. As of November 2015, the Air District has offset 26 tons of pollution through the replacement of 35 engines on farm equipment and trucks in the Central Valley.	We have approved an agreement with San Joaquin Valley Air Pollution Control District to offset criteria air pollutant emissions during construction by replacing aging farm and other equipment, including replacing school bus engines and irrigation pumps. As of <del>November 2015</del> April 2016, the Air District has offset <del>26</del> 39 tons of pollution through the replacement of <del>35 engines on</del> 30 pieces of farm equipment and trucks in addition to a school bus in the Central Valley.

#	Page	Paragraph/Section	Current Text	New Text
28	27	Bullet #4	We have required that all steel and concrete from demolition and construction is recycled and, as of November 2015, all metals and concrete have been recycled, or stockpiled by the contractor for reuse later in the construction of the project. In addition, we have required recycling of at least 75% of the remaining non-hazardous demolition and construction material. As of November 2015, we have achieved a 91% recycle rate of this material.	We have required that all steel and concrete from demolition and construction is recycled and, as of <del>November 2015</del> April 2016, all metals and concrete have been recycled, or stockpiled by the contractor for reuse later in the construction of the project. In addition, we have required recycling of at least 75% of the remaining non-hazardous demolition and construction material. As of November 2015, we have achieved a 91% recycle rate of this material.
29	27	Progress Bullet #2	...cities and station.	...cities and <del>station</del> stations.
30	28	Funding & Investments, 1st Bullet	...the California Supreme Court chose not to review the lawsuits, making the Court of Appeal decision final.	...the California Supreme Court <del>chose not</del> denied a petition to review the lawsuits, making the Court of Appeal decision final.
31	29	Bullet: Match projects with available funding.... sub-bullet #2	...establish a funding plan for it and commit all	...establish a funding plan for it, <del>and</del> commit all...
32	30	Call Out Box-Developing the Silicon Valley to Central Valley line- Fourth Paragraph	We matched the projected funding level against updated capital cost figures, and determined that a connection between the Silicon Valley (San Jose) and the Central Valley (at the existing Construction Package 4 southern construction terminus north of Bakersfield) meets all essential and relevant requirements and it can be built with available funding.	We matched the projected funding level against updated capital cost figures, and determined that a connection between the Silicon Valley (San Jose) and the Central Valley ( <del>at near</del> the existing Construction Package 4 southern construction terminus north of Bakersfield) meets all essential and relevant requirements and it can be built with available funding.

#	Page	Paragraph/Section	Current Text	New Text
33	32	Call Out Box Top of Page: Sustainable Infrastructure	<p>Sustainable Infrastructure - Comparing early operations, 2025-2033</p> <p>By 2028, diversions of air and auto travel to train travel on the Silicon Valley to Central Valley line cumulatively results in 700,000 metric tons carbon dioxide equivalent (MMTCO<sub>2</sub>e) net reduction while the extended line to San Francisco and Bakersfield results in 1 million MTCO<sub>2</sub>e net reductions. In other words, capturing more riders, sooner, results in greater net emissions savings in the near term. Cumulatively by 2030, comparatively, the extended line saves 2.5MMTco<sub>2</sub>e which is 500,000 MTCO<sub>2</sub>e more than the Silicon Valley to Central Valley line in the same time- frame. By 2033 each option achieves the same annual savings rate, reflecting full system ridership.</p>	<p>Sustainable Infrastructure <del>-Comparing early operations, 2025-2033</del></p> <p><del>By 2028, diversions of air and auto travel to train travel on the Silicon Valley to Central Valley line cumulatively results in 700,000 metric tons carbon dioxide equivalent (MMTCO<sub>2</sub>e) net reduction while the extended line to San Francisco and Bakersfield results in 1 million MTCO<sub>2</sub>e net reductions. In other words, capturing more riders, sooner, results in greater net emissions savings in the near term. Cumulatively by 2030, comparatively, the extended line saves 2.5MMTco<sub>2</sub>e which is 500,000 MTCO<sub>2</sub>e more than the Silicon Valley to Central Valley line in the same time- frame. By 2033 each option achieves the same annual savings rate, reflecting full system ridership.</del></p> <p>In the first year of operation, the Silicon Valley to Central Valley system is projected to divert .119 million metric tons of carbon dioxide equivalent (MMT CO<sub>2</sub>e). Cumulatively by 2030, this system results in 2.06 MMT CO<sub>2</sub>e, by 2040 13.2 MMT CO<sub>2</sub>e, by 2050, 25.7 MMT CO<sub>2</sub>e, and after 50 years of operation, 2075, 62.9 MMT CO<sub>2</sub>e.</p> <p>The average annual savings of the Phase 1 system through 2040 is projected to be 1.04 MMT CO<sub>2</sub>e annually, and through 2075 is projected to be 1.35 MMT CO<sub>2</sub>e annually.</p> <p>In the first year of operation, the Silicon Valley to Central Valley Extended system (extension to San Francisco and Bakersfield) is projected to divert .182 MMT CO<sub>2</sub>e. Cumulatively by 2030, this system results in 2.6 MMT CO<sub>2</sub>e, by 2040 13.8 MMT CO<sub>2</sub>e, by 2050 26.3 MMT CO<sub>2</sub>e, and after 50 years of operation, 2075, 63.5 MMT CO<sub>2</sub>e.</p> <p>The average annual savings of the Phase 1 system through 2040 is projected to be 1.06 MMT CO<sub>2</sub>e annually, and through 2075 is 1.36 MMT CO<sub>2</sub>e annually.</p>
34	35	Bullet #3	<p>maintenance of the infrastructure (e.g., track, systems, and power). We knew engaging the private sector early would aid in developing innovative ideas and proposals on how best to deliver these critical elements of the project and manage costs and safety over the long term. We planned to seek input from major infrastructure developers on strategies for the design, construction, maintenance and financing of the rail infrastructure (systems, power, and track) for an initial segment.</p>	<p>maintenance of the rail infrastructure (e.g. i.e., track, systems, and power). We knew engaging the private sector early would aid in developing innovative ideas and proposals on how best to deliver these critical elements of the project and manage costs and safety over the long term. We planned to seek input from major infrastructure developers on strategies for the design, construction, maintenance and financing of the rail infrastructure (systems, power, and track) for an initial segment.</p>
35	36	Call Out Box #2	<p>"We have seen first-hand the benefits of having the person responsible for maintaining and upgrading the system in future years sitting at the same table as the designer and builder from an early stage in the project." –Kiewit</p>	<p><b>REPLACE WITH CORRECT QUOTE:</b>  <del>"We have seen first-hand the benefits of having the person responsible for maintaining and upgrading the system in future years sitting at the same table as the designer and builder from an early stage in the project." –Kiewit</del></p> <p>"On a recent pursuit our team was able to identify solutions that would reduce construction, maintenance and life cycle costs 10 – 20% on the Traction Power and Overhead Contact Systems." –Kiewit</p>

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36	36	Last bullet	Industry has stated that including maintenance with construction under long term performance based contracts	Industry has stated that including maintenance with construction under <b>long-term</b> performance based contracts
37	38	Last paragraph	Our operating model will mature over time and will always keep an eye fixed on long term, safe and commercially viable operations.	Our operating model will mature over time and will always keep an eye fixed on <b>long-term</b> , safe and commercially viable operations.
38	44	Implementation Map	Revised map	<b>UPDATE MAP WITHOUT MID-PENINSULA STATION</b>
39	45	Call Out Box - Connecting the Silicon Valley to the Central Valley	The Silicon Valley to Central Valley line will enable people to work at high-tech jobs in the Silicon Valley and San Francisco while having greater access to more affordable housing options in Central Valley where cities like Fresno are already working on plans to create vibrant, livable districts around high-speed rail stations. These new connections will foster economic revitalization, affordable housing and workforce development goals.	The Silicon Valley to Central Valley line will enable people to <b>connect and</b> work at high-tech jobs in the Silicon Valley and San Francisco while having greater access to more affordable housing options in <b>Central Valley where</b> cities like <b>Gilroy, Merced and Fresno who</b> are already working on plans to create vibrant, livable districts around high-speed rail stations. These new connections will foster economic revitalization, affordable housing and workforce development goals.
40	47	Bullet #2	...will provide connections to the Bay Area Rapid Transit (BART), etc.	...will provide connections to the Bay Area Rapid Transit <b>District</b> (BART), etc.
41	47	Implementation Bullet #3	Needs a period after "travel"	<b>...travel.</b>
42	47	Bullet #2	Connecting high-speed rail into the Diridon Station in San Jose (the tenth largest city in the nation) will provide connections to Bay Area Rapid Transit (BART), Altamont Corridor Express, Caltrain commuter rail, Santa Clara Valley Transportation Authority light rail and buses and Amtrak among others.	Connecting high-speed rail into the Diridon Station in San Jose (the tenth largest city in the nation) will provide connections to Bay Area Rapid Transit (BART), Altamont Corridor Express, Caltrain <b>commuter rail</b> , Santa Clara Valley Transportation Authority light rail and buses and Amtrak among others.
43	49	Bullet #3	Reduce greenhouse gas emissions...	Reduce greenhouse gas emissions <b>and criteria pollutants...</b>

#	Page	Paragraph/Section	Current Text	New Text
44	49	Call Out Box-High Capacity Urban Corridor Investment	<p>High Capacity Urban Corridor Investment</p> <p>By bringing together several individual projects along the corridor that qualify for a variety of near-term funding sources a full program of improvements can be realized. The benefits of this program include:</p> <ul style="list-style-type: none"> <li>- Immediate travel time savings and improved reliability for existing freight and passenger trains</li> <li>- Unlocking new capacity which will position existing operators to attract more riders and generate more revenue</li> <li>- Greater reliability and fluidity of freight and goods movement</li> <li>- High-speed rail corridor readiness</li> <li>- High-speed rail corridor readiness</li> <li>- Significantly improved corridor safety</li> <li>- Significantly reduced GHG emissions in the corridor</li> </ul>	<p>High Capacity Urban Corridor Investments</p> <p>By bringing together several individual projects along <del>the corridors, that qualify for a variety of near-term funding sources a full program of improvements can be realized. The</del> benefits <del>of this program can</del> include:</p> <ul style="list-style-type: none"> <li>- Immediate travel time savings and improved reliability for existing freight and passenger trains</li> <li>- Unlocking new capacity which will position existing operators to attract more riders and generate more revenue</li> <li>- Greater reliability and fluidity of freight and goods movement</li> <li>- High-speed rail corridor readiness</li> <li><del>- High-speed rail corridor readiness</del></li> <li>- Significantly improved corridor safety</li> <li>- Significantly reduced GHG emissions in the corridor</li> </ul>
45	49	Vital to the economy box..., paragraph #1	BNSF uses this corridor to connect the busiest port complex in the nation and the eighth largest in the world, specifically the Port of Los Angeles and the Port of Long Beach, with the busiest intermodal yard in the country	BNSF uses this corridor to connect the <del>Ports of Los Angeles and Long Beach,</del> the busiest port complex in the nation and the eighth largest in the world, <del>specifically the Port of Los Angeles and the Port of Long Beach,</del> with the busiest intermodal yard in the country.
46	51	Bullet #1	.....--focusing first on the clearing the remaining sections...	.....--focusing first on <del>the</del> clearing the remaining sections...
47	55	Exhibit 5.2	\$67.6 B	Adding an exhibit footnote to \$67.6 B* <b>* Includes funding for early improvement projects in Los Angeles-Anaheim section</b>
48	59	Paragraph #3	\$3.48 billion in Federal grants,	\$3.48 billion in <b>appropriated federal</b> grants,
49	59	Sub Bullet #3	\$2.609 billion has been appropriated for and committed to matching the Federal grant funds in the Central Valley	\$2.609 billion has been appropriated for and committed to matching the <b>federal</b> grant funds in the Central Valley
50	60	Exhibit 6.1	Exhibit 6.1- Second Line Federal Grants (ARRA/FY10)	Federal Grants (ARRA/ <del>FY10</del> )
51	60	Middle of page	We will use funds explicitly dedicated in Proposition 1A and in our Federal grants to complete environmental	We will use funds explicitly dedicated in Proposition 1A and in our <b>federal</b> grants to complete environmental
52	60	Middle of page	\$315M in Federal grants	\$315M in <b>federal</b> grants
53	61	Exhibit 6.2 Footnote	**Federal Grant Agreement amounts for construction funding state appropriate for construction amounts to \$3,240 due to prior year relocations.	**Federal Grant Agreement amounts for construction <b>funding. State appropriate</b> appropriation for construction amounts to \$3,240 million due to prior year reallocations.
54	61	Paragraph #1	including previously appropriated Federal grant funds	including previously appropriated <b>federal</b> grant funds
55	61	First sub-bullet	\$3.165 billion in Federal grants	\$3.165 billion in <b>federal</b> grants
56	61	Last paragraph	Traditionally, transportation projects of this magnitude can rely on the federal government	Traditionally, transportation projects of this magnitude can rely on the <b>Federal Government</b>

#	Page	Paragraph/Section	Current Text	New Text
57	63	Bullet #1	A committed, long-term funding stream to leverage financing, including Federal loans and other public financing tools	A committed, long-term funding stream to leverage financing, including <b>federal</b> loans and other public financing tools
58	63	Paragraph #4	With a secure long term revenue source, there is a range of financing programs available that we will be able to tap into including Federal financing programs such as the Railroad Rehabilitation and Improvement Financing (RRFIF) and the Transportation Infrastructure Finance And Innovation Act (TIFIA) programs, State revenue bonds, private activity bonds and potentially export credit and other private sector financing programs.	With a secure long-term revenue source, there is a range of financing programs available that <b>the Authority we</b> will be able to tap into including <b>federal</b> financing programs such as the Railroad Rehabilitation and Improvement Financing ( <del>RRFIF</del> ) (RRIF) and the Transportation Infrastructure Finance And Innovation Act (TIFIA) programs, <b>state</b> revenue bonds, <del>private activity bonds</del> <b>Private Activity Bonds</b> and potentially export credit and other private sector financing programs.
59	63	Last paragraph	This capital is expected to be an important source of funds for construction of future segments	This <b>investment</b> is expected to be an important source of funds for construction of future segments
60	63	Bullet #1 under "Generating Financial Value..."	private-sector investor as a standalone service	<b>private sector</b> investor as a standalone service
61	64	Bullets #5 and 6	<p>- While we have provided ranges for both ridership forecasts and discount rates, based on the mid-point discount rate of 11% applied to the cash flows from the medium revenue and cost forecasts, we estimate \$3.2 billion could be available in 2027 after ridership revenue and net operating cash flow have been demonstrated. If the Silicon Valley to Central Valley line is extended to reach San Francisco (4th &amp; King St) and Bakersfield, ridership will increase significantly and an additional \$4.2 billion could be available in 2027 for a total of \$7.4 billion.</p> <p>- This demonstrates that the requested federal investment of \$2.9 billion to extend the line to San Francisco and Bakersfield may be able to unlock an estimated \$4.2 billion in additional private sector investment in the pro- gram, generating additional leverage for those federal funds. These proceeds could then be used to help fund the capital costs for the remaining build out of the Phase 1 system.</p>	<p>- While we have provided ranges for both ridership forecasts and discount rates, based on the mid-point discount rate of 11% applied to the cash flows from the medium revenue and cost forecasts, we estimate \$3.<b>21</b> billion could be available in 202<b>78</b> after ridership revenue and net operating cash flow have been demonstrated. If the Silicon Valley to Central Valley line is extended to reach San Francisco (4th &amp; King St) and Bakersfield, ridership will increase significantly and an additional \$4.<b>24</b> billion could be available in 2027 for a total of \$7.<b>45</b> billion.</p> <p>- This demonstrates that the requested federal investment of \$2.9 billion to extend the line to San Francisco and Bakersfield may be able to unlock an estimated \$4.<b>24</b> billion in additional private sector investment in the pro- gram, generating additional leverage for those federal funds. These proceeds could then be used to help fund the capital costs for the remaining build out of the Phase 1 system.</p>

#	Page	Paragraph/Section	Current Text	New Text
62	64	Funding and Financing Exhibit 6.3	Exhibit 6.3 - Discounted Cash Flows for Medium Case Forecasts - San Jose to North of Bakersfield	<p><b>UPDATE EXHIBITS 6.3, 7.1-7.16, 7.26-7.34 TO REFLECT UPDATED RIDERSHIP, REVENUE, OPERATIONS AND MAINTENANCE COSTS, CASH FLOW, BREAKEVEN, AND MONETIZATION ANALYSES</b></p> <p><b>Explanatory Note:</b> The ridership, revenue, operations and maintenance costs, cash flow, breakeven, and monetization analyses are being adjusted: 1. The Silicon Valley to Central Valley Line and the Silicon Valley to Central Valley Extension service plans were updated for consistency with the Phase 1 travel time assumptions in overlapping corridors. This reduced terminal to terminal travel time by 10 minutes. This reduction in travel time increased ridership and revenue by ~2%-3% during the Silicon Valley to Central Valley Line and Silicon Valley to Central Valley Extension phases. 2. The operations and maintenance cost (O&amp;M) forecasts for the Silicon Valley to Central Valley Line and Silicon Valley to Central Valley Extension were adjusted to correctly reflect the assumptions for those services. This adjustment increased O&amp;M by ~6%-8% during the Silicon Valley to Central Valley Line and Silicon Valley to Central Valley Extension phases only. 3 These changes have a marginal negative impact on the net cash flow from operations during the first five years of operations and the monetization of operating proceeds. Additionally, Phase 1 incremental monetization was adjusted to properly reflect the increment from the Valley to Valley Extension instead of the Valley to Valley Line. None of the financial conclusions of the Draft 2016 Business Plan are changed in any of the scenarios. Updates have been reflected in the ridership, revenue, O&amp;M, cash-flows, breakeven, and monetization exhibits of the business plan.</p>
63	64	Funding and Financing Exhibit 6.4	Exhibit 6.4 - Discounted Cash Flows for Medium Case Forecasts - Phase 1	Incremental Discounted Cash Flows from Completing Phase 1, 14% Column: \$9.87
64	65	Funding and Finance, First paragraph, second sentence.	Using the same 11% discount estimate described above, completing the system to Los Angeles and Anaheim could result in an additional \$13.5 billion. When combined together, the total value from the initial monetization of through the completion of Phase 1 to Anaheim using the 11% discount rate is estimated at \$20.9 billion (\$7.4 billion plus \$13.5 billion). The overall increase from prior business plans is largely attributable to the increased service levels and ridership increase to Anaheim included in this Draft 2016 Business Plan. This ridership increase contributes \$5.7 billion of the total value based on an 11% discount rate when the entire Phase 1 system is complete.	Using the same 11% discount estimate described above, completing the system to Los Angeles and Anaheim could result in an additional \$13.5 billion. When combined together, the total value from the initial monetization of through the completion of Phase 1 to Anaheim using the 11% discount rate is estimated at \$20.921 billion ( <del>\$7.4 billion plus \$13.5 billion</del> ). The overall increase from prior business plans is largely attributable to the increased service levels and ridership increase to Anaheim included in this Draft 2016 Business Plan. This ridership increase contributes \$5.7 billion of the total value based on an 11% discount rate when the entire Phase 1 system is complete.
65	65	Second to last bullet	This plan recognizes that the amount to be financed is very large in current private-sector investment terms	This plan recognizes that the amount to be financed is very large in current private sector investment terms
66	69	Forecasts and Estimates Exhibits 7.1 through 7.16	Exhibits 7.1 - 7.16	<b>SEE EXPLANATORY NOTE ON LINE #57</b>
67	76	Forecasts and Estimates Exhibit 7.17	Revised map	<b>UPDATE MAP WITHOUT MID-PENINSULA STATION</b>

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68	80	Bullet #3	The Monte Carlo risk analysis performed on the system breakeven provides state-of-the-art statistical support for the projections that the system will perform at or above its breakeven point and will not require an operating subsidy. The breakeven probability for the Silicon Valley to Central Valley line opening year is 38% but this increases quickly as the system ramps up. It is anticipated that the system begins to cover annual operating costs in Year 2 and recoups the first year loss by Year 3 (in the Medium case). The Authority has a number of contracting strategies that will allow us to cover any early year losses based on revenues exceeding costs in later years within the contract structure. This will ensure that there will not be a time that the Authority will have to provide a subsidy to an operator.	The Monte Carlo risk analysis performed on the system breakeven provides state-of-the-art statistical support for the projections that the system will perform at or above its breakeven point and will not require an operating subsidy. The breakeven probability for the Silicon Valley to Central Valley line opening year is <del>38</del> 32% but this increases quickly as the system ramps up. It is anticipated that the system begins to cover annual operating costs in Year 2 and recoups the first year loss by Year 3 (in the Medium case). The Authority has a number of contracting strategies that will allow <del>us</del> it to cover any early year losses based on revenues exceeding costs in later years within the contract structure. This will ensure that there will not be a time that the Authority will have to provide a subsidy to an operator.
69	80	Bullet #4	The quantitative risk analysis demonstrates that the breakeven probability reaches 75% over the initial ramp-up period for the Silicon Valley to Central Valley Line and is greater than 99% for the Phase 1 out year.	The quantitative risk analysis demonstrates that the breakeven probability reaches <del>75</del> 69% over the initial ramp-up period for the Silicon Valley to Central Valley Line and is greater than 99% for the Phase 1 out year.
70	81	Forecasts and Estimates Exhibits 7.26 through 7.34	Exhibits 7.26 - 7.34	<b>SEE EXPLANATORY NOTE ON LINE #57</b>
71	90	Bullet #7	Estimates for the Draft 2016 Business Plan accounts for all known cost categories	Estimates for the Draft 2016 Business Plan <b>account</b> for all known cost categories
72	98	Capital Cost	\$58.7 billion	\$58. <del>7</del> 6 billion
73	99	Breakeven row; Draft 2016 Business Plan column	Breakeven probability based on Monte Carlo simulations of revenue and operations and maintenance.	Breakeven probability based on Monte Carlo simulations of <b>farebox</b> revenue and operations and maintenance.
74	99	Breakeven row; Draft 2016 Business Plan column	Analysis focuses on opening year of the Silicon Valley to Central Valley line in 2025 (38% chance of breaking even), the ramp-up period between 2025 and 2029 (75% chance of breaking even), Phase 1 opening year in 2029 (87% chance of breaking even) and Phase 1 out year in 2040 (>99% chance of breaking even).	Analysis focuses on opening year of the Silicon Valley to Central Valley line in 2025 ( <del>38</del> 32% chance of breaking even), the ramp-up period between 2025 and 2029 ( <del>75</del> 69% chance of breaking even), Phase 1 opening year in 2029 ( <del>87</del> 88% chance of breaking even) and Phase 1 out year in 2040 (>99% chance of breaking even).
75		Appendix Meeting Business Plan Statutory Requirements	Last two unchecked boxes and updated text on second to last box: Public comment will be taken at the regularly scheduled Board of Directors meetings on March 8, April 12 and April 21. The Final 2016 Business Plan will be adopted at the April 21 meeting.	<b>ADD CHECKS TO LAST TWO BOXES</b> <b>Updated text on second to last box:</b> Public comment will be taken at the regularly scheduled Board of Directors meetings on March 8, April 12 and April 21. The Final 2016 Business Plan will be adopted at the April <del>21</del> 8 meeting.

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76		Appendix	New Addition	<b>ADD PEER REVIEW GROUP LETTERS</b>
<b>TECHNICAL MEMOS</b>				
<b>Capital Cost Basis of Estimate Report</b>				
1	11	Figure 1	Figure 1 - Basis for Capital Costs Reductions	Figure 1 - Basis for Capital Costs Reductions (in billions of YOES)
2	11	Figure 1	Adding footnote to Figure 1	\$67.6 B* *Includes funding for early improvement projects in Los Angeles-Anaheim section
3	12	Table 2	Subtotal (San Francisco to Los Angeles Union Station	Subtotal (San Francisco to Los Angeles Union Station)* * Includes funding for early improvement projects in Los Angeles-Anaheim section
4	14	Figure 3	Bar chart: 2014 BP Los Angeles to Anaheim - \$556	Bar chart label: 2014 BP Los Angeles to Anaheim - \$556 525
5	16	Table 3 / Bakersfield to Palmdale	Reflected Supplemental Analysis Oak Creek alignment	Reflected Supplemental <del>Alternative</del> Analysis <del>Oak-Creek 2016</del> alignment <del>alternative</del>
6	16	Table 3 / Palmdale to Burbank	Decrease in grade separations costs by implementing shared use of existing corridor south of Burbank (-\$0.7B)	Decrease in grade separations costs by <del>avoiding existing rail corridor in North San Fernando Valley</del> (-\$0.7B)
7	16	Table 3	Under 2014 BP Cost (2015 \$, millions): Los Angeles to Anaheim - \$556	Under 2014 BP Cost (2015 \$, millions): Los Angeles to Anaheim - \$556 525
8	16	Table 3	Under 2014 BP Cost (2015 \$, millions): Total Phase 1 - \$58,610	Under 2014 BP Cost (2015 \$, millions): Total Phase 1 - \$58,610 58,579
9	16	Table 3	Change (2015 \$, millions): Total Phase 1 - \$1,773	Change (2015 \$, millions): Total Phase 1 - \$1,773 1,804
10	27	Section 4.2 General Assumptions	Add new sentence	All cost assumptions outlined in this appendix will be further evaluated and documented through the environmental process.
11	27	Section 4.2 General Assumptions	Add new bullet	All sections are under development and agreements on alternatives with corridor owners and operators still need to be reached in order to further define the alternative.
12	29	San Francisco to San Jose / Assumptions	A \$50M allowance per station for high platform upgrades to Diridon and Millbrae, and \$100M for interim terminal station at 4th & King	A \$50M allowance per station for high platform upgrades to Diridon and Millbrae, and \$100 150M for interim terminal station at 4th & King
13	29	San Francisco to San Jose / Assumptions	Add new sentence	Assumes no cost in the section estimate for modifying hold-out rule stations.
14	30	San Francisco to San Jose / Assumptions	A \$550M allowance (YOES) for work done by others for Transbay connection	A \$550M allowance (YOES) for work done by others for <del>Transbay Connection</del> the Downtown Extension (DTX) from 4 <sup>th</sup> & King to the Transbay Transit Center as proposed by the Transbay Joint Powers Authority (TJPA)
15	30	San Francisco to San Jose / Assumptions	Conversion of existing Caltrain platforms to level boarding is not included except for the stations shared with high speed rail	Conversion of existing Caltrain platforms to level boarding is <del>not</del> included as an allowance in the estimate <del>except for the stations shared with high-speed rail</del>
16	30	San Francisco to San Jose / Assumptions	Future platform extension to 1400 feet to accommodate two high-speed rail trainsets is not included	<b>DELETED: STATION ESTIMATES ARE ONLY CARRIED AS AN ALLOWANCE</b> <del>Future platform extension to 1400 feet to accommodate two high-speed rail trainsets is not included</del>
17	31	San Jose to Gilroy / Assumptions	Between Diridon to south of Tamien in this section, assumes construction of a third at-grade, 4.6 miles long	Between Diridon to south of Tamien in this section, assumes construction of a third <del>non-electrified</del> at-grade <del>track for UPRR</del> , 4.6 miles long
18	32	San Jose to Gilroy / Assumptions	At-grade Diridon station	At-grade Diridon station <del>costs are included in the San Francisco to San Jose section</del>

#	Page	Paragraph/Section	Current Text	New Text
19	33	Gilroy to Carlucci Road / Assumptions	Ventilation in tunnels is based on a trainset compartmentation strategy for smoke control in tunnels which would eliminate requirements for mechanical ventilation	Ventilation in tunnels is <del>based on</del> covered through a trainset compartmentation strategy for smoke control in tunnels which would eliminate requirements for mechanical ventilation. This is currently being reviewed with the Office of State Fire Marshal (OSFM).
20	39	Bakersfield to Palmdale / Assumptions	Based on Oak Creek alignment alternative currently under evaluation by the Authority and its consultants	Based on <del>Oak Creek</del> an alignment alternative currently under evaluation by the Authority and its consultants in an updated 2016 Supplemental Alternatives Analysis
21	39	Bakersfield to Palmdale / Assumptions	The current estimate update also reflects updated right-of-way costs as were prepared by the Authority and its consultants for the Oak Creek alignment alternative.	The current estimate update also reflects updated right-of-way costs as were prepared by the Authority and its consultants for the <del>Oak Creek</del> alignment alternative.
22	39	Bakersfield to Palmdale / Assumptions	Based on a trainset compartmentation strategy for smoke control in tunnels that would eliminate requirement for mechanical ventilation.	Ventilation in tunnels is covered through a trainset compartmentation strategy for smoke control in tunnels that would eliminate requirement for mechanical ventilation. This is currently being reviewed with the Office of State Fire Marshal (OSFM). Based on longer tunnels, an allowance has been included in case that mechanical ventilation is required
23	40	Palmdale to Burbank / Assumptions	An allowance is being carried for mechanical ventilation in tunnels due to the length of the tunnel segments	<del>An allowance is being carried for mechanical ventilation in tunnels due to the length of the tunnel segments</del>
24	40	Palmdale to Burbank / Assumptions	Based on a compartmentation strategy for smoke control in tunnels that would eliminate shafts to the surface with Angeles National Forest	<del>Based on a compartmentation strategy for smoke control in tunnels that would eliminate shafts to the surface with Angeles National Forest.</del> Ventilation in tunnels is covered through a compartmentation strategy for smoke control in tunnels that would eliminate requirement for mechanical ventilation. This is currently being reviewed with the Office of State Fire Marshal (OSFM). Based on longer tunnels, an allowance has been included in case that mechanical ventilation is required
25	42	Los Angeles to Anaheim / Assumptions	This estimate is a placeholder and is based upon early investment projects and a simplified section developed by the Authority and its consultants in 2014 for an alternative delivery plan approach.	This estimate <del>is a placeholder</del> allows for an initial level of HSR service between Los Angeles and Anaheim and includes early investment projects and a simplified section developed by the Authority and its consultants in 2014 for an alternative delivery plan approach.
26	42	Los Angeles to Anaheim / Assumptions	The Los Angeles to Anaheim corridor is made of three distinctive sections:	The Los Angeles to Anaheim corridor is 30.5 miles long and is made of three distinctive sections:
27	42	Los Angeles to Anaheim / Assumptions	Add new sentence	<b>ADDED TO CLARIFY WHAT WAS INCLUDED FOR THE FIRST 3.4 MILE SECTION OWNED BY METRO:</b> Estimate includes two electrified tracks through this section.
28	42	Los Angeles to Anaheim / Assumptions	A final build project includes the construction of two additional tracks dedicated for high-speed rail (and electrified) in the south of BNSF tracks. BNSF main tracks will be moved to the North to provide the capacity for the new tracks and minimize right-of-way impact. BNSF has requested provision for a fourth mainline track for traffic growth and preserve the two dedicated tracks for high-speed rail	Estimate includes one electrified track through this section with passing tracks as required. A final build project is being evaluated that would include the construction of one additional track dedicated for high-speed rail (and electrified). BNSF main tracks will be moved to <del>the north</del> provide the capacity for the new tracks and minimize right-of-way impact. BNSF has requested provision for a fourth mainline track for traffic growth and preserve the two dedicated tracks for high-speed rail)
29	42	Los Angeles to Anaheim / Assumptions	Add new sentence	Does not assume an intermediate station at either Norwalk/Santa Fe or Fullerton

#	Page	Paragraph/Section	Current Text	New Text
30	42	Los Angeles to Anaheim / Assumptions	Add new sentence	Does not include allowances for agreements or right-of-way costs with Metro/OCTA or BNSF for shared use of this corridor.
31	42	Los Angeles to Anaheim / Assumptions	Add new sentence	Includes a ROW allowance of approximately \$150 M for additional right-of-way outside the rail corridor.
32	42	Los Angeles to Anaheim / Assumptions	No allowances were included for expansion of BNSF's Hobart Yard to replace impacted freight storage tracks	<del>No allowances were included for expansion of BNSF's Hobart Yard to replace impacted freight storage tracks-</del>
33	42	Table 18	Under 2014 BP Cost (2015 \$, millions): Subtotal - \$538	Under 2014 BP Cost (2015 \$, millions): Subtotal - <del>\$538</del> 525* *Funding for early improvement projects in Los Angeles-Anaheim section
34	42	Table 18	Under 2014 BP Cost (2015 \$, millions): Subtotal - \$2,319	Under <del>2014</del> 2016 BP Cost (2015 \$, millions): Subtotal - <del>\$2,319</del> 2,329** ** Reflects total cost of Los Angeles-Anaheim section inclusive of early improvement projects (2014 Business Plan) plus enhanced design scope (2016 Business Plan)

**Service Planning Report**

1	11	Table 2 - Estimated Feeder Bus Revenue	Table 2: Feeder Bus Revenue Numbers	<b>FEEDER BUS REVENUE NUMBERS UPDATED TO REFLECT THE NEW SERVICE PLANS</b>
2	17-18	Appendix 1 O&M Cost Model Inputs Table	Cost Model Inputs Table: Operation & Maintenance Cost Inputs	<b>SOME OPERATIONS &amp; MAINTENANCE COST INPUTS REVISED TO REFLECT ADJUSTED O&amp;M COST FORECAST</b>

**Operations & Maintenance Report**

1	63	Table 37	Table 37: Operations & Maintenance Risk Analysis Numbers	<b>UPDATE TABLE 37 TO REFLECT REVISED O&amp;M RISK ANALYSIS</b>
2	64	Paragraph 2/Sec. 17	"The results of the risk analysis show that the Silicon Valley to Central Valley line scenario has a 75 percent probability of generating positive cash flow over the first five years of operations, without considering the inclusion of Phase 1 operations in 2029. The analysis looked at this period cumulatively in order to reflect how a private operator would manage and mitigate its financial risk over a potential contract period. As the system extends to Phase 1 and ridership continues to increase, the probability improves to >99 percent by 2040."	"The results of the risk analysis show that the Silicon Valley to Central Valley line scenario has a 69 percent probability of generating positive cash flow over the first five years of operations, without considering the inclusion of Phase 1 operations in 2029. The analysis looked at this period cumulatively in order to reflect how a private operator would manage and mitigate its financial risk over a potential contract period. As the system extends to Phase 1 and ridership continues to increase, the probability improves to >99 percent by 2040."
3	64	Table 38	Table 38: Breakeven Analysis Numbers	<b>UPDATE TABLE 38 TO REFLECT REVISED BREAKEVEN ANALYSIS</b>

**R&R Report**

1		Tables: ES.1, ES.2, 6.2, 6.3, 7.5, 7.6, 7.7, A.1.2, A.2.2	Tables with Ridership and Revenue Numbers	<b>UPDATE TABLES ES.1, ES.2, 6.2, 6.3, 7.5, 7.6, 7.7, A.1.2, A.2.2 TO REFLECT NEW RIDERSHIP AND REVENUE NUMBERS, AND SERVICE PLANS</b>
2	6.2	Second paragraph	For example, the MTC to SCAG market will have the highest mode share at 6.7 percent, followed by MTC to the San Joaquin Valley at 5.0 percent.	For example, the MTC to SCAG market will have the highest mode share at <del>6.7</del> 7.0 percent, followed by MTC to the San Joaquin Valley at <del>5.0</del> 5.2 percent.

#	Page	Paragraph/Section	Current Text	New Text
3	6.2	Fourth paragraph	The mode share for MTC to SCAG and MTC to San Joaquin Valley markets increases to 9.8 percent and 7.0 percent, respectively.	The mode share for MTC to SCAG and MTC to San Joaquin Valley markets increases to <del>9.8</del> 10.2 percent and <del>7.0</del> 7.2 percent, respectively.

Risk Analysis				
1	4	Tables 4.1, 4.2, 4.3, 4.4, 4.5, I.1	Tables with Ridership and Revenue Numbers	<b>UPDATE TABLES 4.1, 4.2, 4.3, 4.4, 4.5, I.1 TO REFLECT REVISED RIDERSHIP AND REVENUE MODEL RUNS</b>
2	4	Figures 4.2, 4.5, I.1, I.2	Figures with Ridership and Revenue Numbers	<b>UPDATE FIGURES 4.2, 4.5, I.1, I.2 TO REFLECT REVISED RIDERSHIP AND REVENUE MODEL RUNS</b>