



JANUARY 28, 2010 – INTERIM REPORT

President Obama will announce today the awardees of the \$8B in high-speed rail funds authorized by last year's ARRA stimulus bill. In total 31 states will receive awards for HSR investments in 13 rail corridors – see attached list and link below. The bulk of the funds will go to California (\$2.25B), Florida (\$1.25B) and Illinois/Missouri (\$1.1B).

Background on the President's High Speed Rail Announcement Prepared by the White House Press Office

Today, President Obama and Vice President Biden will announce \$8 billion in Recovery Act grants to develop America's first nationwide program of high-speed intercity passenger rail service. At an event in Florida, they will announce the awards which will go toward developing or laying the groundwork for 13 new, large-scale high-speed rail corridors across the country. The major corridors are part of a total of 31 states receiving investments, including smaller projects and planning work that will help lay the groundwork for future high-speed intercity rail service. A full roster of awards can be viewed [HERE](http://www.whitehouse.gov/files/documents/100128_1400-HSRAwards-Summary_FRA%20Revisions.pdf)

The announcement is one of a number of job creation initiatives the President will lay out in the coming weeks as part of the continued commitment to job growth he will discuss in tonight's State of the Union Address. As part of the announcement, a half dozen Cabinet Members and other senior Administration officials will fan out across the country tomorrow and Friday, visiting communities benefiting from the awards.

Job and Economic Impact

The Recovery Act grants are not only expected to have an up-front job and economic impact, but help lay the groundwork for a nationwide infrastructure expansion that will spur economic growth in communities across the country, provide faster and more energy-efficient means of travel, and establish a new industry in the U.S. that provides stable, well-paid jobs. This historic \$8 billion investment is expected to create or save tens of thousands of jobs over time in areas like track-laying, manufacturing, planning and engineering, and rail maintenance and operations. Over 30 rail manufacturers, both domestic and foreign, have agreed to establish or expand their base of operations in the United States if they are hired to build America's next generation high-speed rail lines – a commitment the Administration secured to help ensure new jobs are created here at home.

High-Speed Rail and the Recovery Act

The grant awards are part of an over \$100 billion investment the Administration is making through the Recovery Act to lay a new foundation for economic growth through innovation, science and technology. As part of this investment, the Administration has already announced \$2.4 billion in grants to fund advanced battery and electric drive projects, \$3.4 billion in awards to develop a nationwide smart energy grid, the first of over \$7 billion in awards to bring broadband to communities with little or no access, more than \$5 billion in grants to fund cutting-edge medical research and over \$2 billion in tax credits to support renewable energy manufacturing.



PB Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS



High-Speed Rail Impact

Consistent with the vision for high-speed rail released last year, the projects announced today are part of President Obama's strategic long-term plan <<http://www.fra.dot.gov/US/content/31>> to transform travel in America by building and sustaining a comprehensive passenger rail program. In addition to the \$8 billion awarded today, the plan also included \$1 billion a year for five years in the federal budget as a down payment to jump-start the program.

President Obama's vision for high-speed rail mirrors that of President Eisenhower, the father of the Interstate highway system, which revolutionized the way Americans traveled. During its first forty years, the Interstate highway system was responsible for an increase of approximately one-quarter of the nation's productivity. Highway transportation and directly related industries accounted for more than seven million jobs.

Building a comprehensive high-speed rail network will not happen overnight. This is a long-term venture in which states will need to plan projects, purchase and lay track, build and assemble equipment, and construct or upgrade train stations, tunnels and bridges. Spain spent two decades and \$35 billion developing its high speed rail system. South Korea took 12 years and more than \$10 billion to build a line stretching from Seoul to Busan, comparable to the distance between Boston and New York.

Types of Awards

There are three types of awards being made on Thursday:

- Corridor programs. The largest of the awards being made today, the investments will go toward developing entire phases or geographic sections of high-speed rail corridors that have completed corridor plans, environmental documentation and have a prioritized list of projects to help meet the corridor objectives.
- Individual Projects. Providing grants to complete individual projects that are ready to go with completed environmental and preliminary engineering work with an emphasis on near term job creation. Eligible projects include acquisition, construction of or improvements to infrastructure, facilities and equipment. These projects will create jobs quickly by upgrading local and regional networks and making connections to better knit together the nation's rail system, improving safety and reducing congestion and other problems.
- Planning. Entering into cooperative agreements for planning activities, including development of corridor plans and State Rail Plans. Congress provided regular appropriations funds in 2009 for these efforts.

Over \$55 billion in applications were submitted for the \$8 billion available to be awarded through the Recovery Act.

Florida Award

The Florida award will go toward the creation of a new high-speed rail corridor that connects Tampa Bay, Orlando, Miami and other communities in central and south Florida. This region has experienced significant population growth in recent years, as well as increases in the volume of visitors, leading to strains on area roadways and airports. Currently, the region is almost entirely reliant on automobiles for



PB Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS



transportation between these cities, which together have a population of over 10 million people and account for two of the nation's 20 largest metro areas.

The investment being announced tomorrow will initiate the development of the Tampa to Orlando segment, with speeds reaching 168mph and 16 round trips per day on brand new track dedicated solely to high-speed rail. Trip time between the two cities on the new line will be less than one hour, compared to around 90 minutes by car. This project will create jobs and generate economic activity as 84 miles of track are constructed, stations are built or enhanced, and equipment is purchased. Completion of this phase is anticipated in 2014.

Cabinet Travel

On Thursday, January 28, 2010 and Friday, January 29, 2010, Obama Administration officials will travel across the country to announce funding for the high speed rail projects. On Thursday, EPA Administrator Lisa P. Jackson will travel to Durham, North Carolina, Secretary of Labor Hilda L. Solis will visit Columbus, Ohio and Housing and Urban Development Secretary Shaun Donovan will be in Milwaukee, Wisconsin, Secretary of Transportation Ray LaHood will hold an event in Washington, DC, Deputy Secretary of Transportation John D. Porcari will travel to California, Executive Director of the White House Council on Auto Communities and workers Ed Montgomery will visit St. Louis, Missouri and Federal Railroad Administrator Joseph C. Szabo will be in Philadelphia, Pennsylvania. On Friday, FRA Administrator Szabo will hold an event in Chicago, Illinois. The officials will also discuss the steps the Obama Administration has taken to rescue our economy and how this long-term investment will create local jobs and rebuild our economy.