

## **GE and Siemens Eye Rail Market**

General Electric Co. and Siemens AG are among 32 companies pledging to establish U.S. rail-manufacturing operations or expand their domestic workforce if they get economic stimulus funds for high-speed passenger trains, according to Bloomberg News.

The companies are vying for a portion of \$8 billion for high-speed rail contained in President Barack Obama's \$787 billion economic stimulus package, which includes a "Buy American" provision.

"Our goal is to develop a national high-speed rail network, create good jobs here in America and help reinvigorate our manufacturing base," Transportation Secretary Ray LaHood said today in a written statement announcing the agreement. "We know these are tough economic times for many folks and we believe that U.S. rail manufacturers and suppliers will benefit greatly from this new program."

Obama said yesterday at a White House forum on creating jobs that the private sector must take the lead to lower the unemployment rate, which reached a 26-year high of 10.2 percent in October.

The Transportation Department's Federal Railroad Administration will award the rail money to states, which in turn will decide how to spend it.

The stimulus law, approved in February, requires that to qualify for the money, products must be made in the U.S. or, in most instances, made in countries that signed the government procurement agreement of the World Trade Organization.

Companies that pledged to create or expand U.S. rail manufacturing include GE, the world's biggest maker of freight locomotives; Siemens, Europe's largest engineering company; and Bombardier Inc., the world's biggest maker of passenger locomotives. GE is based in Fairfield, Connecticut, Siemens in Munich and Bombardier in Montreal.

The rail administration in October pushed back naming recipients of \$8 billion in U.S. high-speed rail grants until at least this month, saying it received a surge of applications from states. The agency had said it would announce awards from the stimulus package in October before receiving 45 requests totaling about \$50 billion from 24 states.