

CALIFORNIA'S HIGH-SPEED RAIL SYSTEM

**National Association of
Railroad Passengers**

October 14, 2011



CALIFORNIA'S HIGH-SPEED TRAIN SYSTEM

Largest public infrastructure project in U.S. history

- First phase: Fresno to Bakersfield - 520 miles
- When completed: San Francisco & Sacramento to San Diego - 800 miles
- Operating speeds up to 220 mph; 90-125 mph in urban areas
- Safely grade-separated
- Reliable, easy way to travel
- Creates jobs / stimulates economy

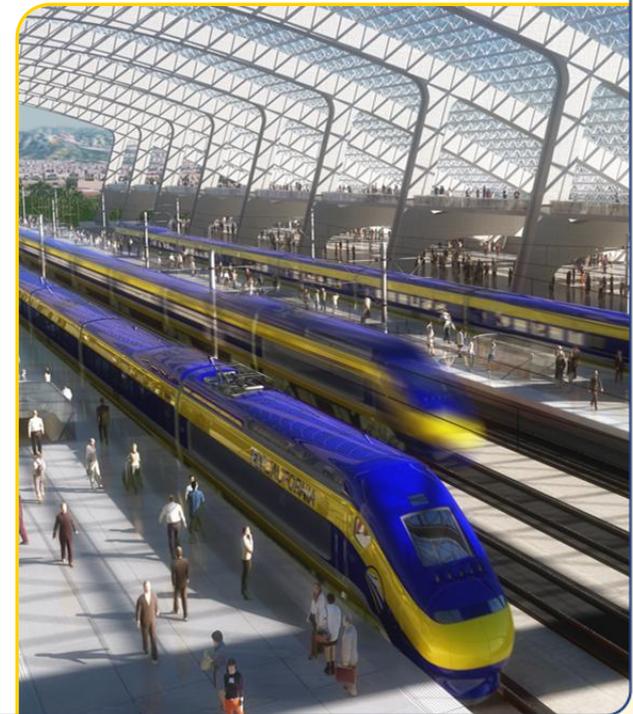
California High-Speed Train Map, Statewide Overview



April 2010

WHY WE NEED IT

- **Jobs** - 600,000 full-time, one-year, construction-related job equivalents. 5,000 permanent operations and maintenance jobs
- **Mobility** - Experts agree that economic power stems from the ability to move people and goods around
- **Environment** - Increased transportation without increased air pollution
- **Energy Independence** - Increased energy independence and decreased consumption of fossil fuels
- **Security** - A diversified transportation system builds resiliency in the event of disruptions



WHY WE NEED IT

Status quo is not an option

Population Growth and the promise

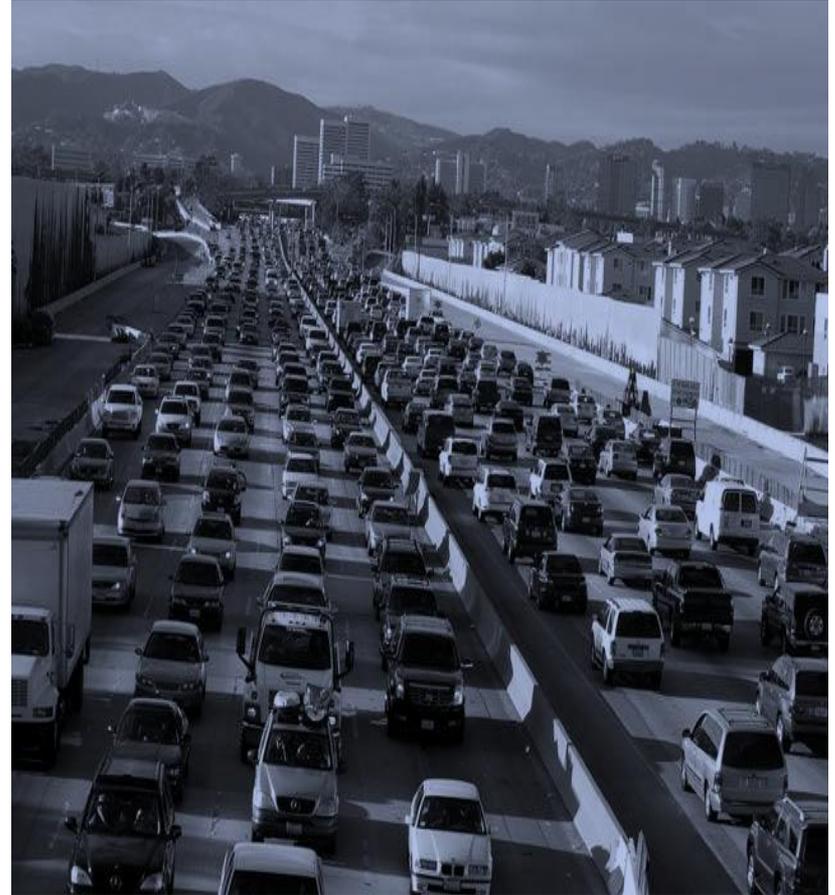
- California's population now - 38 million. By 2035 - 50 million
- California is the only U.S. example of true high-speed rail
- California high-speed rail, if fully realized, will inspire confidence in the national high-speed rail program

We can build...

- New freeways, airport runways and more departure gates to address our expected population growth

or

- 800-mile high-speed train system, powered by 100% renewable electricity generated by clean wind and solar energy



WHY WE NEED IT

Interconnectivity with existing transportation

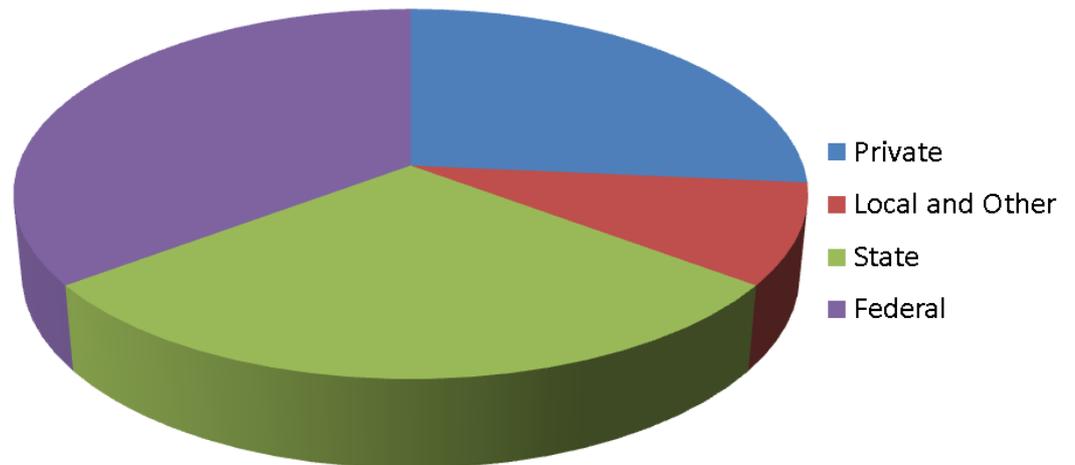
- Connections in San Francisco (Transbay Terminal), Los Angeles (LA Union Station) and Anaheim (ARTIC) to local transit, commuter rail and Amtrak
- Southern California Passenger Rail Planning Coalition formed to facilitate this interconnectivity, plan early investments that improve and enhance the existing rail system and pave the way for high speed rail



FUNDING

Anticipated funding sources

- California Funding: \$9B
- Federal Funding: \$17-19B
- Local Funding: \$4-5B
- Private Investment: \$10-12B



CURRENT PUBLIC FUNDING SUMMARY

FUNDING SOURCE	AWARD	STATE MATCH	TOTAL
ARRA (January 2010)	\$1.85 billion	\$1.85 billion	\$3.7 billion
HSIPR Federal FY 10-11 (October 2010)	\$715 million	\$306 million	\$1.02 billion
ARRA (December 2010)	\$616 million	\$616 million	\$1.234 billion
ARRA (May 2011)	\$300 million	\$75 million	\$375 million



Approximately \$6.3 billion is available for initial construction

STRONG SUPPORT

A national vision



“Within 25 years, our goal is to give 80 percent of Americans access to high-speed rail. This could allow you to go places in half the time it takes to travel by car.” “... As we speak, routes in California and the Midwest are already underway.”

United States President Barack Obama

“It’s an investment in tomorrow that will create manufacturing, construction, and operations jobs today.”

United States Transportation Secretary Ray LaHood



“High-speed rail, long ignored in this country, can provide Americans with an efficient, effective and environmentally friendly transportation alternative, as it does in other nations around the world.”

Representative John Mica, Chairman of the House Transportation and Infrastructure Committee

STRONG SUPPORT

State backing

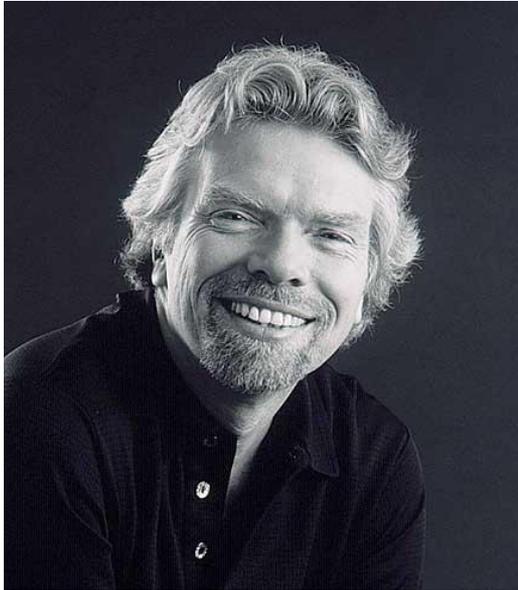


Governor Jerry Brown has said the statewide system of 220-mph passenger trains would put California into a league of “important countries [that] are investing in high-speed rail,” joining Japan, France, Germany, England, China and others.

“The numbers look big,” Governor Brown said, but he added that the investment is small when compared to the state’s economic productivity over the life of the system. That, he suggested, is why the state needs to “look to the future instead of the past.”

STRONG SUPPORT

Private enterprise



“High-speed rail has proven to be a great driver of economic development, urban mobility and a cleaner environment around the world.”

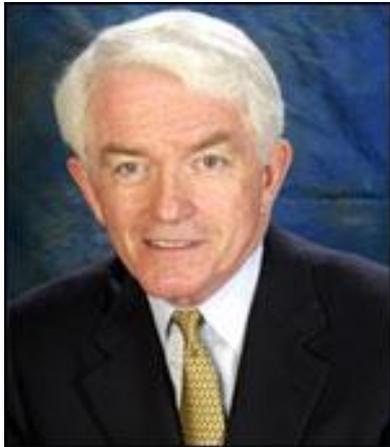
Richard Branson, Founder of Virgin

“This prospect is tremendously exciting in that it links the major cities of California in a visionary and market changing way. This is an opportunity to which VRG is prepared to commit substantial resources to, in order to assist the Authority in achieving its objectives. We believe that California is a market very well suited to High Speed Rail.”

-Virgin Rail Group

STRONG SUPPORT

Private enterprise



“With the U.S. Chamber of Commerce and the AFL-CIO standing together to support job creation, we hope that Democrats and Republicans in Congress will also join together to build America's infrastructure.”



*Tom Donohue, US Chamber of
Commerce, and
Richard Trumka, AFL-CIO*

STRONG SUPPORT

Private enterprise

2011 Industry Forums

The April 2011 forum at the Los Angeles Convention Center attracted almost 1,100 business representatives - including high-speed rail suppliers and operators, civil construction firms and hundreds of small businesses.

- Attendees heard a project update including an overview of the Central Valley construction segment and Phase 1 operation plans.
- A “Meet the Primes” afternoon session afforded small businesses an opportunity to network with prospective civil construction firms and potential future operators.

STRONG SUPPORT

Private enterprise

2011 Industry Forums

The September 2011 forum, held in Fresno, attracted 800 business representatives interested in the initial high-speed rail construction segment.

- The forum afforded the private sector, including small business and large prospective primes, several opportunities:
 - to learn the latest project and funding updates
 - the bidding process and how they can participate
 - to interact with and ask questions of California High-Speed Rail Authority officials and
 - to connect entrepreneurs and small businesses with “prime” contractors to discuss working together

STRONG SUPPORT

Interest from around the world

Partnerships with nine countries to leverage international expertise on planning, construction, operations and finance



WHERE WE ARE NOW

Transitioning from Planning to Implementation



California High-Speed Rail Authority

Chief Executive Officer

Roelof van Ark

Since taking the helm in June 2010, he has:

"As someone who has devoted his career to this industry, there's no doubt in my mind that California is the place to be, and I'm honored to be given the opportunity to work with all partners to move California's high-speed train project forward."

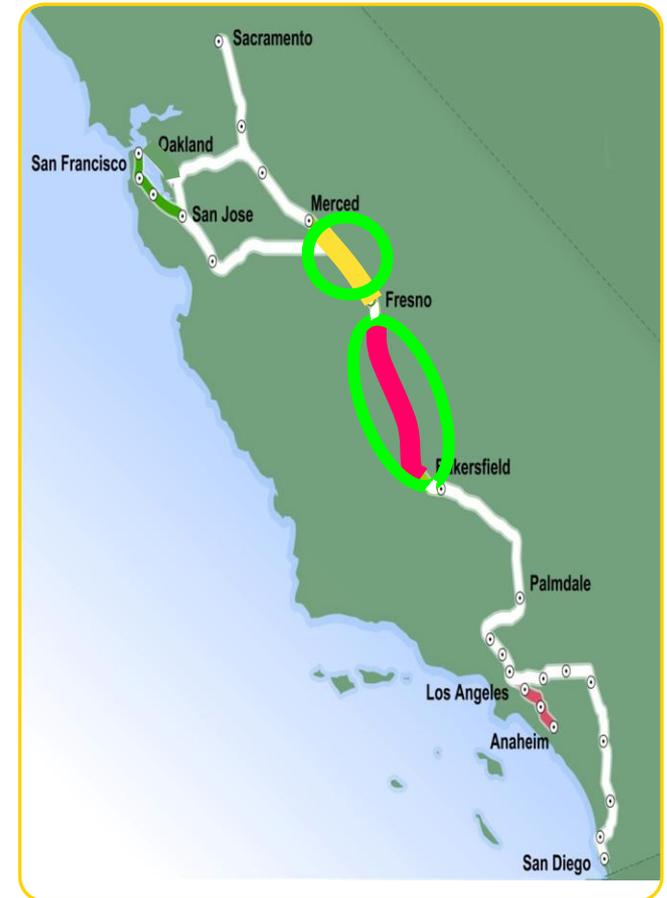
- Spoken with thousands of stakeholders
- Garnered a total of more than \$3 billion in Federal funding, the most of any state
- Established a starting point for construction
- Gained the support of partners in other countries and the private sector

WHERE WE ARE NOW

Transitioning from Planning to Implementation

Project-level EIR/EIS in process for all sections

- ✓ In August 2011, the Central Valley sections released the Draft Environmental Impact Report/Statement for both the Merced-to-Fresno and Fresno-to-Bakersfield sections of the project.
- ✓ These documents analyze and disclose the potential environmental impacts associated with the construction, operation and maintenance of the 65-mile Merced-to-Fresno and 113-mile Fresno-to-Bakersfield sections of the project.
- ✓ The documents are being made available on the Authority's website days prior to the August 15 formal opening of the 60-day comment period.



WHERE WE ARE NOW

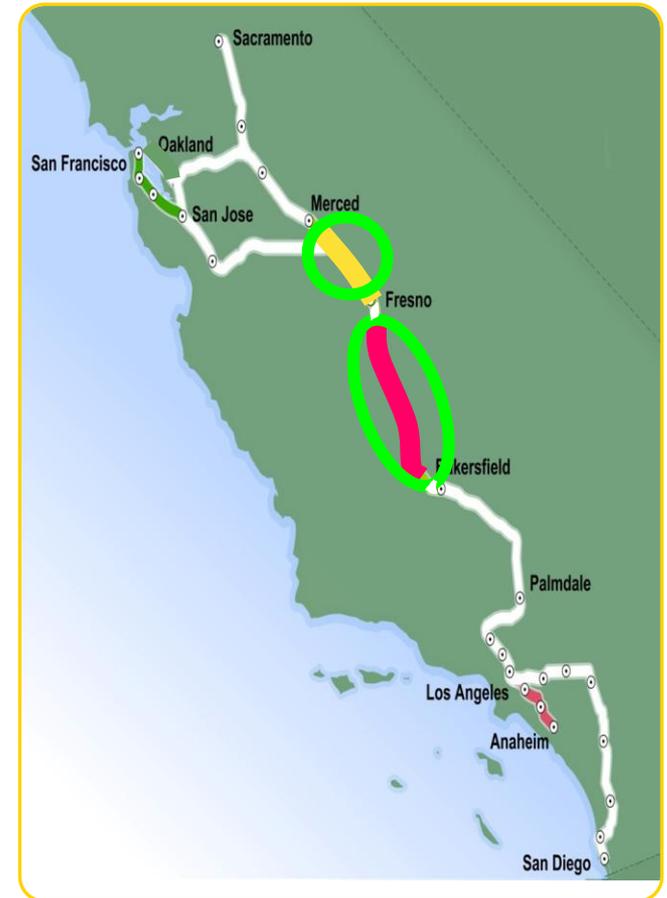
Transitioning from Planning to Implementation

Project-level EIR/EIS in process for all sections

- ✓ All seven Phase 1 sections continue to do environmental analysis
- ✓ Receiving public input on all alignments

Preparing for the start of construction

- ✓ Assembling management team
- ✓ Beginning the procurement process



WHERE WE ARE NOW

Transitioning from Planning to Implementation

The California High Speed Rail Authority is the lead agency for the California Environmental Quality Act (CEQA) review and approval of the project.



WHAT IS CEQA?

- The California Environmental Quality Act (CEQA) was enacted in 1970 to ensure state and local agencies consider the environmental impact of decisions when approving a public or private project.



CEQA OBJECTIVES

- Disclose to decision makers and the public the significant environmental effects of proposed activities
- Identify ways to avoid or reduce environmental damage
- Prevent environmental damage by requiring implementation of flexible alternatives and mitigation measures



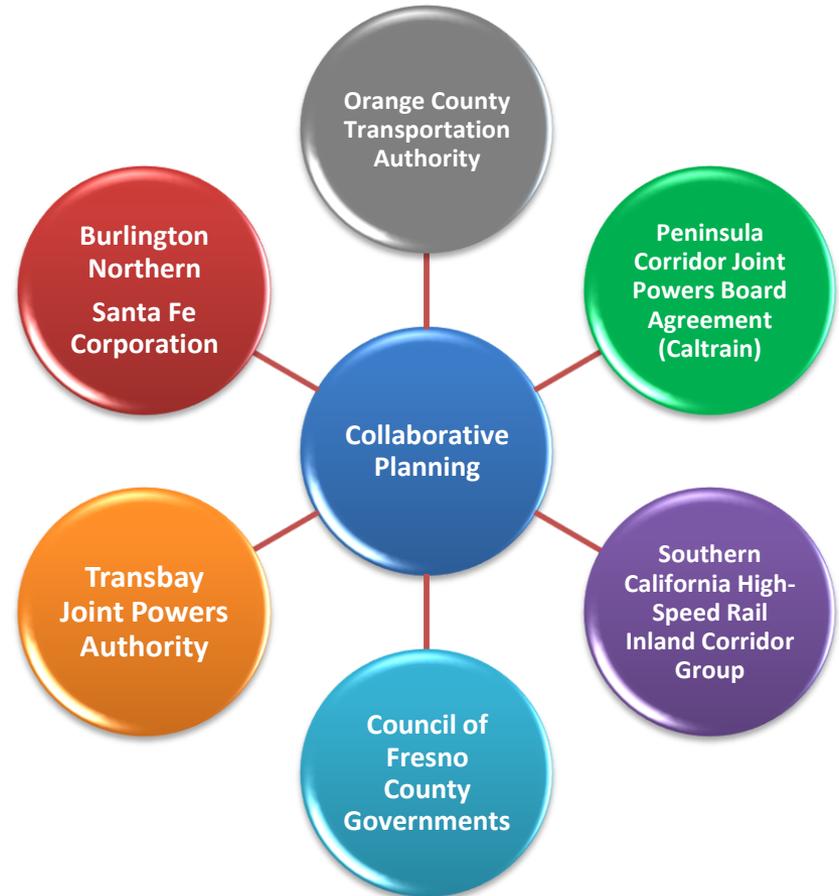
WHERE WE ARE NOW

Transitioning from Planning to Implementation

Developing collaborative planning agreements with regional governments and stakeholders

“Metro looks forward to working closely with the High-Speed Rail Authority to make the kind of investments that will be beneficial to both agencies as we build a 21st Century transportation network that will give L.A. County travelers a welcome alternative to traffic and rising gas prices.”

*Don Knabe,
Former Metro Board
Chairperson*



PHASE 1 - MOVING FORWARD

Building outward north/south to an "IOS"

First Phase:

- Fresno-Bakersfield
- Merced-Fresno

Second Phase:

- San Jose-Merced
- Bakersfield-Palmdale
- Palmdale-Los Angeles

Third Phase:

- San Francisco-San Jose
- Los Angeles-Anaheim

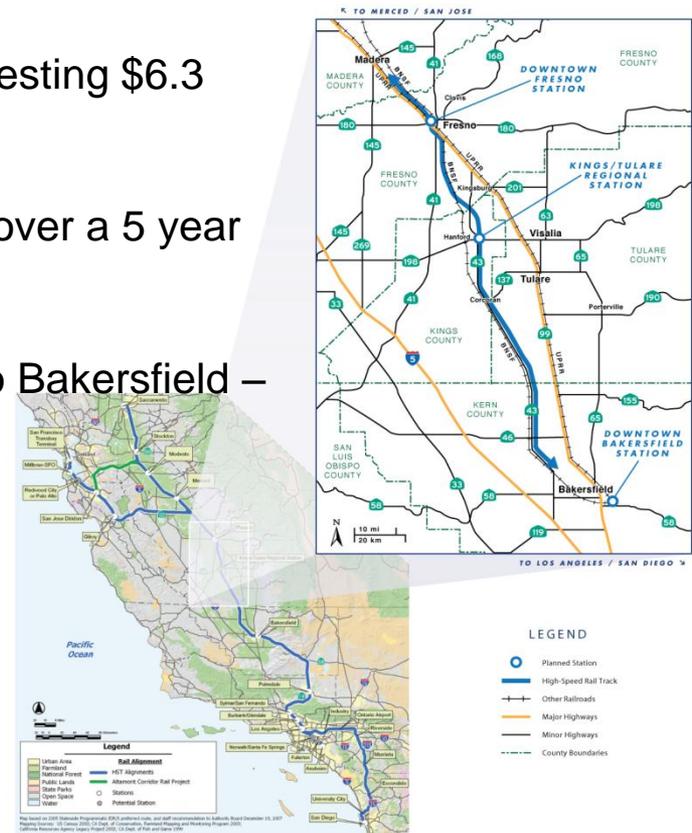


INITIAL CONSTRUCTION

Why the Central Valley makes sense

The Initial Construction Section (ICS) will begin in the Central Valley, the backbone of the system:

- Construction starting in second half of 2012, investing \$6.3 billion into the economy
- Potential to create nearly 20,000 jobs per year, over a 5 year period
- 140 miles - from north of Fresno near Madera to Bakersfield – a choice that:
 - Meets state and Federal requirements
 - Gives the greatest flexibility to build both north and south as funding becomes available
 - Constitutes the backbone of a system that will reach across the whole state



NEXT STEPS FOR 2011

Procurement Process

- RFQ for first major construction package - October 2011
 - Subsequent RFQ's for other construction packages will continue to be released every 30-90 days over the next year.
- RFP (formal procurement) for the first package at the end of 2011

"Initial Operable Segment"

- Requirement to define and plan to achieve per Prop 1A (2008); Will be included in submission of finance, business case and engineering plans to state Legislature: November 2011

Additional Funding

- Federal advocacy is needed (ala Interstate Highway System)

STAYING UP TO SPEED

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- Join the conversation on Twitter, Facebook, Flickr and Posterous

