

Presentation to the House Committee on Transportation and Infrastructure

The DesertXpress Project March 20, 2007



DesertXpress is a private interstate passenger rail system that will provide a new, reliable, high capacity link between Southern California and Las Vegas

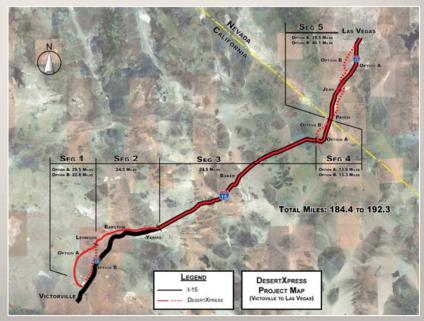
DesertXpress

- DesertXpress is a completely new, exclusive, grade-separated double track high speed passenger railway within the I-15 Corridor
- Four years of comprehensive work demonstrated that the project is technically, environmentally, financially, and politically viable
- We have entered into a collaborative working relationship with a broad spectrum of federal, state, and local agencies and community leaders to make it a reality as fast as possible
- The Federal Railroad Administration is the Lead agency for the Environmental Impact Statement with the Surface Transportation Board, Bureau of Land Management, and Federal Highway Administration serving as Cooperating Agencies

Project Overview

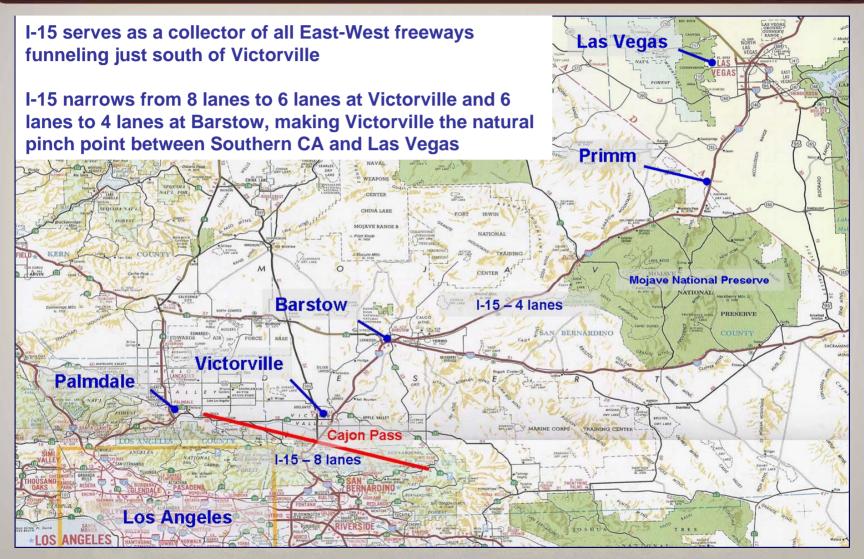
- 180 miles of new, exclusive double track
- Primarily within the median and alongside I-15
- Terminal stations in Victorville
 and Las Vegas
- State of the art operations center in Victorville
- 125 to 150 MPH high speed train technology completes the trip in 90 to 99 minutes
- Train departures every 20
 minutes on peak





4

The DesertXpress Corridor



5

Our Private-Public Proposal

- The Private Sector takes the risks of project development, cost, and financial performance
- The Public Sector assists by adopting a streamlined and expedited approval process resulting in shared use of existing public transportation rights of way



Key Points about Surface Transportation Policy

- First, it is time for a new paradigm that includes new state-of-the-art freight and passenger rail lines as a part of the transportation solution for the 21st Century
- Second, we believe Congress should adopt policies that carefully help foster a new kind of public-private partnership

Intercity Passenger Rail as Part of the Solution

- In spite of this era of large public deficits, ongoing resistance to tax increases, and the fiscal implications of the global war on terrorism, we cannot stand still on transportation infrastructure
- But these fiscal realities mean we cannot provide sufficient public tax resources to maintain the current highway and transit networks using the old approaches, let alone meet the growing freight and passenger loads that will add congestion and pollution and drain our limited petroleum reserves
- Hence, it is time for a new program with new funding approaches and a new, broader vision regarding the roles of the public and private sectors.

Intercity Passenger Rail as Part of the Solution

- That new vision should embrace new investments in both passenger and freight rail
- When the Government analyzes transportation corridors of the future, freight and passenger rail options should be explored, the opportunity for shared use of existing transportation and utility rights of way should be examined, and the potential for private investment should be considered
- This may well be the best way to expand transportation capacity with the greatest social benefits at the least cost – both financially and environmentally
- DesertXpress is a good example

DesertXpress as Part of the Solution

- All costs are all being covered by DesertXpress Enterprises
- DesertXpress will attract a significant amount of traffic from I-15, thereby reducing emissions from cars and buses
- DesertXpress will provide a safer and reliable mode of travel for this growing corridor (over 13 million people visited Las Vegas from Southern California last year)
- DesertXpress also helps relieve overcrowded McCarran
 Intentional Airport
- DesertXpress has an ultimate people-carrying capacity equal to that of the existing Interstate 15 highway
- This will help California avoid or defer the costs and impacts of widening over 150 miles of the freeway

10

DesertXpress as Part of the Solution

- We are the first to point out that this high demand, "captive market" travel corridor across the Mojave Desert is quite unique as compared to other travel corridors in the United States
- This makes the project economically viable from fares and advertising and corporate sponsorships alone without using any federal, state, and local tax dollars
- But some aspects of the approach we are using with DesertXpress may have relevance to other high speed rail corridors between urban centers that are currently in various stages of planning

- New high speed rail lines built alongside and within existing federal-aid roadways, with significant private participation, could be very viable alternatives that should be explored along every Corridor of the Future
- To facilitate significant private participation, a streamlined and expedited federal, state, and local review and approval process is needed

- A focused process helps expedite the myriad of regulatory approvals
- On DesertXpress, for example, we have proposed a special high level Working Group comprised of senior policy makers from the participating agencies to help us combine and facilitate approvals on the multiple complex tracks of regulatory approvals, each of which otherwise must be pursued separately through the various participating agencies of the Federal Government, the State of California and the State of Nevada.

- We also have proposed separate working tracks within the Inter-Agency Working Group for environmental, engineering, and legal/right-ofway reviews and approvals
- We are pleased to report that this focused, project-specific Working Group approach is being well received by the various agency stakeholders

- If Congress creates a new high speed rail program, as part of the public sector's responsibility in such collaborative public-private initiatives we believe it would be appropriate to create a streamlined environmental and right of way approval process
- We believe the job can and must be done with enforceable deadlines and through a coordinated effort among responsible federal, state and local agencies
- Working with our partners in government, we believe we will be able to provide you with a model for public-private cooperation that can be applied nationally for other high speed rail projects

Join us on the DesertXpress Inaugural Run

- Service will start as early as 2012
- DesertXpress can be implemented rapidly with strong governmental support
- DesertXpress will utilize proven and reliable new European Multiple Unit rolling stock
- DesertXpress can be linked with other systems in Southern California and Nevada
 - Metrolink Commuter Rail
 - Caltrans Feeder Bus Service
 - Monorail and Bus Service in Las Vegas