

SKANSKA

5055 South Wilshire Blvd.
Suite 700
Los Angeles, CA 90036

September 28, 2015

Rebecca Harnagel
California High-Speed Rail Authority
770 L Street, Suite 620 (MS 2)
Sacramento, CA 95814

Dear Ms. Harnagel,

Skanska supports your significant step forward toward delivery of our nation's first high-speed rail system as represented by the California High-Speed Rail Authority's Request for Expressions of Interest for the Delivery of an Initial Operating Segment. We understand that an undertaking of this magnitude requires careful consideration by respondents and we appreciate the need for any formal Expression of Interest to include a level of detail sufficient to provide the Authority with the information necessary to finalize its delivery strategy. Due to our current delivery schedule we are unable to provide such a response with the appropriate level of detail and, for this reason, despite our strong support of the proposed project, have decided not to respond with a formal Expression of Interest.

Should the project be procured pursuant to the Public Private Partnership (P3) model, we believe it would produce important benefits: leverage public funds with private investment, transfer portions of delivery risk to the private sector, and enhance the certainty of a timely and on budget commencement of service.

Skanska leads the way in delivery of some of the world's premier transportation P3s, like the A1 Motorway in Poland, the Autopista Central in Santiago de Chile, and the M25 ring road around London. Here in the US, Skanska and its partners are positioned to deliver three of the largest P3s in the US:

- **Elizabeth River Tunnels (formerly Midtown Tunnel), VA**
Delivering a major increase in capacity on the busiest 2-lane route east of the Mississippi.
- **I-4 Ultimate Improvement Project, FL**
Transforming 21-miles of Interstate 4 through Orange and Seminole Counties to better connect communities, and enhance livability in the region.
- **LaGuardia Airport Project, NY**
Replacing the Central Terminal Building and associated roadway, utility and parking facilities to provide more efficient, world-class airport amenities for passengers and airlines.

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With all this in mind, and having reviewed the Authority's RFEI, we would like to take this opportunity to provide you with a few key lessons learned that you may find helpful as you proceed with this project:

- **Continue to engage the private sector by holding an open industry forum that includes one-on-one interviews to best leverage private sector experience and innovation;**
- **Ensure, as much as possible, long-term project commitment from key public sector stakeholders (federal, state, and local) that will go beyond the current administration and project champions; □**
- **Establish a well-defined and predictable procurement process;**
- **Continue to engage experienced P3 advisors (technical, legal, and financial), particularly during the initial stages of the project, to help determine a balanced project risk profile that can be included in a bankable concession agreement;**
- **Establish a market-tested funding structure with clear sources of funds;**
- **Short-list consortiums with strong financial capabilities and a significant track record of P3 delivery;**
- **Maintain integrated teams from both public and private sectors;**
- **Implement an iterative process toward technical, commercial and financial viability; and**
- **Continue to provide transparency throughout the procurement.**

It is clear that California High-Speed Rail has the potential to provide Californians with the kind of improved and environmentally responsible transportation infrastructure, and well-paying jobs we need to maintain our growing economic prosperity. As such, we at Skanska support the California High-Speed Rail Authority efforts to move this critical project forward and look forward to participating in future phases of the procurement.

Sincerely,



Mike Aparicio
Executive Vice President
Skanska USA Civil

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Mark Kempton
Project Director
Skanska Infrastructure Development