

March 2, 2017

HSR Rail Ridership and Revenue Forecast Results Reveal a Significant Demand for High Speed Rail service between Southern California and Las Vegas, Nevada

LOS ANGELES, CA –The High Desert Corridor (HDC) Joint Powers Authority (JPA) held a live webinar on Thursday, March 2, 2017 for the much anticipated public release of the ***HDC Rail Ridership and Revenue Forecast Results*** for the corridor connecting Southern California with Las Vegas, Nevada by high speed rail (HSR). The rail ridership and revenue forecast results revealed a significant demand for high speed rail service from Southern California to Las Vegas, Nevada; further reinforcing the project’s financial viability and boosting private sector interest.

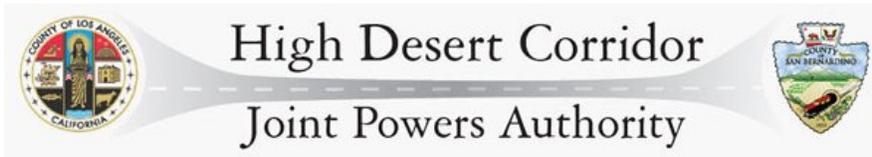
The corridor from Southern California to Las Vegas is currently one of the most heavily traveled routes in America, with more than 23 million people traveling between Southern California and Las Vegas. 15 million Southern Californians traveled to Las Vegas in 2015. “This confirms that the rail connector component of the HDC will add merit to attract private investors and builders, and give credibility that will justify public support-- key ingredients to a successful Public Private Partnership,” said Robert Lovingood, San Bernardino County Supervisor, Chairman of the HDC JPA, and President of the San Bernardino County Transportation Authority.

The HDC high speed rail project provides a new option for interstate travel from Southern California including Orange, Los Angeles and San Bernardino counties which will help reduce the growing congestion on I-15, and the connecting east-west freeways (e.g. I-210, I-10, SR-60, SR-91). "This project is an important component in our regional effort to improve mobility, freight movement and interstate travel," added Kathryn Barger, Los Angeles County Supervisor representing the High Desert, and Vice Chair of the HDCJPA.

Robbie Hunter, President of the State Building and Construction Trades Council of California, noted that “this is one more example of the real demand for major infrastructure investments in California and Nevada. Not only do more than 15 million Californians use this heavily trafficked route annually between Southern California and Las Vegas, Nevada, but also this project creates jobs and will stimulate the economy.”

The HDC JPA proposes to connect Southern California with Las Vegas, Nevada by HSR with access to stations conveniently located near major destinations in Anaheim, Downtown Los Angeles, Burbank, Palmdale, Victorville, and Las Vegas. “Rail in the High Desert Corridor provides an important missing link for an integrated Southern California rail system” said Arthur T. Leahy, Metrolink CEO.

90 % of the travelers from Southern California going to Las Vegas today travel by automobiles. The trip can be a nightmare depending upon accidents, weather, and congestion. With the



introduction of HSR, travelers could save over 2 hours per trip in each direction, with travel times between Los Angeles and Las Vegas anticipated to take just under two and a half hours via HSR. In addition, HSR will provide predictability with the added benefits of safety, reliability, and convenience.

The forecast results revealed that approximately 27% of the travelers from Southern California to Las Vegas would conduct their travel via HSR. This is a significant market share that is comparable to those enjoyed by some high speed rail lines in Spain and the Northeast Corridor in the United States, connecting New York City and Washington D.C. The combined size of the market in Southern California and Las Vegas is remarkable and anticipated to experience significant growth.

This demand for HSR combined with the cost for the HSR roundtrip which would average \$115 -- priced competitively to rival other travel options -- will generate **over \$1 billion per year in operating revenue** when the system is fully operational in 2035. These outstanding rail ridership and revenue forecasts are anticipated to generate strong interest from the private sector. As a result, this project represents an opportunity to deliver a major infrastructure project utilizing a **Public Private Partnership (P3)** delivery model. This project is an excellent example of the potential to leverage significant private sector dollars to help provide America's much needed transportation infrastructure improvements.

Chairman of XpressWest, Tony Marnell said, "We are pleased that the High Desert Corridor ridership study confirms our efforts and validates the Southern California - Las Vegas corridor as one of the best investments for high speed rail in the country. It has all of the characteristics the Trump administration is seeking to maximize private sector involvement in re-building America's infrastructure."

In addition, this project will not only create construction related jobs, but also be a stimulus to the economic growth of both the Los Angeles and Las Vegas metropolitan areas as a result of bringing the two major metropolitan areas within two and a half hours of each other via high speed rail. Hasan Ikhata, Executive Director of Southern California Association of Governments, noted that this project "will connect some of the fastest growing communities in the region, with the high speed rail projects bringing additional investment to grow our region's infrastructure."

The Webinar featured welcoming remarks and support for the HDC from key regional and local elected officials and was followed with a presentation by the forecast report's lead, Steer Davies Gleave, detailing the study results of ridership demand from Anaheim, Los Angeles, and Burbank – then across the connecting High Desert Corridor from Palmdale to Victorville and Las Vegas and back. The webinar was accessed by elected offices, public agencies, transportation and other organizations, potential Public Private Partnership investors, members of the media, and other interested groups. For those that were not able to participate, the video recording of the webinar will be made available at <http://tinyurl.com/HDCJPA>.

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