



April 6, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Re: Please Preserve High-Speed Rail Funding in Budget Deal

Dear President Obama:

Thank you for your ongoing support of the high-speed rail (HSR) in America. Now is a critical time for HSR. The House of Representatives has proposed the complete elimination of HSR funding in Fiscal Year 2011. Furthermore, they have proposed rescinding a significant amount of money from FY 2010 and even rescinding 2009's stimulus funding. We appreciate your efforts to reinstate this funding in any final budget deal.

High-speed rail is forward looking and lays the foundation for prosperity as we try to climb out of the economic situation we are in. You have rightly identified funding in infrastructure such as HSR as a smart investment to create future prosperity. That is why we feel HSR must be preserved. If the House cuts are allowed to move forward in any significant way during budget negotiations, it could really impact the momentum of creating this critical new infrastructure and all the job creation that goes along with it.

Californians For High Speed Rail is gravely concerned about the impact that any rescission of HSR funds will have on the California HSR project (and other projects around the nation), as well as eliminating HSR funding altogether in the 2011 budget. We urge you to stand firm and hold the line on HSR funding.

HOW THE HOUSE BILL WILL IMPACT THE CALIFORNIA HSR PROJECT

Eliminates all Federal funding for HSR in FY 2011.

In FY 2010, \$2.5 billion was appropriated for HSR, from which the California HSR project received a good portion. Eliminating this funding in FY 2011 will slow down the California project, as no additional HSR funds will be available.

Rescinds all unobligated HSR funds from FY 2010.

The House bill not only eliminates new funding in FY 2011, it actually rescinds money appropriated in 2010. Therefore, if the House bill prevails, California will lose the \$715 million it was granted in FY 2010.

Rescinds all unobligated HSR funds from the Stimulus.

The House bill also eliminates all unobligated funds from the 2009 Stimulus. Yes, that right, it goes after money that was assigned to HSR over 2 years ago. The original \$2.25 billion granted to California is likely safe. However, the money that California received from rejected HSR funds from Wisconsin and Ohio – \$614 million – has not been obligated and is in danger of being lost.

Rescinds \$2.4 billion in HSR funds originally designated for Florida, but rejected by Governor Rick Scott.

Much of the \$2.4 billion in HSR funds rejected by Florida's Governor Rick Scott is likely to be redirected to the California HSR project. However, the entire \$2.4 billion would be eliminated by the House bill, as it is a mixture of FY 2010 money and unobligated stimulus money. California is likely to get at least \$1 billion and possibly \$1.5 billion dollars or more from this reject money, but will not get any if the House bill prevails.

Total Result to California Project – Loss of \$2.3 - \$3 Billion in Federal Funds and a delay in spending matching State Proposition 1A Bond money on the initial construction.

The result will be that the initial segment for construction will have to be severely scaled back, significantly reducing the momentum of the project.

Thank you for your consideration of how critical this budget bill is for the HSR. HSR provides hope for the future. We need hope more than anything right now, and staying committed to HSR will provide a vision of a positive future, something forward-looking people can rally around.

Once again, thank you for your leadership on this critical issue.



Daniel Krause, Executive Director
Californians For High Speed Rail

Cc: Secretary Ray LaHood, U.S. Department of Transportation