

Siemens promotes its Sacramento home base in bullet-train pitch

By Tony Bizjak
tbizjak@sacbee.com

With a billion-dollar California bullet train contract up for grabs this year, international rail giant Siemens stepped up to campaign this week, promoting itself as the “local” company in the race.

Siemens, whose parent company is based in Germany, has been building bullet trains globally for years, like its competitors from China, Korea, France and Canada. But the manufacturer also operates a busy plant in south Sacramento, its North American manufacturing headquarters, where it launched an expansion in November to prepare the site for high-speed train manufacturing, in case it wins the contract.

“We are community members here,” Siemens Rail Systems Division President Michael Cahill said during a tour of its French Road facility on Tuesday. “We think there is a benefit to being local.”

To help make its presence known, Siemens this week installed a full-size mock-up of a high-speed rail train at the base of the Capitol west steps. The train will be open for public tours on Wednesday and Thursday from 10 a.m. to 4 p.m. Siemens also is underwriting a symposium Wednesday evening on California transportation issues.

Related

“The message is we’re very excited about high-speed rail in California,” Cahill said. “We’re pleased it is moving into its critical stage.”

After years of planning, the California High Speed Rail Authority launched construction last month of the first segment, between Fresno and Madera, of what is expected to be a \$68 billion, 520-mile system that will shuttle travelers between San Francisco and Los Angeles in less than three hours. Officials say that initial line should be running before 2030, although the project still faces legal challenges and funding uncertainties.

A later phase of the project is planned to extend the electrified rail system to Sacramento and San Diego.

Bullet train officials say they expect to request proposals from potential train builders in April or May. The contract, estimated at \$1 billion, would include construction of a prototype train to test out, followed by 15 train sets capable of going 220 miles per hour and carrying 450 passengers.

A handful of international companies, including Siemens, stated their interest last year when California bullet train officials asked to hold initial talks with manufacturers. Among them: Bombardier of Canada, Alstom of France, Talgo of Spain, Italy-based AnsaldoBreda, Japan’s Kawasaki, South Korea’s Hyundai Rotem and two major Chinese companies. Most of them have some form of train manufacturing presence in the U.S.

“It will be a competitive, open process,” high-speed rail spokeswoman Lisa Marie Alley said. “We are looking for proven, safe technology,” with trains that have been in use for at least five years.

The chosen manufacturer will be required to build the trains in the United States, Alley said, and will be given some time to set up shop.

The fact that Siemens already has a plant could provide the company with a few points on the score sheet, she said, but “it won’t necessarily put them over another train manufacturer for the contract.”

Federal “Buy America” rules prohibit state rail authorities from mandating that trains be built within their borders.

“We’d want them to be built in California, but we can’t require that,” Alley said.

Siemens has had its eye on the bullet train contract for six years, said Cahill, whose Sacramento facility currently employs 850.

The company set up shop in Sacramento in the 1980s to manufacture light-rail cars for Sacramento Regional Transit. Siemens continues to produce light-rail vehicles at the plant, but in recent years has expanded its work to include heavy-rail vehicles, including a current contract to build 70 Amtrak locomotives.

If it gets the high-speed rail contract, Siemens will produce an altered version of its Spanish Velaro bullet train, which also operates in Germany and other European countries. It will be altered to comply with U.S. standards, Cahill said.

The contract would be the largest for Siemens’ Sacramento plant, Cahill said. The facility won a \$650 million contract, its largest to date, last year to build light-rail vehicles for San Francisco.

The bullet train contract is “very important” to Siemens’ Sacramento operations, but not “mission critical,” Cahill said. “We are not going to shut down if we don’t get it. But there are a lot of employment opportunities that come up with it.”

Siemens officials have estimated that the bullet train contract could bring hundreds of jobs to the company and maintain other positions it would otherwise lose as existing contracts are fulfilled.

Cahill said the company also has its eye on Sacramento’s efforts to build a streetcar system downtown. “We’re very keen to see that happen.”

Call The Bee’s Tony Bizjak, (916) 321-1059.