



ET3 Global Alliance Inc. *'Space Travel on Earth'*

Outline for ET3 Demo Using Public or Private ROW

Necessary Participants:

ET3 (and/or subsidiaries):

Supplies Evacuated Tube Transport Technologies Intellectual Property (IP) license, specialized know-how, design services, and project management for a 3 mile long ET3 transportation demonstration (demo) to operate at the target speed of 600km/h with a minimum capacity of 120 passengers per hour. (see www.et3.com)

Public or private entity:

Supplies 3 mile of straight Right-Of-Way (ROW) and space for access portal building with parking (approximately 4.5A total). Additional options include the supply of: food concession, ticketing, security, etc.

Investors:

Institutions, companies, or accredited investors seeking importunities in green transportation offering potential for attractive returns.

Customers:

A location with high traffic counts with a desire to experience a new mode of fast and green transportation.

Requirements:

ET3 Global Alliance Inc. (ET3) requires 3 miles of straight Right-Of-Way (ROW) for a full scale revenue producing demonstration of ET3's patented Evacuated Tube Transport (ETT) system with a design speed of 375mph (600km/h). Approximately one mile will be for acceleration, one mile for coasting and interchange, and one mile to slow to a stop at the other end.

Construction:

One tubes of 5' diameter will be arranged along the length of the ROW supported with vertical columns at a typical minimum clearance of 18' above the ground. The span between each support column will vary from 50' to 100' (typically 82'). Supports will be sized to support a second tube to be placed over or beside the first tube as warranted by demand. Construction and testing will require one to two years prior to revenue service.

ROW Surface Use:

Exclusive surface use of the ROW is not required (except for building footprint, and tube supports).

Approximately 3% will be needed for the support structure leaving 97% of the area of the ROW available for parking and many other normal uses.

ROW Land Needs:

3 miles long by 20' wide results in a total land need of approximately 7.3 acres plus a minimum 50' X 100' foot area for each access portal airlock building (minimum of one portal, with room for at least one more at the other end).

ROW Lease from BLM:

The standardized annual BLM ROW rental rate is currently 3.3% of the appraised raw land value with an annual inflation adjustment of 1.9%. The standard BLM lease term is a maximum of ten years with renewal. Lease payment options include: cash rent at prevailing rates, project equity, a fixed percent of revenue, or in combination as may be agreeable to project participants and financiers. Upon lease termination, demo owner will remove all demo constructions, and restore the impacted area to its present use and condition; or if agreeable to all parties, the demo owner(s) will sell the demo infrastructure, license, (and BLM lease) to investor (or assign) for the appraised value at the time of sale.

Parking and operations area:

The 20' wide ROW on BLM property will not be available for commercial operations or visitor parking. Land for operations areas at at least one end (and preferably both ends) of the demo will be required. depending on parking needs (and /or on street parking availability), land needs will be an acre or two at each end.

Costs:

The minimum infrastructure cost of a single tube demo (with a simple low capacity airlock at one end only) is about \$10M. This includes one maglev capsule, and linear motor equipment and an interchange zone operating at a design speed of 375mph (600km/h). A second tube and high capacity airlock, and 5 more capsules could be added for an additional \$10M. More airlocks and ancillary uses could exceed \$30M investment as warranted to meet demand. This does not include land or permitting costs.

Ownership Structure:

The demo could be owned (and operated) by:

- * ET3 (or subsidiary) as a land and ROW leasehold tenant of ROW owner; or
- * A third party as a licensee of ET3 and tenant of ROW owner; or
- * Land owner(s) (or subsidiary) as a licensee of ET3 (NOTE: ET3 could also own the land); or
- * Project equity investors as an ET3 licensee; or
- * A joint venture of two or more of the above.

Revenue Potential:

The capacity of a single tube operating from one end only (round trips) is 6 passengers every 3 minutes, or 120 passengers per hour. Operating at capacity for 8 hours per day, 5 days per week is: $120\text{pph} * 8\text{hr/day} * 5\text{day/wk} * 52\text{wk/yr} = 249,600$ passengers per year.

Adding a second tube would increase capacity to 1660 pph, or 3,452,800 passengers per year.

Adding another pair of airlocks would double capacity. (for reference Disney World Magic Kingdom attracts about 18 million visitors per year, and Las Vegas receives about 40 million visitors per year).

Operations could expand to more hours per day, and 7 days per week as needed to meet demand.

If 2 million visitors per year are willing to pay \$20 each, the \$30M cost and a \$3M/ year operating budget could be recovered in less than a year of operation.

Other options and considerations include:

- * immediate or delayed purchase of land from land owner for ROW, and parking/operations areas,
- * immediate or delayed purchase of demo by land owner,
- * extending to other locations for mutual benefit of participants (for instance transportation to/from an amusement park, mall, airport, sports arena, or other location with high traffic counts),
- * moving the demo to public (city / county / state / federal) ROW at a later date,
- * expanding successful operations for mutual benefit of participants,
- * advertising income
 - naming rights, external tube and building ads, building internal ads audio, video, banner, etc.
 - capsule wraps, in capsule ads (video, audio, print, etc.), food container ads, etc.,
- * speed record events
 - auction first 6 seats at 1mph (or 0.1mph) intervals
 - possible drag races (capsules controlled to an extent by the occupant)
- * TV, movie, documentary, reality show rights, etc. ...
- * promotional agreements with: hotels, casinos, airlines, shopping malls, developers, etc..