January 2, 2020

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

RE: January 2020 XpressWest Report

Dear Chairman Smith and Members of the Board:

Since acquiring XpressWest in March 2019, Virgin Trains USA has made 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, which is on target to commence construction in 2020.

VTUSA continues to work with the Federal Railroad Administration (FRA), the lead Federal agency for environmental review under the National Environmental Policy Act. Through FRA, VTUSA is coordinating with all involved public agencies and other stakeholders.

Since the last status report, VTUSA has selected a pre-construction team led by Skanska, Balfour Beatty and Las Vegas Paving. This team, together with the VTUSA engineering team of HNTB and Jacobs, is advancing project design in close coordination with the Nevada Department of Transportation and Caltrans.

Financing of the project continues to progress on schedule. TEFRA hearings have been held in both California and Nevada. In September 2019, the California Debt Limit Allocation Committee (CDLAC) approved a $300 million allocation for tax exempt bonds, with a second $300 million allocation to be considered on January 15, 2020. In October 2019, the California IBank board approved the full California allocation. Approval of allocations from Nevada Business & Industry and the United State Department of Transportation are expected to be considered in the first quarter of 2020 in line with VTUSA’s financing plan.

Finally, Virgin Trains USA continues to build out its executive and project management team in Nevada and California. Our team is available to provide an in-person briefing at a future meeting of the Nevada High Speed Rail Authority.

Sincerely,

Sarah Watterson