

# Race Is On to Grab Stake in Rail Effort

By CHRISTOPHER CONKEY

WASHINGTON -- The Obama administration is poised to spend \$8 billion in stimulus funds on high-speed-rail projects, kicking off a scramble among states and railroads, train makers, construction firms and other companies angling to profit from the unprecedented stream of federal funding.

The National Railroad Passenger Corp., better known as Amtrak, said it is working with 24 states and the District of Columbia on high-speed-rail applications.

HNTB Corp., a Missouri-based planning, design and construction-management firm, said it helped Florida and at least five other states craft their applications.

Companies based outside the U.S. have the most experience with high-speed rail, and several are jockeying to curry favor with California, Illinois, Florida and other leading candidates to receive funding.

Siemens USA, a subsidiary of Germany-based Siemens AG, has spent \$26 million to expand a factory in Sacramento, Calif., where it builds rail cars. The company has already provided passenger vehicles for light-rail systems in San Diego, Denver and Salt Lake City, and it plans to hire more than 100 workers in the year or so ahead as it competes for stimulus-funded contracts.

The fastest trains currently running in the U.S. -- operated by Amtrak as the Acela service between Washington and Boston -- were built by the Canadian firm Bombardier Inc. and France-based Alstom SA. Both companies continue to be major players in the U.S. market.

Although the Obama Administration is promoting "high speed" rail service, truly high-speed rail service, where bullet trains whiz by at 200 miles per hour or more, "is really decades down the road," said Stephan Koller, a spokesman for GE Transportation, a subsidiary of General Electric Co. The Acela trains go as fast as 150 mph.

The initial rail programs will focus heavily on existing routes where trains currently travel at top speeds of only 79 mph. Work on those routes will likely benefit a range of engineering firms, construction companies, freight railroads and Amtrak.

Mr. Koller said GE, which made about 200 of the slower-speed Amtrak locomotives currently in use, is focusing on "higher-speed rail" where trains run between 110 and 124 mph on existing infrastructure.

Pennsylvania-based Wabtec Corp. has already benefited from the stimulus bill, thanks to transit agency purchases by Virginia and Chicago, and the company is looking to expand deeper into the passenger rail market.

National Railway Equipment Co., of Mt. Vernon, Ill., is known for its fuel-efficient freight locomotives, but Vice President Jim Wurtz said the company now "sees a market opportunity for the development and production of...passenger locomotives."

Railroad operators like Union Pacific Corp., which own and maintain almost all of the lines used by Amtrak and regional commuter rail operators today, also stand to benefit from the stimulus money. An Illinois proposal to lay a second track between Chicago and St. Louis, a project designed to reduce the Amtrak trip between the cities by 90 minutes, would also boost the number of Union Pacific freight trains that can operate in the corridor.

States have submitted 215 applications for ready-to-go projects under the first phase of the program, which will begin awarding grants in a matter of weeks. States will submit another round of applications next month seeking even more funding to construct high-speed rail corridors, such as one California is proposing between Los Angeles and San Francisco.

As soon as this week, Joseph Szabo, administrator of the Federal Railroad Administration, Transportation Secretary Ray LaHood and other senior White House officials will start deciding how to award the grants. A Transportation Department spokesman said the officials won't meet with any lobbyists or state transportation officials.

In an recent interview, Mr. Szabo indicated that clear winners will emerge from the process.

"We have to come away with very tangible success," Mr. Szabo said. "One of the worst things we can do is spread the money around so thin" that no major impact is seen.