

September 1, 2010

Consulate Gen of People's Republic of China
Vice Consul of Economic & Commercial Office
Mr. Wang Chen
1450 Laguna Street
San Francisco CA94115

wangchen@mofcom.gov.cn

Re: Peer Review of Operations and Maintenance concepts and procedures

Dear Vice Consul,

The California High Speed Rail Authority [Authority] signed a Cooperation Agreement with the Ministry of Railways of P.R. China with the intent to share and exchange information relative to High Speed Rail, including aspects of technology, standards, funding, planning as well as operations and maintenance, amongst other things. The Authority now has a very definitive need for information or support which we believe could well be covered by this Cooperation Agreement and would like to receive your agreement, or otherwise, as to whether such information can be offered by yourselves.

The Authority has developed Operations and Maintenance concepts and procedures, based on their best knowledge and experience of High Speed systems worldwide. However it is understood that you and the operators within your country have a wealth of experience relating to the operations and maintenance of High Speed Trains. Furthermore it is expected that the operations and maintenance of the California High Speed Rail system could be outsourced to third party operators at a later stage of the project, which would make this exercise even more valuable. The Authority therefore requests from you (and in parallel from other suppliers with similar experience) whether you would be willing and able to conduct a "Peer Review" of our Operations and Maintenance concepts and procedures. This "Peer Review" would entail reviewing and commenting on documentation supplied by the Authority, with the aim to ensure that the operation and maintenance concepts as envisioned by the Authority are logical and feasible and would not result in limitations to the operations if you should possibly operate the system on behalf of the Authority at a later date.

The Authority envisions the following timeline for this review:

- End of September 2010: Submission of the Operations & Maintenance concepts and procedures to yourselves.
- End of November 2010: Return of "Peer Reviewed" documentation to the Authority.

Board Members:

Curt Pringle
Chair

Tom Umberg
Vice-Chair

Lynn Schenk
Vice-Chair

Russell Burns

David Crane

Rod Diridon, Sr.*

Fran Florez*

Richard Katz

**Judge Quentin
L. Kopp***

*past chair

Roelof van Ark
Chief Executive
Officer

ARNOLD SCHWARZENEGGER
GOVERNOR



We at the Authority are excited about the prospects of this project nearing its construction start in 2012, with the availability of American Recovery and Reinvestment Act [ARRA] funding. The Authority needs to keep the momentum going and remain committed to a very strict time schedule. We would appreciate receiving your comment by end of September, 2010, as to whether you would be in a position to do a "Peer Review" of the Operations and Maintenance documentation under the Cooperation Agreement existing between ourselves.

Board Members:

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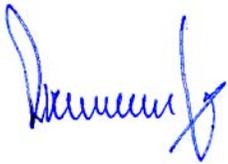
Richard Katz

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L. Kopp***

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Roelof van Ark
Chief Executive
Officer

Sincerely,



Roelof van Ark
Chief Executive Officer

ARNOLD SCHWARZENEGGER
GOVERNOR

