Presentation to Rail Energy Transportation Advisory Board

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History of Stimulus Legislation
(a.k.a. Economic Recovery Bill)

• H.R. 1 introduced in House -- January 28, 2009
• Passed in House: 244-188 -- February 10, 2009
• Passed in Senate: 61-37 – February 12, 2009
• Conference report agreed to in Senate: 60-38 – February 13, 2009
• Signed by President as P.L. 111-05 – February 17, 2009
Key Infrastructure Provisions

Spending for infrastructure projects totaling about $140 billion, including money:

- to promote broadband access;
- to modernize the electric grid; and
- for transportation projects.
Transportation Infrastructure

- Total of $64.1 billion in federal transportation infrastructure investment
- $27.5 billion in highway formula funds
  - Including eligibility for freight projects
- $8 billion for HSR/intercity passenger rail
- $1.5 billion for mega project grants
  - CREATE project in Chicago
Economic Goal

Sponsors project that $64.1 billion in federal transportation infrastructure funding will create or sustain 1.8 million jobs and $323 billion of economic activity.
Highway Formula Funds

- $27.5 billion for highway infrastructure investment projects and activities administered by the Federal Highway Administration

- Eligible projects include highways, bridges, freight rail, passenger rail and ports
High Speed Rail and Intercity Rail

• $8 billion for capital assistance for HSR/intercity passenger rail grants administered by the Federal Railroad Administration
• Administration has promised $5 billion more over next five years
• $1.3 billion for capital grants to Amtrak
Mega Project Grants

- $1.5 billion to the Secretary of Transportation to make competitive discretionary grants to surface transportation projects that will have a significant impact on the Nation, a metropolitan area or a region
- Guidance and criteria finalized May 2009
- Maximum amount per project $300 million
Key Dates -- 2009

• HSR/passenger rail interim guidelines and selection process due (June 2009)
• State DOT’s must obligate 50% of their formula funds (June 2009)
• Deadline for mega project grant applications (August 2009)
Key Dates -- 2010

• U.S. DOT must complete selection of all mega projects (February 2010)
• State DOT’s must obligate 100% of their formula funds (March 2010)
Key Dates – 2011 and 2012

- All mega project funds must be obligated (September 2011)
- All HSR/passenger rail funds must be obligated (September 2012)
Overview: Stimulus Funds for Rail (through May 2009)

- Approximately one percent of formula funds
- Three states taking the lead --
  - Ohio utilizing some $150 million (of $936 million) for freight rail
  - Virginia utilizing some $61.7 million (of $694 million) for freight rail
  - Oregon utilizing some $16.5 million (of $334 million) for freight rail
Concluding Observations

- Discretionary mega project funding will likely benefit freight rail
- Formula funding offers an opportunity to states to utilize “highway” funds for rail
- HSR funding gives passenger interests the ability to bring cash to the negotiating table to expand rail capacity