

NEWS RELEASE



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FOR IMMEDIATE RELEASE

Multi-state partnership announces intent to award contract for next generation of American trains

SACRAMENTO - The California Department of Transportation (Caltrans) on behalf of the departments of transportation from Illinois, Michigan, and Missouri issued a Notice of Intent to Award today to Sumitomo Corporation of America to design, build, and deliver 130 bi-level passenger railcars for use in regional intercity rail corridors in California and the Midwest. The Notice of Intent to Award does not signify that a contract has been awarded but that a potential vendor has been identified.

Sumitomo Corporation of America submitted a bid of \$352,276,000.

“By pooling our resources, all four states involved in this partnership can purchase the equipment at lower costs because it will be acquired in high volume under one contract,” said Caltrans Director Malcolm Dougherty. “These new railcars will help us meet the growing ridership demand on California trains, which is up 53 percent since 2002.”

Caltrans and the Illinois Department of Transportation will first conduct a federally required Buy America pre-award audit to verify assembly locations and manufacturing facilities for railcar components. Buy America rules require that all 130 new bi-level cars be assembled in the United States, and that all the major components must be manufactured domestically. The audit will be forwarded to the Federal Railroad Administration prior to the contract award. Sumitomo Corporation of America will also be required to submit insurance policies and performance bonds. A fully executed agreement is expected to be in place by mid-November.

“We are proud to partner with Caltrans and the Midwest Coalition to cost-effectively procure the state-of-the-art passenger railcar equipment needed to address the increasing demand for efficient and convenient passenger rail service throughout the state,” said Illinois Transportation Secretary Ann L. Schneider. “With Amtrak ridership at record levels in Illinois and the official purchasing process of the railcars under way, this massive project will continue to boost America’s manufacturing and assembling industry and provide improved travel options for the entire Midwest.”

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California will receive 42 railcars, while the Midwest Coalition, consisting of Illinois, Michigan, and Missouri will receive 88 railcars. Railcars delivered to California will be used on the three state-supported intercity routes, the *Capitol Corridor* (Sacramento area-Oakland-San Jose), the *San Joaquin* (San Francisco Bay Area/Sacramento-Bakersfield/Southern California), and the *Pacific Surfliner* (San Luis Obispo-Los Angeles-San Diego). The Midwest Coalition will use its new railcars on the following corridors: *Blue Water* (Chicago-Port Huron), *Wolverine* (Chicago-Detroit-Pontiac), *Pere Marquette* (Chicago-Grand Rapids), *Illini/Saluki* (Chicago-Carbondale), *Lincoln Service* (Chicago-St Louis), *Missouri River Runner* (St Louis-Kansas City), *Illinois Zephyr/Carl Sandburg* (Chicago-Quincy), and future services between Chicago and Dubuque and Chicago and the Quad Cities, with potential extension to Iowa City.

"The collaborative effort of the states working together on selecting a rail equipment manufacturer is an important step toward saving money for all. We appreciate the leadership that Caltrans has taken toward spearheading this effort," said Timothy Hoeffner, Michigan Department of Transportation, director of the Office of Rail. "Michigan is experiencing unprecedented ridership growth, and when the new equipment arrives, this will improve the travel experience and grow passenger rail service even more."

The first railcars are slated for delivery in the fall of 2015, with the final car expected to be delivered in early 2018.

"Today's announcement moves America one step closer to building a transportation system for the 21st Century," said US Secretary of Transportation Ray LaHood. "These 130 bi-level railcars will revitalize America's passenger rail manufacturing industry base by creating new jobs up and down the rail supply chain and fostering a stronger market for passenger rail. They will improve passenger service and provide more flexibility for train operations, and because multiple states have – for the first time – pooled their resources and settled on a standardized design, this top of the line equipment can be purchased, repaired, and maintained for the lowest possible price."

Funding for the new rail equipment comes from Federal Railroad Administration grants totaling \$808 million. Of these funds, \$551 million was reserved to purchase the bi-level railcars; the remainder is slated to fund future locomotive and "trainset" procurements as well as to support project management and oversight expenses. California's share (\$168 million) of the grants is supplemented by \$42 million from Proposition 1B, a transportation bond approved by California voters in 2006.

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