



DesertXpress Frequently Asked Questions

Q. Who is DesertXpress Enterprises?

A: DesertXpress Enterprises (DXE) is a group of companies from California and Nevada who have agreed to step up and lead the development of the DesertXpress project as a private interstate passenger railroad, because there is a pressing need for this project that only the private sector can meet – and to do so through a true cooperative partnership with the public sector.

Q. Who is paying for all this work?

A: The members of the DesertXpress Enterprises and our partners have funded all of the costs.

Q. How much have you invested so far?

A: We have invested over \$25 million over the past seven years to develop DesertXpress. The project capital cost is estimated to be \$3.5-\$4 billion.

Q. Why are you doing this?

A: There are many compelling reasons, including:

- There is a pressing need for improved transportation in the Las Vegas to Southern California corridor which we believe the DesertXpress addresses, and there are insufficient public tax revenues available to pay for it.
- The global energy crisis demands we find alternatives to total reliance upon travel by private autos, while reducing our dependence upon imported petroleum

Q. You say that this is a “cooperative effort” with the “Public Sector” – what are you asking of them?

A: We envision this as a form of private-public partnership, where the private sector provides and operates the system at no cost to the taxpayers, open to the general public; and assumes all risks including performance, ridership, and revenue.

....and the public sector approves the project and agrees with shared use of existing transportation rights of way (primarily a narrow portion of the existing I-15 right of way).

Q. Which rail technology are you using?

A: While the EIS is evaluating both 125 mph diesel-electric and 150 mph all-electric multiple unit (EMU) trains, DXE's comprehensive evaluation of the technology clearly demonstrates the advantages of selecting trains based upon proven, state-of-the-art European 150 mph EMU technology. EMUs do not use locomotives, rather, most or all cars in the 10-car trains have their own electric propulsion to reliably climb the steep grades along the route. The system uses all-new, high speed double track construction, there are no other trains operating on the system, and there are no grade crossings, which enables us to provide extremely high frequency, reliable service with no delays.





DesertXpress Frequently Asked Questions

Q. How many passengers do you estimate will ride and at what fare?

- A. The comprehensive ridership forecasting work that was independently vetted by the Federal Railroad Administration (resulting in a 90% confidence interval) shows that at a \$50 one-way fare, which is at the mid-point of the range of fares we have studied, the annual ridership in the first full year of operation is estimated to be over 10 million trips (over 5 million round trips).
- 87% of the ridership is diverted from I-15, representing a 25% mode shift from autos to clean, electric, trains
 - Capacity for long-term growth – the infrastructure could handle up to 60 million people per year – more than the carrying capacity of the existing I-15

Q. How will the project be financed?

- A. All costs have been borne by the member companies of DesertXpress Enterprises and our partners. Financing of construction and ongoing operations will be completed in a manner that is analogous to toll road financing, backed by project revenues from fares and other sources, using a combination of private equity and long term debt, either private or public, possibly including federal loans dedicated to new railroad construction.

Q. Is this part of the stimulus package?

- A. No. The Federal loan programs that already exist are not part of the stimulus package and are not direct grants. They are existing federal loans that are repaid to the government with interest.

Q. Do you have the funding and financing in hand?

- A. DesertXpress has been working closely with international investors and financial advisors from both the public and private sectors since project inception over seven years ago. We will select the investor team and arrange the financing as scheduled -- during the second half of 2009 -- as soon as the EIS process identifies the preferred alternative alignment and technology, so we can establish firm pricing for the project.

Q. What is the schedule for implementation?

- A. Project development work began with initial system planning in 2002. Subsequently, preliminary engineering and the federal Environmental Impact Statement (EIS) process began in 2006, and is scheduled to be completed during 2009. Construction is planned to commence early in 2010, with the first test trains running on the line in 2013, followed by full service in 2014.

Q. Why Victorville as the Southern California hub?

- A. We have studied this solution extensively and it is clear that it will be successful. Victorville was selected for a number of compelling reasons:
- I-15 narrows at Victorville and again at Barstow, such that the drive across the Mojave Desert is subject to frequent lengthy delays due to congestion, and even closure due to serious accidents.
 - Victorville is within a one hour drive of over 5 million people and less than a two hour drive for almost all of the 23 million Southland residents.
 - All other alternatives are too costly, there is no space for parking, there will be serious neighbourhood opposition, and they are not cost-effective.
 - All major east-west freeways in that serve the LA basin directly link to I-15, such that all motorists from Southern California drive past the Victorville DesertXpress station site en-route to Las Vegas, and vice versa for Southern California bound motorists from Las Vegas





DesertXpress Frequently Asked Questions

Q. Why Victorville as the Southern California hub? (con't)

- Significant door-to-door time-savings can be achieved because no motorists would need to drive in the reverse direction, away from Las Vegas, as they would have had to do to reach any other station site.
- It would be prohibitively costly to enter the LA Basin – there is no exclusive right of way available and almost the entire system would need to be on aerial structures or underground – which would require massive public tax dollars – dollars that simply are not available

Q. Can the system be expanded?

- A. Because DesertXpress will use non-proprietary standard gauge train technology, DesertXpress can be readily expanded, and is being designed for such expansion.

Q. Can it connect to the California High Speed Rail Network?

- A. The system could be extended only 50 miles from Victorville to Palmdale to connect with the planned inter-modal facility on the California High Speed Rail system

Q. What are the advantages to riding the DesertXpress as opposed to just driving?

- A. There are many, including:
- DesertXpress avoids the uncertainty of a challenging 200-mile drive across the Mojave Desert that could take anywhere from 4 hours to 10 hours due to traffic congestion or accidents.
 - DesertXpress will take only 84 minutes regardless of traffic, with very frequent service, providing an extremely quiet and comfortable ride.
 - Hotel check-in and baggage handling service in Victorville allows you to conveniently start your Las Vegas experience in Victorville.
 - DesertXpress will provide an exciting, entertaining and cost-effective alternative to the stressful, tedious and unreliable drive.

Q. Will there be any additional stations such as at Barstow?

- A. The ridership studies show that the vast majority of the passenger trips will come from the major population centers in Southern California and be destined directly for Las Vegas. In response to Barstow's request for a station, we are working in good faith with the City to determine the viability of a station in Barstow and have identified several alternative potential station sites for the City's consideration.

Q. Will the DesertXpress also connect to the proposed new airport at Ivanpah Valley?

- A. DesertXpress does not include a stop at the proposed new Ivanpah Valley Airport. If the Airport and Clark County determine that it would be desirable to run dedicated express trains on the DesertXpress line shuttling directly between Las Vegas and the airport terminal, we can accommodate such a service on our infrastructure by using dedicated trains that are based upon the same technology.

Q. Where will the DesertXpress "land" in Las Vegas?

- A. In the EIS, four alternative sites for the terminal station in Las Vegas are being evaluated: one toward the south end of the Strip, two toward the center of the Strip, and one near downtown Las Vegas.





DesertXpress Frequently Asked Questions

Q. How will people get from the station to their destination?

A. The station is planned as a true multi-modal facility with connections to all local forms of transportation including RTC buses, resort shuttles, taxis, rental cars, and a proposed extension of the Las Vegas Monorail.

Q. Is there sufficient power generating capacity available in the corridor to supply power for the train?

A. DXE has coordinated with the electric power utilities in both states regarding the design of the electric power distribution system and the availability of power. The companies that serve the corridor have indicated that power will be available.

Q. Who will build the project and will they hire locally?

A. During 2009, DXE will select the final design and construction contractor team from among the world's most experienced with high speed rail construction. Bombardier has been selected as the supplier and operations and maintenance contractor for the trains and train systems, subject to execution of a mutually acceptable contract. We expect the vast majority of jobs will be filled through local hiring in both states.

Q. How many jobs will be created by the project?

A. Our initial estimate is a total of well over 10,000 direct construction phase jobs and over 500 permanent jobs will be created by the project, plus tens of thousands more indirect jobs. A study conducted by the Sacramento Regional Research Institute found that the economic impact of \$3.5 billion invested in transportation infrastructure results in over \$50 billion in total economic impact from direct, indirect and induced impact comprised of output, employment, value added and employee compensation. Based upon that study, the investment to design, build, operate and maintain the DesertXpress would generate a positive economic impact for both states and the local economies, and would create nearly 80,000 new direct and indirect jobs.

