

San Jose to Merced Section & Statewide Implementation

Revised Business Plan

In April 2012, the California High-Speed Rail Authority Board approved a plan that identified the initial high-speed train operating section, and provides near-term benefits by electrifying the Bay Area's Caltrain Corridor, making improvements to Southern California's Metrolink, and closing the rail gap between Bakersfield and Palmdale. These early investments will upgrade existing services, build ridership and lay the foundation for the expansion of the high-speed rail system.

This new plan reduces project costs by nearly \$30 billion through the adoption of a "Blended" approach, integrating high-speed with existing rail systems. Construction of the Initial Operating Section (IOS) is set to begin in the Central Valley and will connect passengers from the Los Angeles Basin to the San Joaquin rail system by 2018. Full Blended Phase 1 connecting the Bay Area with the LA Basin is anticipated to cost \$68.4 billion with completion by 2029.

1 Step 1 - Early Investments for Immediate Statewide Benefit

Construction of dedicated HSR infrastructure begins in the Central Valley with the first segment of the Initial Operating Section (IOS). Service will launch in 2018. Upgrades existing services, such as the shared use of electrified/ upgraded Caltrain corridor between San Jose and San Francisco and upgrade of Metrolink Corridor between the San Fernando Valley and Los Angeles.

2 Step 2 - Initial High-Speed Rail Operations

The next step completes the 300-mile section from Merced to the San Fernando Valley. This service will operate without a subsidy, and will have potential to attract additional private investment for HSR system expansion. Service will launch in 2022.

3 Step 3 - Electrified Bay to Basin System (Construction of San Jose to Merced Section)

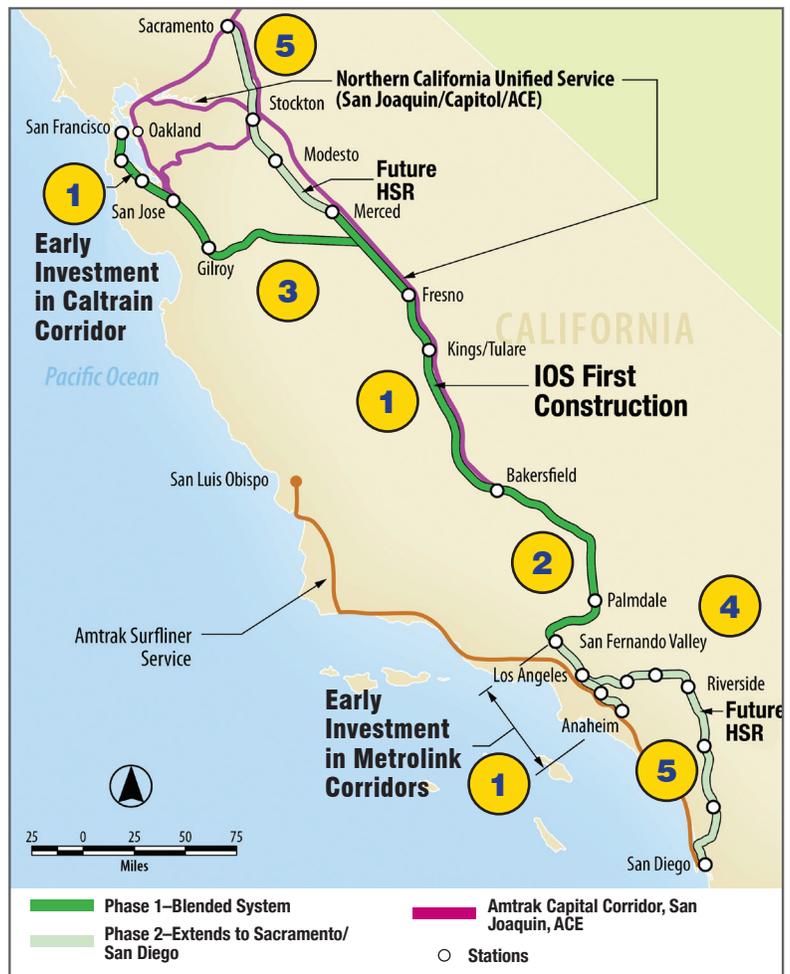
The third step connects the Central Valley to San Jose, establishing a high-speed connection from the Bay Area to the Los Angeles basin. The upgraded Metrolink system will connect the San Fernando Valley and Los Angeles Union Station. Bay to Basin service launches in 2027.

4 Step 4 - Phase 1 Blended System

In 2029, dedicated high-speed infrastructure will extend from the San Fernando Valley to Los Angeles Union Station, linking the upgraded Metrolink corridor to Anaheim and connecting to commuter and urban rail systems throughout the Los Angeles region. This completes the 520-mile Phase 1 from San Francisco to LA/Anaheim.

5 Step 5 - Phase 2

Phase 2 extends HSR to Sacramento and San Diego, completing the 800-mile statewide system.



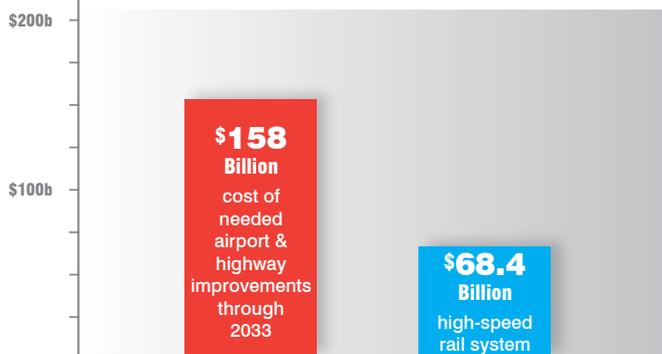
Efficient Transportation Key to California's Future

Over the next 30 to 40 years, California is projected to add the equivalent of the current population of the state of New York. To keep the state moving and to remain economically viable, California will need to add significant new capacity to its transportation network, and these investments, no matter what they are, will cost tens of billions of dollars to build and millions of dollars a year to maintain.



California is on track to lead the country into the 21st Century by investing in high-speed rail. Without high-speed rail, the state estimates that over \$158 billion of investment is needed in new highways, airport gates and runways through 2033, compared to less than half that cost (\$68.4 billion) for high-speed rail. Caltrans estimates \$133 billion in operations and maintenance costs for infrastructure over 50 years while high-speed rail passengers would cover the cost of the system's operations and maintenance.

Estimated Cost of Needed Transportation Infrastructure



Job Creation

- Construction of the first segment of the IOS is expected to generate 100,000 job-years of employment over five years.
- Building the Phase 1 blended system—the Bay Area to Southern California—is estimated to create 990,000 job-years over 15 years, an average of 66,000 annually.

“I applaud the work undertaken by the Brown Administration and the High-Speed Rail Authority to lower the cost of the project and accelerate the completion of the Initial Operating Segment...Fresnans will benefit tremendously from the immediate economic boost that comes with 20,000 high-paying construction jobs, as well as the long-term benefit of being able to quickly and inexpensively travel to and from the LA basin.”

*Ashley Swearengin
Mayor of Fresno*

Project Funding

- State, federal, private and local resources required
- \$6 billion identified for first segment of IOS
 - \$3.3 billion federal
 - \$2.7 billion Prop. 1A
- New funding identified before additional construction
- Ridership and revenue will facilitate private investment
- Cap-and-Trade backstop

“In ten years, Californians will be able to travel through the Central Valley and into the Los Angeles Basin in half the time it takes to drive...This revised plan is bold, practical and puts California out in front once again.”

*Edmund G. Brown
Governor of California*

Environmental Benefits & Improved Quality of Life

- 320 billion fewer vehicle miles traveled over 40 years
- 146 million hours in traffic saved annually
- Significant CO₂ emissions reductions annually
- 237 million gallons of auto fuel will be saved annually
- 35 million gallons of aviation fuel will be saved annually

