

January 28, 2022

Chairman Smith and Members of the Board
Nevada High-Speed Rail Authority
c/o Regional Transportation Commission of Southern Nevada
600 S. Grand Central Parkway, Suite 350
Las Vegas, NV 89106

Re: January 2022 Brightline West Report

Dear Chairman Smith and Members of the Board:

Since our last report in July 2021, Brightline West has continued to make significant progress in the development of high-speed rail service between Las Vegas and Southern California. The purpose of this letter is to provide a status update on the project.

In October 2021, we executed a Memorandum of Understanding (MOU) with the California State Transportation Agency, California Department of Transportation (Caltrans), and the California High-Speed Rail Authority for a connection to Rancho Cucamonga. This MOU sets the framework regarding the use of 48 miles within the I-15 right-of-way to be used for a connection between our planned Victor Valley station and a station in Rancho Cucamonga. This station, located adjacent to Metrolink's existing passenger platforms, will provide connectivity to Metrolink's system and offer a seamless and straightforward access point for Los Angeles Union Station, as well as other destinations throughout Southern California.

Since then, we have submitted 30% design plans to Caltrans and the San Bernardino County Transportation Authority (SBCTA) for the connection to Rancho Cucamonga. Design and engineering work continues to advance in coordination with Caltrans, SBCTA, and NDOT for the project's elements within the I-15 right-of-way. Stations are planned in Las Vegas, Victor Valley, and Rancho Cucamonga.

The Federal Railroad Administration is serving as the lead agency for compliance with the National Environmental Policy Act and related environmental permitting. Based on FRA's schedule, the remaining environmental permitting for the system is expected to be completed by November 2022.

The Infrastructure Investment and Jobs Act (IIJA) passed late last year could also play a role in the financing of the system. The federal cap on the private activity bond program administered

by the U.S. Department of Transportation (USDOT) was raised from \$15 billion to \$30 billion, providing an alternative to state private activity bond volume cap for Brightline West. We should gain clarity on this federal option over the next several months. We continue to expect that private activity bonds will play a meaningful role in the financing of this project.

The IIJA also provided a mechanism for private entities, such as Brightline, to be eligible to compete for the USDOT's Federal-State Partnership for Intercity Passenger Rail Grant Program, when partnered with an applicable public agency. We have spoken to the Nevada Department of Transportation (NDOT) about applying for this grant program in partnership with Brightline West. We will work collaboratively with NDOT, the Nevada High-Speed Rail Authority, and other stakeholders to advance our application. We expect to apply in mid-2022, although the program guidelines have not yet been released by the USDOT. Your support will be critical to our application.

Additional coordination is ongoing between the High Desert Corridor Joint Powers Authority and other stakeholders as work continues on the service development plan to connect Victor Valley and Palmdale; that plan is due to be completed this spring.

Brightline's Florida system between Miami and West Palm Beach reopened in November 2021. The system continues to be a popular transportation option for South Florida and one of the most eco-friendly forms of transportation in the U.S. today. We invite you and your board to visit our South Florida operations to gain a better appreciation of how Brightline West will transform the Las Vegas region. Construction on the extension from West Palm Beach to Orlando is more than 70% finished and is on schedule to be completed at the end of this year. Additionally, two new stations in South Florida will be completed later this year, one in Aventura and the other in Boca Raton.

Our team is available to answer any questions and provide an in-person briefing at a future meeting of the Nevada High Speed Rail Authority.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Watterson".

Sarah Watterson
President