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AUGUST 3, 2018

TO: BOARD OF DIRECTORS

**FROM: PHILLIP A. WASHINGTON
CHIEF EXECUTIVE OFFICER**

PAW

SUBJECT: PASSENGER RAIL AND TRANSIT RAIL ROUNDTABLE

ISSUE

Currently, passenger rail and transit rail assembly facilities are situated across the United States. According to a study by the Blue Green Alliance and the Environmental Law and Policy Center, there are “more than 750 companies in at least 39 states that manufacture components for passenger rail and transit rail today.”

However, for a variety of reasons, passenger railcars and transit railcars are often only assembled in the United States – with the high value activities of railcar design, manufacture of railcar shells and truck frames, and integration occurring abroad – most often in Europe or in Asia.

As I shared at the State of the Agency address, Metro is interested in exploring, with senior executives from major passenger rail manufacturers from across the globe, the opportunity to establish a permanent passenger rail manufacturing facility in the County of Los Angeles. This facility would allow passenger rail manufacturers to potentially far exceed the current Buy America requirements set by the federal government and would bring back to our county, state, and nation the tradition of domestically designing, manufacturing, and building passenger railcars and transit railcars.

NEXT STEPS

On August 16, 2018 our agency will be hosting a technical roundtable discussion with senior executives from passenger rail manufacturers from around the world to explore the feasibility of situating a permanent railcar manufacturing facility in Los Angeles County. In the spirit of us positioning Los Angeles County as the Transportation Center for Excellence, the roundtable will discuss the possibility of developing a complete permanent passenger rail car facility in Los Angeles County. This would also provide employment opportunities for hundreds of highly

skilled individuals while simultaneously providing our agency with a reliable and consistent source of passenger railcars for our growing network of heavy and light rail lines. I will report back to the board on the findings from this technical discussion at a future meeting.