

# California High-Speed Rail Authority Business Plan Update



# Draft Plan Highlights

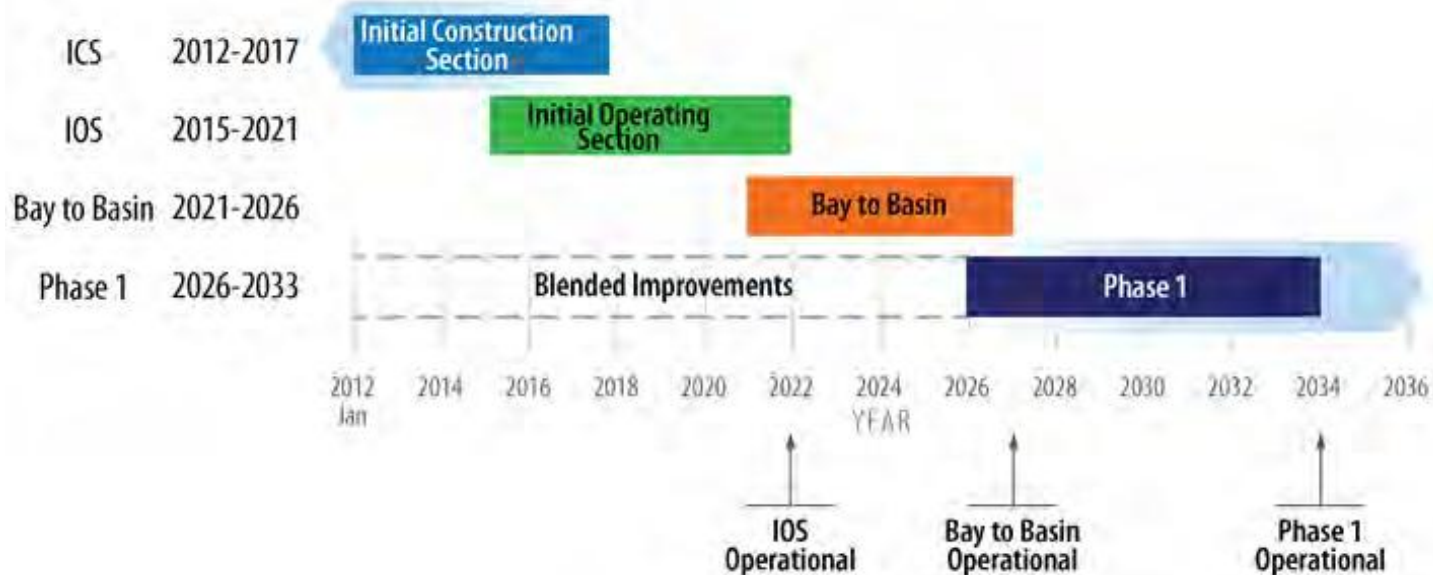
- Phased implementation approach further defined
- Updated project schedule
  - Adjusted from 2020 to 2033
- Updated ridership modeling
  - Shows stronger ridership in the initial operating section (IOS) South
- Updated total project cost
  - Adjusted from \$43 billion to \$98 billion based on year of expenditure
- Updated financial plan
  - Relies on federal, state, local funds to construct IOS
  - Calls for significant private investment once operations commence

# Phased Implementation

| Section                      | Length (approx) | Endpoints                          | Service Description   | Incremental Cost (billions 2010) |
|------------------------------|-----------------|------------------------------------|---|----------------------------------|
| Initial Construction Section | 130 miles       | Fresno - Bakersfield               | Provides track and structures to support system spine                       | \$5.2                            |
| IOS North                    | 290 miles       | Bakersfield to Merced and San Jose | Supports 220 mph high-speed rail (HSR) service; includes trains and systems | \$19.4 - \$26.4                  |
| IOS South                    | 300 miles       | Merced to San Fernando Valley      | Supports 220 mph HSR service; includes trains and systems                   | \$21.4 - \$25.8                  |

# Schedule

- Initial Construction Section (Fresno to Bakersfield): 2017
- Initial Operating Section: Bakersfield to Merced/San Jose OR Merced to San Fernando Valley: 2021
- San Jose to San Fernando Valley (“Bay to Basin”): 2026
- San Francisco to Los Angeles/Anaheim (full Proposition 1A build-out): 2033



# Operating Assumptions

- Average one-way fare: \$81 (Los Angeles to San Francisco)
- Non-stop service Los Angeles to San Francisco = under three hours
- Nine trains per hour during peak period
- Plan projects net operating profit, no operating subsidy

# Annual Ridership Projections (2040)

| <b>Implementation Step</b> | <b>Riders</b>       |
|----------------------------|---------------------|
| <b>IOS-North</b>           | <b>7.6 to 11.2</b>  |
| <b>IOS-South</b>           | <b>9.5 to 14.0</b>  |
| <b>Bay to Basin</b>        | <b>16.1 to 23.7</b> |
| <b>Full Phase 1</b>        | <b>29.6 to 43.9</b> |

In millions

# 2012 Draft Plan Analysis

## Positives

- More realistic approach
- Better integration, emphasis on tying into existing systems
- Possibility of funding to advance improvements in the adjacent segments to provide connectivity

## Concerns

- Extended schedule, adding 13 years
- Significant increase cost (\$43 billion - \$98 billion)
- Optimistic assumptions for operating revenues
- Private investment pushed to outer years

# Next Steps

|                              |               |
|------------------------------|---------------|
| Draft 2012 Business Plan     | November 2011 |
| Final 2012 Business Plan     | January 2012  |
| Initial Construction Segment | 2012-2017     |