

# The Economic Impact of Passenger Rail Suppliers on Midwestern States



May 2015

# Table of Contents

<b>The Economic Impact of Passenger Rail Suppliers on Midwestern States</b> .....	1
<b>The Impact of Amtrak Vendors on Midwestern States</b> .....	2
Illinois.....	3
Indiana .....	6
Iowa .....	7
Kansas .....	8
Michigan .....	9
Minnesota.....	10
Missouri .....	11
Nebraska .....	12
North Dakota .....	13
Ohio .....	14
Wisconsin.....	15
<b>Case Study: St. Paul Union Depot in Minnesota</b> .....	16
<b>Case Study: Bi-Level Passenger Railcar Manufacturing</b> .....	17
<b>Conclusion</b> .....	17

# The Economic Impact of Passenger Rail Suppliers on Midwestern States

The Midwestern states are working together to bring faster, more frequent passenger rail service to our region. In addition to its transportation benefits, future development will bring significant economic benefits to our states, the region and the nation. To demonstrate the important role that passenger rail already plays in the economy of our Midwestern states – and to give a foreshadowing of its potential future impact – the Midwest Interstate Passenger Rail Commission (MIPRC) is providing this brief snapshot of the current impact of passenger rail suppliers to our region’s economy.

Every day, dozens of Amtrak trains traverse the Midwest. Hundreds of businesses along those routes provide necessary products and services to keep the trains running. The first part of this report looks at the economic benefit Amtrak is providing to our states’ economies through its contracts with local businesses.

We also provide two case studies, with the first demonstrating how station redevelopment not only has an impact on the local economy but also brings additional economic benefits through rail suppliers’ design and construction contracts. The example of Minnesota’s St. Paul Union Depot redevelopment – which brought more than \$14.5 million in business to a variety of suppliers – illustrates how much of an economic impact new and expanded station development could have on rail suppliers in the future.

The second case study looks at the impact that the manufacturing of new bi-level passenger railcars is having on the Midwest’s economy. Through the trainset manufacturer Nippon Sharyo in Rochelle, Illinois – and companies that make up the supply chain for other components such as brakes, air conditions, lighting and seating – this project will bring significant economic benefits to many Midwestern states.

As intercity passenger rail continues to thrive, the economic impact to our states will continue to grow. MIPRC looks forward to continuing to demonstrate the many benefits that intercity passenger rail is bringing – and can bring – to our region.



Rep. Randy Truitt, Indiana

Co-Chairs, MIPRC Committee on the Importance of Rail Suppliers to the Midwest’s Economy



Robert Guy, Illinois

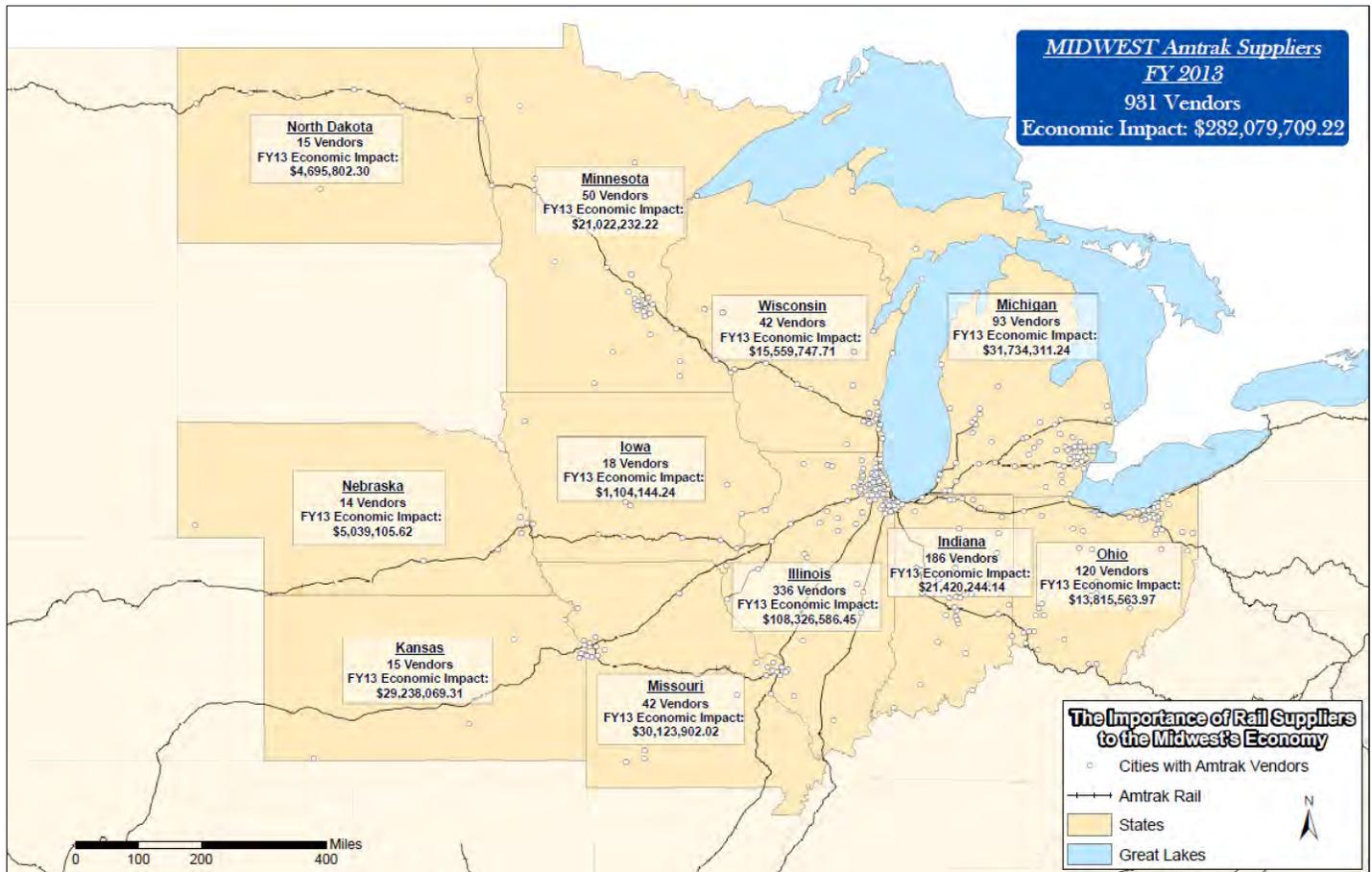
*MIPRC thanks the Michigan Department of Transportation for their development of the Amtrak supplier maps; and Amtrak, the Illinois Department of Transportation and Ramsey County Regional Railroad Authority for providing the data for this report.*



## The Impact of Amtrak Vendors on Midwestern States

The Midwest is a testament to the fact that people increasingly want the option to take the train, especially with more frequent and reliable service. Ridership on existing Amtrak corridor service (100-600 miles) in the Midwest has been growing rapidly. In FY 2014, ridership on the nine Midwestern corridor routes combined reached nearly 3.14 million, almost double the number of riders on those routes in FY 2004. Five-year growth (FY 2009 to FY 2014) was 27 percent.

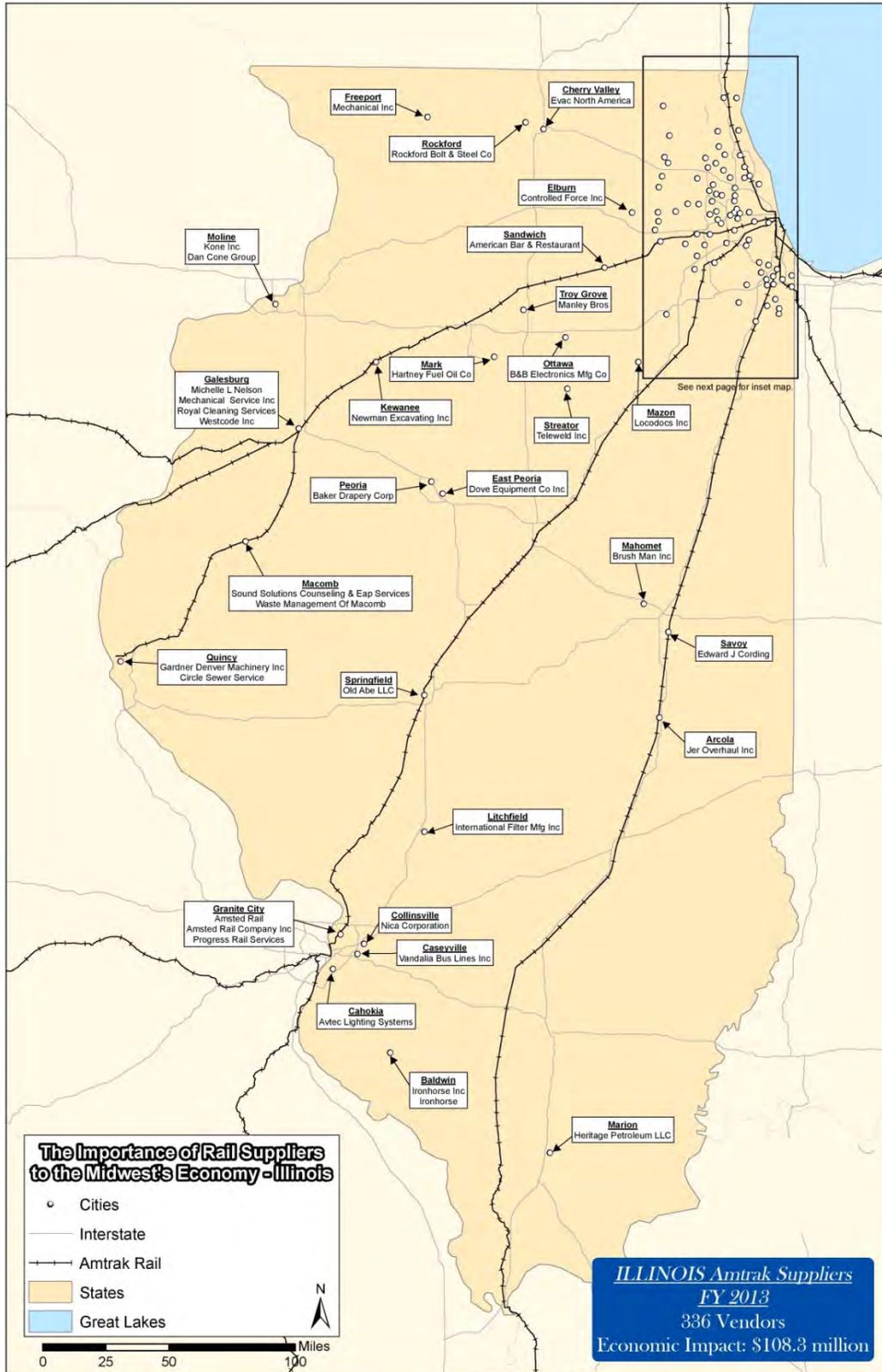
Ridership on the eight longer-distance Amtrak routes that serve the Midwest is growing, too, with an overall increase of seven percent over the past five years, and a 20 percent increase since FY 2004. Altogether, these routes – all originating out of the nation’s largest rail hub, Chicago – have 80 station stops across the Midwest, many of them in rural communities not served by other forms of intercity transportation.



Every Midwestern state with passenger rail service benefits economically from contracts Amtrak maintains with local businesses. **During FY 2013, Amtrak had a total of 931 vendors in 11 Midwestern states (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin). These vendor contracts resulted in an economic impact of more than \$282 million**, a significant growth from prior years. During the 10-year period between FY 2003 to FY 2013, there was a 200 percent increase in the amount Amtrak expended for goods and services in those 11 states.

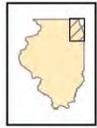
# Illinois

Amtrak contracted with 336 vendors in Illinois, with a total economic impact of more than \$108.3 million during FY 13. This represents a 154 percent increase from Amtrak's FY03 expenditures for goods and services in Illinois. The vendors were located all across the state, but there was a large concentration in the Chicago metropolitan area.

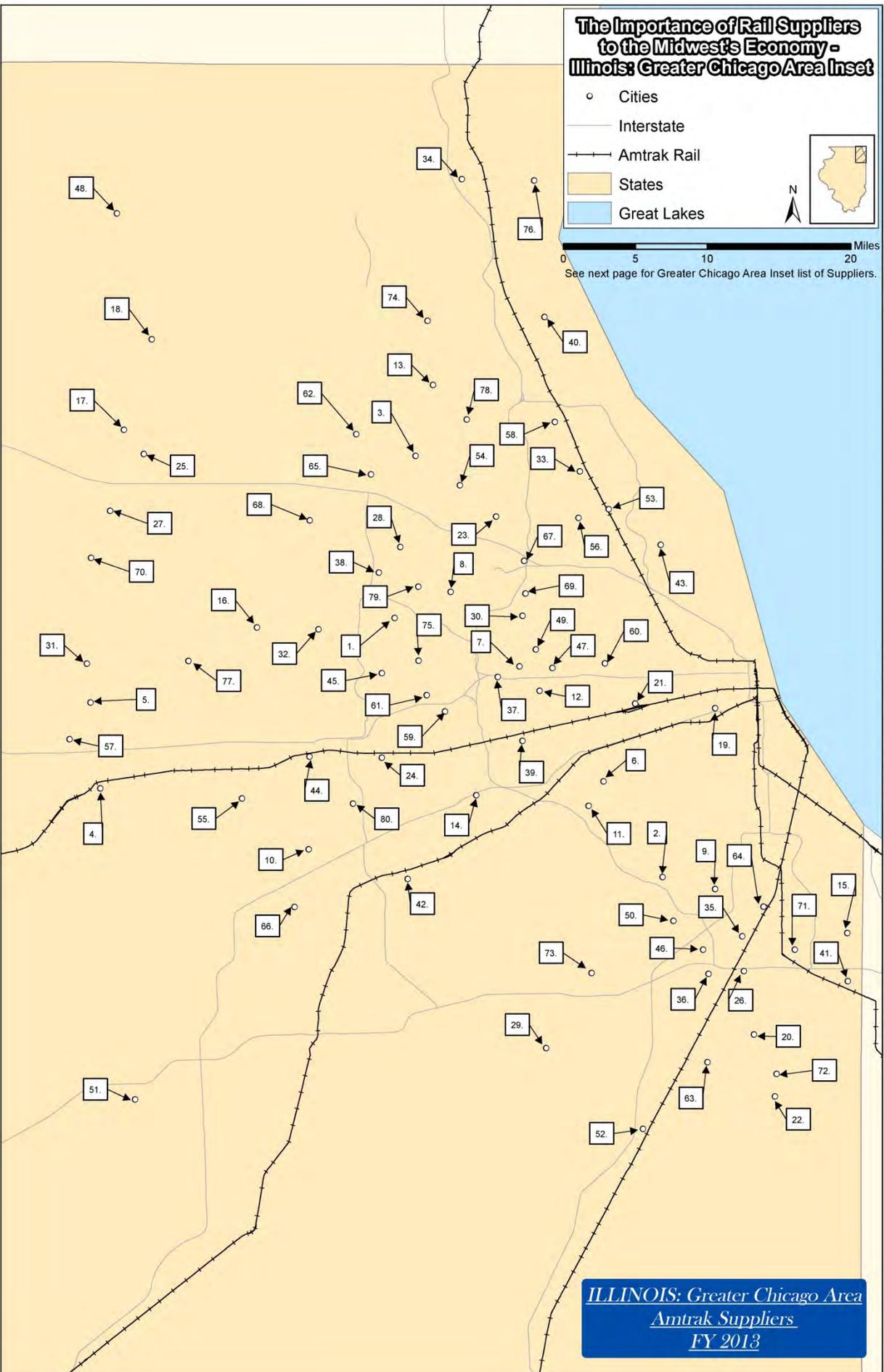


# The Importance of Rail Suppliers to the Midwest's Economy - Illinois: Greater Chicago Area Inset

- Cities
- Interstate
- Amtrak Rail
- States
- Great Lakes



0 5 10 20 Miles  
See next page for Greater Chicago Area Inset list of Suppliers.

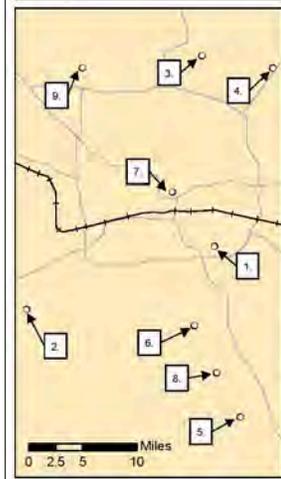
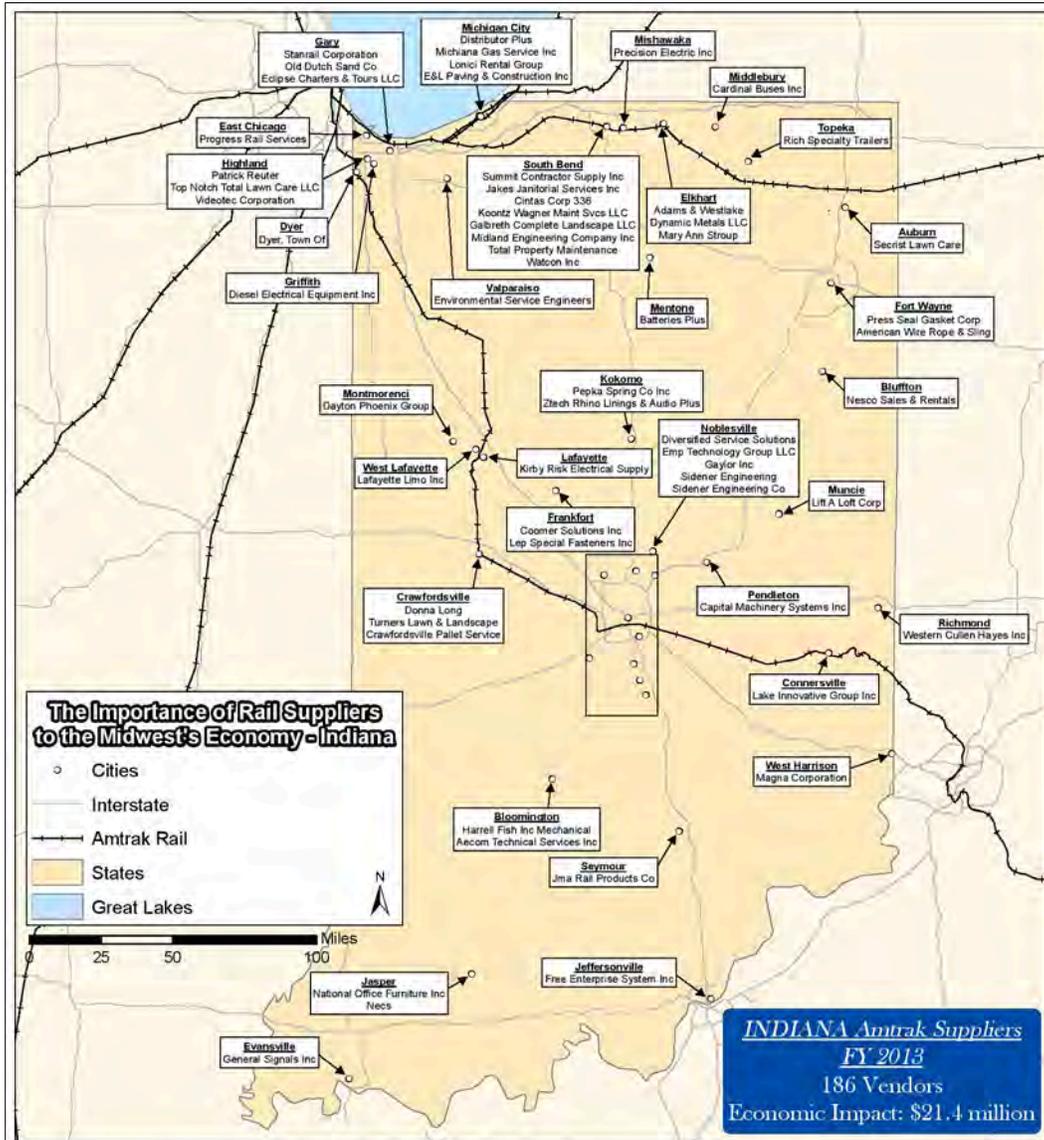


## Greater Chicago Area Inset List of Amtrak Suppliers

1. **Addison**  
Dickson Co  
Konecranes Inc  
Overton Chicago Gear  
Schreder Lighting LLC
2. **Alsip**  
Ipr Systems Inc  
Hp Products Corporation  
Maurey Instrument Corp  
Railhead Corp  
Swanson Asphalt Co Inc
3. **Arlington Heights**  
Hwt-Allied Services Division
4. **Aurora**  
Lyon Workspace Products
5. **Batavia**  
Family Dry Cleaners
6. **Bedford Park**  
R&W Machine Division
7. **Bellwood**  
Kustom Seating Unlimited Inc
8. **Bensenville**  
Industry Railway Suppliers Inc  
Ireco LLC  
Triangle Engineered Products Co
9. **Blue Island**  
Christy Webber Landscapes
10. **Bolingbrook**  
Stevenson Sales & Service LLC  
Wm Tronix LLC  
North America Charter Lines
11. **Bridgeview**  
Manitex International
12. **Broadview**  
Chicago Jack Svc Inc  
Air Comfort Corp  
Anderson Elevator Co
13. **Buffalo Grove**  
Larry Mcgee Co  
Siemens Industry Inc  
Minors Unique Printing Inc
14. **Burr Ridge**  
Energys  
Seps Inc
15. **Calumet City**  
D&C Roadside Assistance
16. **Carol Stream**  
Precor Inc  
AT&T  
Sprint  
Ricoh Americas Corporation  
Waste Management Of Wisconsin  
Palfleet Truck Equipment Co  
West Payment Center  
AT&T Mobility
17. **Carpentersville**  
Otto Controls
18. **Cary**  
Ross & White Co
19. **Chicago**  
Kirby Sheet Metal Works Inc  
Emerald Machine Inc  
S&C Electric Co  
Carrier Transicold  
Nalco Co  
Aetna Middletown Dcp  
Hwt-Aetna  
John Deere Gov & Natl Sales  
Snap On Industrial  
Ansaldto Sls Usa  
Mettler Toledo Inc  
United Healthcare Insurance Co  
Hwt-Aetna Life Insurance Company  
Sabic Polymershapes  
Sas Rubber Co  
Tyco Electronics  
Greyhound Lines Inc  
Nortrax Inc  
Pettibone Traverse Lift LLC  
Ez Go A Textron Co  
Sealeze  
Schindler Elevator Corp  
Electro Wire Inc  
Cdw Government Inc  
Iw Chemtronics  
Beemak Plastics Inc  
Badger Daylighting Corp  
Pepsi Cola Co  
Oasis International  
Pac Van Inc  
Dgi Supply A Doall Company  
Peak Technologies Inc  
National Railway Equipment  
Rockford Bolt & Steel Co  
Adams Elevator Equipment Co  
Mercyworks Occupational Medicine Center  
Daubert Chemical Co  
Clements National Co  
Whiting Services Inc  
Voss Engineering Inc  
Airgas Mid America  
Mcmaster Carr Supply Co  
Central Steel & Wire Co  
Mcmaster Carr Supply Co  
Mcmc LLC  
Lawson Products Inc  
Capital Spring Division  
Garda CI Atlantic Inc  
Modular Space Corporation  
Williams Scotsman Inc  
Eis Inc  
Oracle America Inc  
Tennant  
S&C Electric Co  
Hewitt Associates LLC  
Seton Identification Products  
Seton Name Plate Co  
Highway Technologies Inc  
Staples Advantage
20. **Chicago Heights**  
Alco Spring Industries Inc
21. **Cicero**  
Parfait Gasana
22. **Crete**  
Holland LP
23. **Des Plaines**  
Parkway Metal Products Inc  
A1 Sanitary Rag Co  
Lecip Inc
24. **Downers Grove**  
Column Technologies  
Jp Simons & Co  
Us Tank Protectors Inc
25. **East Dundee**  
Terry Tool Machine Corp
26. **East Hazel Crest**  
Meany Electrical Contractors
27. **Elgin**  
Modern Track Machinery
28. **Elk Grove Village**  
All State Industries Inc  
Esco Equipment Service Co  
Gfi Genfare  
Libra Safety Products Division
29. **Frankfort**  
Burris Equipment Co  
G Cooper Oil Co Inc  
Ozinga Ready Mix Concrete Inc  
Paratech Inc  
Phoenix Fire Systems Inc
30. **Franklin Park**  
Semler Industries Inc  
Divane Bros Electric Co
31. **Geneva**  
Miner Enterprises Inc
32. **Glendale Heights**  
Busch Inc
33. **Glenview**  
Valdes Enterprises Inc
34. **Gurnee**  
Olson Transportation Inc  
United Atlas Propane
35. **Harvey**  
Voss Equipment Inc
36. **Hazel Crest**  
D&C Charter Bus Company
37. **Hillside**  
Suburban Laboratories Inc  
Mechanical Inc  
Wlpeco Inc
38. **Itasca**  
Western Folder Distributing Co  
National Trackwork Inc  
United Steel & Fasteners Inc
39. **La Grange**  
Electro Motive Diesel Inc
40. **Lake Forest**  
Kor Pak Corp
41. **Lansing**  
Frank H Gill Co  
Hotsy Great Lakes Distributing
42. **Lemont**  
American Concrete Restorations Inc
43. **Lincolnwood**  
Voss Engineering Inc
44. **Lisle**  
Patrick Engineering Inc  
Ducall Miller Plastics Co Inc
45. **Lombard**  
Anderson Pump & Process
46. **Markham**  
Reyes Group Ltd
47. **Maywood**  
American Waste Industries
48. **McHenry**  
Omni Products Inc
49. **Melrose Park**  
Royal Pipe & Supply  
Royal Pipe & Supply Co
50. **Midlothian**  
Quimex Chemicals & Solvents
51. **Minooka**  
Elcon Inc
52. **Monese**  
Trilon Manufacturing Company  
Whiting Corp  
Whiting Corporation  
Whiting Services Inc
53. **Morton Grove**  
Environmental Monitoring & Technologies
54. **Mt Prospect**  
Morton Suggestion Co  
Warehouse Direct
55. **Naperville**  
Innovative Boiler Systems Inc  
Ronald L Bickel  
Alstom Train Life Services  
Ccs/R&J Construction Supply Co  
Nalco Co
56. **Niles**  
Adams Elevator Equipment Co
57. **North Aurora**  
Belson Outdoors Inc
58. **Northbrook**  
Morgan Kai Group Inc  
Silos To Service Solutions Inc
59. **Oak Brook**  
Doubletree Hotel Oak Brook
60. **Oak Park**  
Traintronix  
Traintronix Inc
61. **Oakbrook Terrace**  
Flood Brothers Disposal  
Grant Thornton LLP
62. **Palatine**  
Grainger  
Vw Grainger Inc  
Msc Industrial Supply Co  
Simplex Grinnell LP  
Praxair  
Barnes Distribution  
Stanley Convergent Security  
Stanley Security Solutions Inc  
Karcher North America Inc  
Austin Hardware & Supply Inc  
Atlas Copco Compressors LLC  
Newark  
Dish Network  
Stanley Convergent Security Sol  
Schneider Electric Usa Inc
63. **Park Forest**  
General Fabricating & Engr Co
64. **Riverdale**  
Atherton Foundry Products Inc
65. **Rolling Meadows**  
Berg Engineering & Sales Co Inc
66. **Romeoville**  
Protection One
67. **Rosemont**  
Travelport Lp
68. **Schaumburg**  
Convergent Technologies LLC  
Kato Usa Inc  
Motorola Inc  
Motorola Inside Sales  
Motorola Solutions Inc
69. **Schiller Park**  
Atlas Lift Truck Rental & Sales  
Brunswick Corporation Life Fitness
70. **South Elgin**  
Ontrak Equipment Repair Inc  
Bremskerl North America Inc
71. **South Holland**  
Hadady Corporation
72. **Steger**  
Lawrence Ricci
73. **Tinley Park**  
Roof Consultants Inc  
S&C Distribution Co  
Interstate Battery Of Chicago
74. **Vernon Hills**  
Davis Instruments  
Overture Premiums & Promotions
75. **Villa Park**  
Highway Technologies
76. **Waukegan**  
Aldon Co Inc  
Aldon Company Inc  
Uline Inc
77. **West Chicago**  
Anchor Brake Shoe Company
78. **Wheeling**  
Midland Paper Packaging & Supplies  
Sigma Cochair Group  
Therm Flo Inc
79. **Wood Dale**  
Industrial Tool Products Inc
80. **Woodridge**  
Eesco A Division Of Wesco

# Indiana

During FY 13, there were 186 Amtrak vendors in the state of Indiana. These vendors' contracts had a \$21.4 million economic impact on the state. Amtrak's Indiana expenditures for goods and services grew 85 percent during the 10-year period between FY03 and FY13. Similar to Illinois, Indiana's vendors were located throughout the state, but there was a concentration in the Greater Indianapolis area.

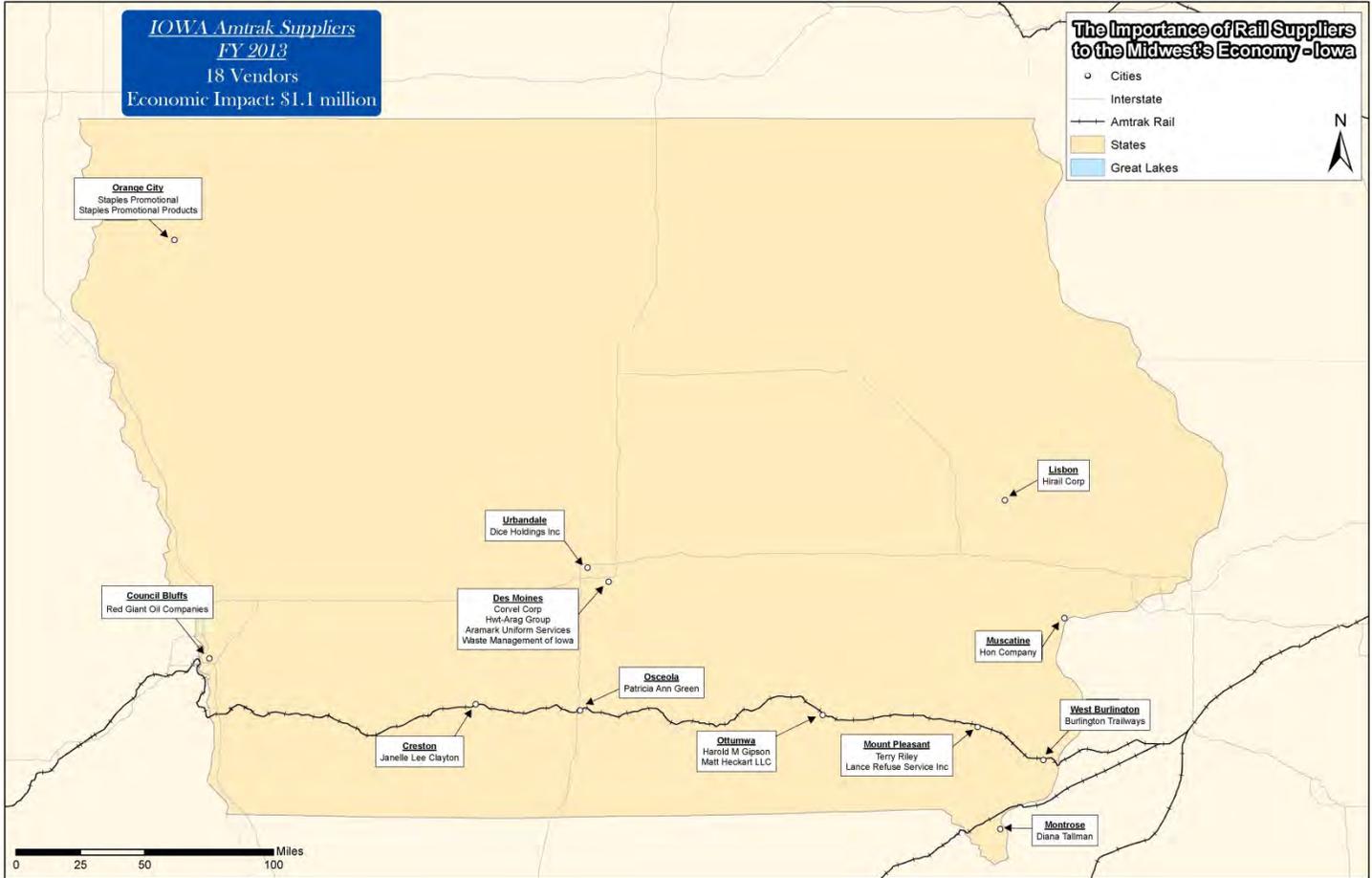


### Greater Indianapolis Area Inset

- |   |   |   |   |
|---|---|---|---|
| <ol style="list-style-type: none"> <li>1. <b>Beech Grove</b><br/>Beech Grove Tire<br/>Jp Corporation<br/>Katalyst Industrial Coatings Dis</li> <li>2. <b>Carmel</b><br/>Indianapolis Scale Company Inc</li> <li>3. <b>Camlet</b><br/>Allied Electronics Inc<br/>Gbwh Indianapolis<br/>Interface Security Systems LLC<br/>Industrial Specialties Co</li> <li>4. <b>Ellettsville</b><br/>Kirby Risk<br/>Mid State Truck Equipment Inc<br/>Smith Mathis Inc<br/>Fluid Waste Services Inc</li> <li>5. <b>Franklin</b><br/>Quality Mill Supply Co Inc<br/>Garcor Supply Co Inc</li> <li>6. <b>Greenwood</b><br/>Seatex Ltd<br/>Advantage Electronics<br/>American Industrial Corporation<br/>Sabic Polymershapes<br/>Wessels Company</li> <li>7. <b>Indianapolis</b><br/>S&amp;S Services LLC<br/>Capital Supplies Inc<br/>Kirby Risk Supply Co<br/>South Central Co Inc<br/>Advantage Water Conditioning Inc<br/>Duncan Supply Company Inc<br/>Central Supply Co Inc</li> </ol> | <p><b>Indianapolis (continued)</b></p> <ul style="list-style-type: none"> <li>Indiana Fan Co Inc</li> <li>Horner Industrial Services Inc</li> <li>Indiana Fan Co Inc</li> <li>Living Materials Inc</li> <li>Fiberglas Engineering &amp; Design</li> <li>Koorsen Protection Service</li> <li>Loy Instrument Inc</li> <li>Duncan Supply Co Inc</li> <li>Dunham Rubber &amp; Belting Corp</li> <li>Universal Tool &amp; Supply Co Inc</li> <li>Macalister Machinery Co Inc</li> <li>Western Cullen Hayes Inc</li> <li>Wurth Service Supply Inc</li> <li>Abrasive Products LLC</li> <li>Cintas 367</li> <li>Horner Industrial Services Inc</li> <li>Indiana Fan Co Inc</li> <li>Barth Electric Co Inc</li> <li>Granger</li> <li>Universal Tool &amp; Supply</li> <li>Altagas Inc</li> <li>Alro Steel Corp</li> <li>American Tool Service Inc</li> <li>Applied Industrial Technologies</li> <li>Bonar Industries Inc</li> <li>Carquest</li> <li>Harris Calorific</li> <li>Harris Calorific Sales Inc</li> <li>Hotel &amp; Crane Service Group Inc</li> <li>Indiana Standards Laboratory</li> <li>Modern Machinery Co</li> <li>Plumbers Supply Co</li> <li>Service Pipe &amp; Supply Inc</li> <li>Unistrut Indianapolis</li> <li>A&amp;A Industrial Supply Inc</li> </ul> | <p><b>Indianapolis (continued)</b></p> <ul style="list-style-type: none"> <li>Action Equipment Sales Co Inc</li> <li>Hanson Aggregates</li> <li>Lavelle Manufacturing Co Inc</li> <li>Metro Elevator Co Inc</li> <li>Independent Rail Corp</li> <li>Napa Auto Parts</li> <li>Its Black Finishing</li> <li>Bisco Industries</li> <li>Meyer Plastics Inc</li> <li>Tway Company Inc</li> <li>American Wire Rope &amp; Sling</li> <li>Bipc Pump &amp; Equipment Co Inc</li> <li>Brehob Air Compressor Division</li> <li>Jookish Flowers</li> <li>Tarpenning Lafayette Co Inc</li> <li>Worldwide Filters LLC</li> <li>Batteries Plus</li> <li>Lauk Mfg</li> <li>Sherwin Williams</li> <li>Sherwin Williams/Mab Paints</li> <li>Schreiber Lumber Inc</li> <li>Proffit Industrial Equipment</li> <li>Elliott Equipment Corporation</li> <li>Cintas Corporation</li> <li>J&amp;M Precision Products Inc</li> <li>Republic Services Of Indiana</li> <li>Crown Screw &amp; Bolt Corp</li> <li>Lub's Technologies Inc</li> <li>Aoom Distributors Inc</li> <li>Cox Equipment Company</li> <li>Esg Laboratories</li> <li>Fairbanks Scales</li> <li>Graybar Electric Co</li> <li>Institutum Technologies</li> <li>Joseph T Ryerson &amp; Son Inc</li> </ul> | <p><b>Indianapolis (continued)</b></p> <ul style="list-style-type: none"> <li>Mh Equipment Company</li> <li>Rpm Machinery LLC</li> <li>Tynan Equipment Co</li> <li>Aircon Engineering Inc</li> <li>Indiana Thermal Solutions LLC</li> <li>Overhead Door Co Of Indianapolis</li> <li>Worldwide Filters</li> <li>Overhead Door Co Of Indianapolis</li> <li>Tyco Integrated Security LLC</li> <li>Burgess Mechanical Corp</li> <li>Firestone Industrial Product Co</li> <li>Delta Faucet Company</li> <li>Advantage Fluid Systems</li> <li>Advantage Sign Supply</li> <li>Automotive Color &amp; Supply Corp</li> <li>Central Restaurant Products</li> <li>Empire Refractory Services Of Indiana</li> <li>Geopro</li> <li>Grunau Co</li> <li>Kent H Landsberg Co</li> <li>Rs Hughes Co Inc</li> <li>Steel Scale Corp</li> <li>Grass Gators San Bright Carpet Cleaning</li> <li>Corvus Janitorial Of Indpis</li> <li>Delta Faucet Company</li> <li>Corvus Janitorial Of Indpis</li> <li>Delta Faucet Company</li> </ul> |
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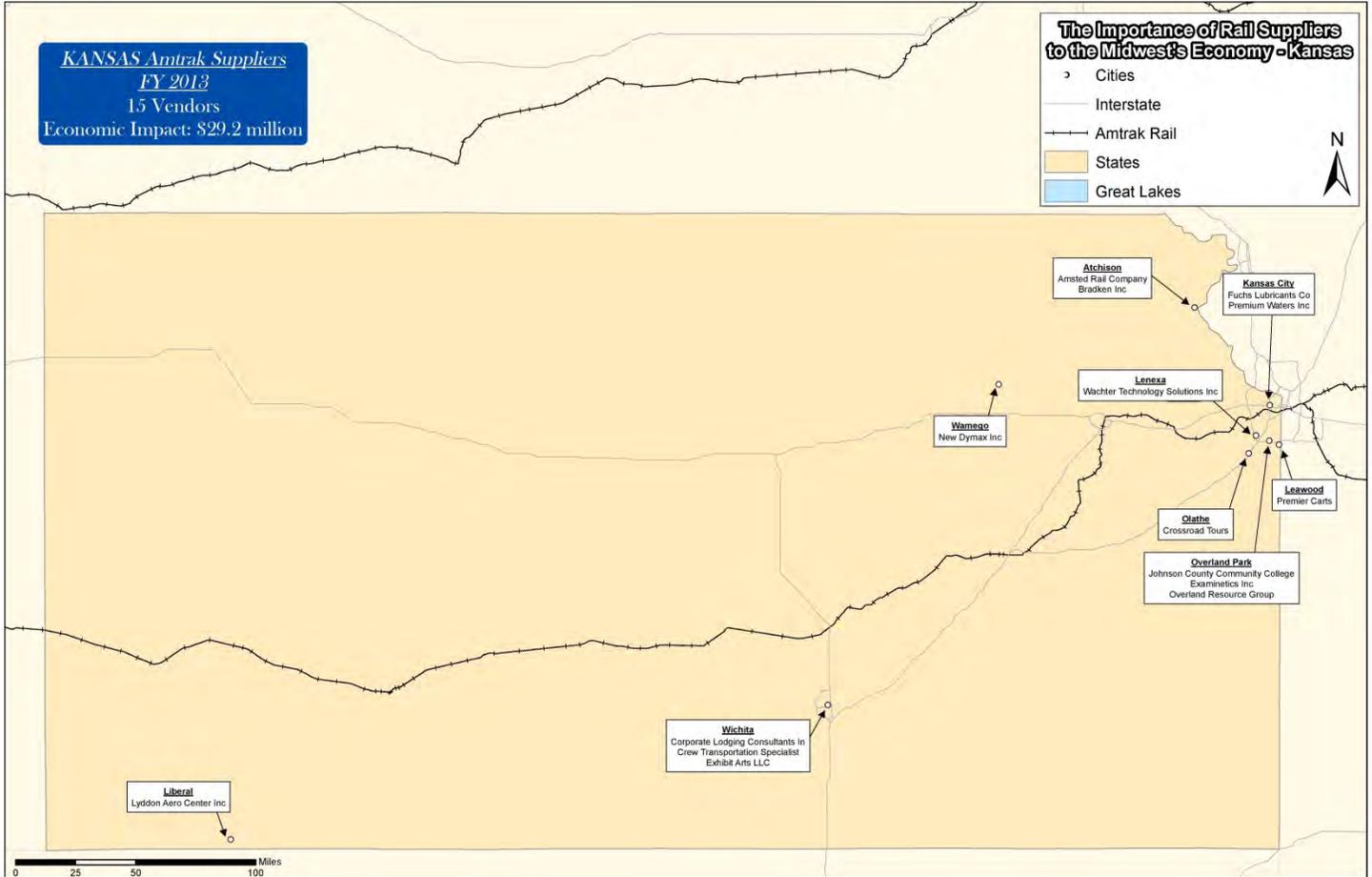
# Iowa

In Iowa, Amtrak maintained 18 vendor contracts during FY 13, which had a total economic impact of more than \$1.1 million in Iowa during the fiscal year. That is four times greater than Amtrak's FY 03 expenditures for goods and services (\$237,199) in the state.



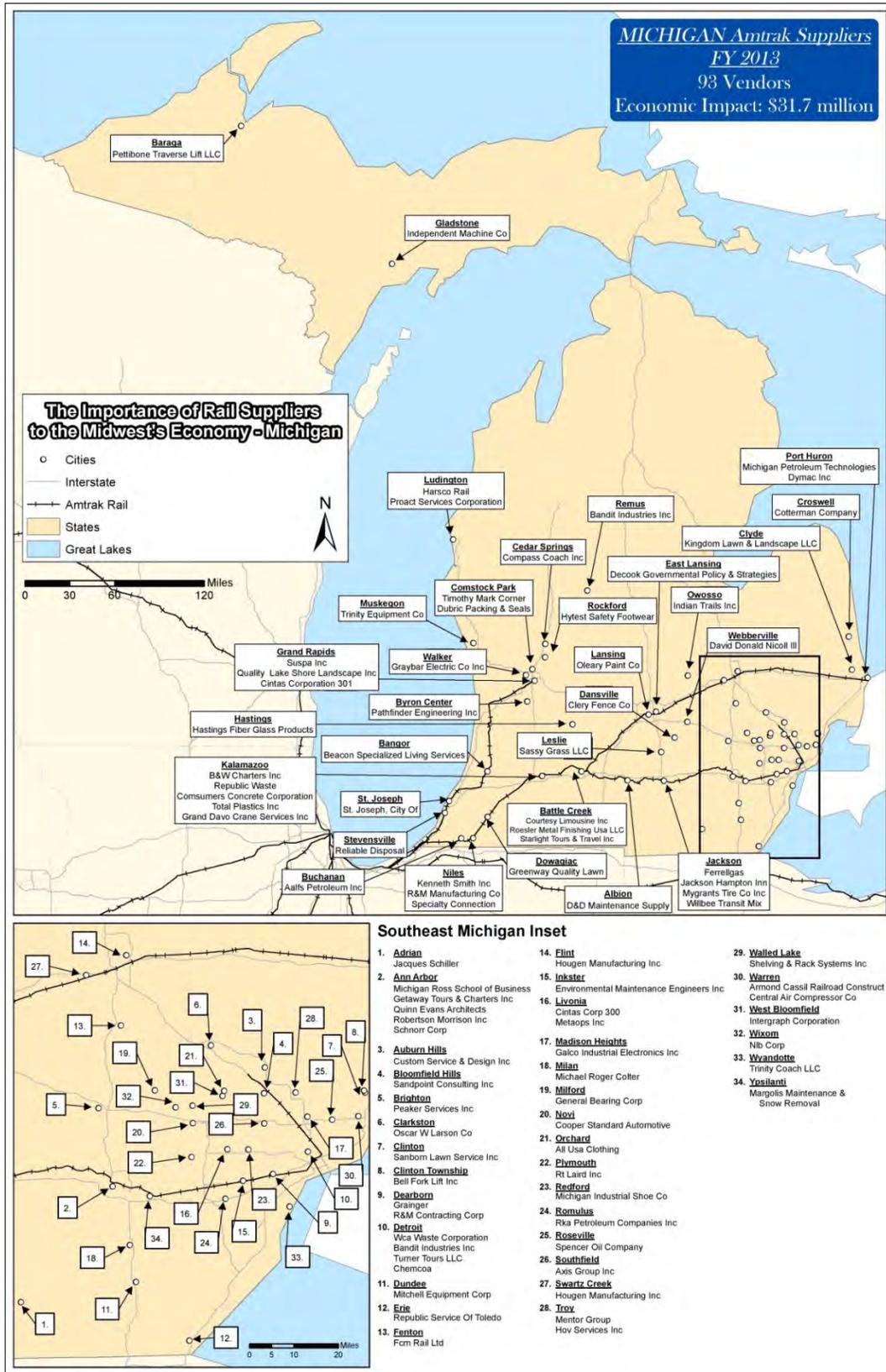
# Kansas

During FY 13, Amtrak contracted with 15 vendors in the state of Kansas. These vendors' contracts had a \$29.2 million impact on the state. Amtrak's Kansas expenditures for goods and services grew 87 percent in the 10-year period between FY03 and FY13.



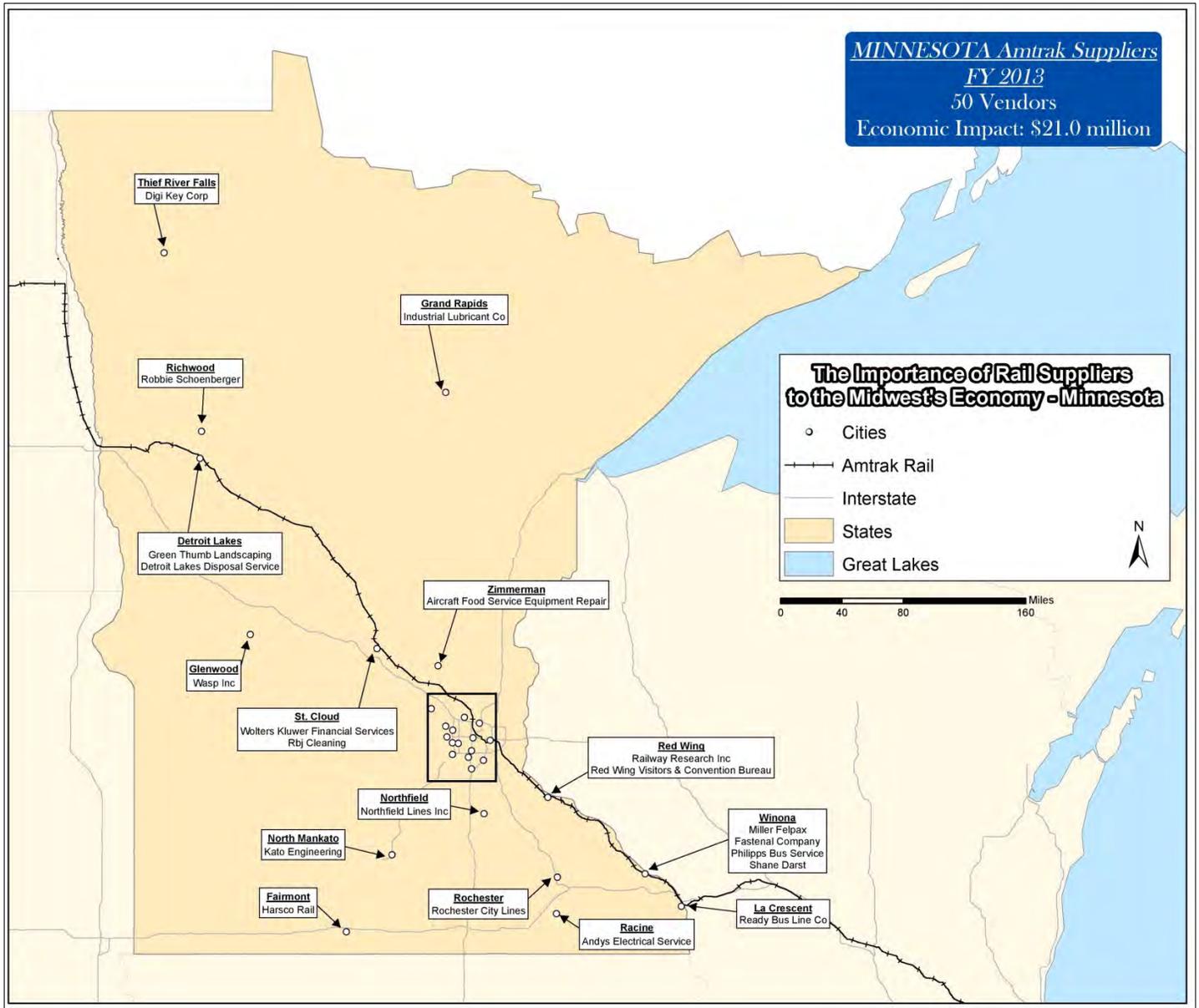
# Michigan

Amtrak contracted with 93 vendors in Michigan, for a total economic impact of more than \$31.7 million in FY 13. That represented a \$29 million increase over FY 03. A large number of vendors are located in the southeast region of the state.

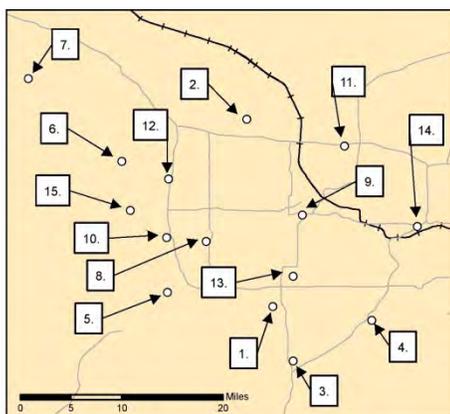


# Minnesota

Amtrak contacted with 50 vendors in the state of Minnesota, with a total economic impact of \$21 million. Amtrak's FY 13 expenditures in the state represented a nearly \$19 million increase since FY 03. The vendors are located across the state, but there is a large concentration in the Twin Cities area.



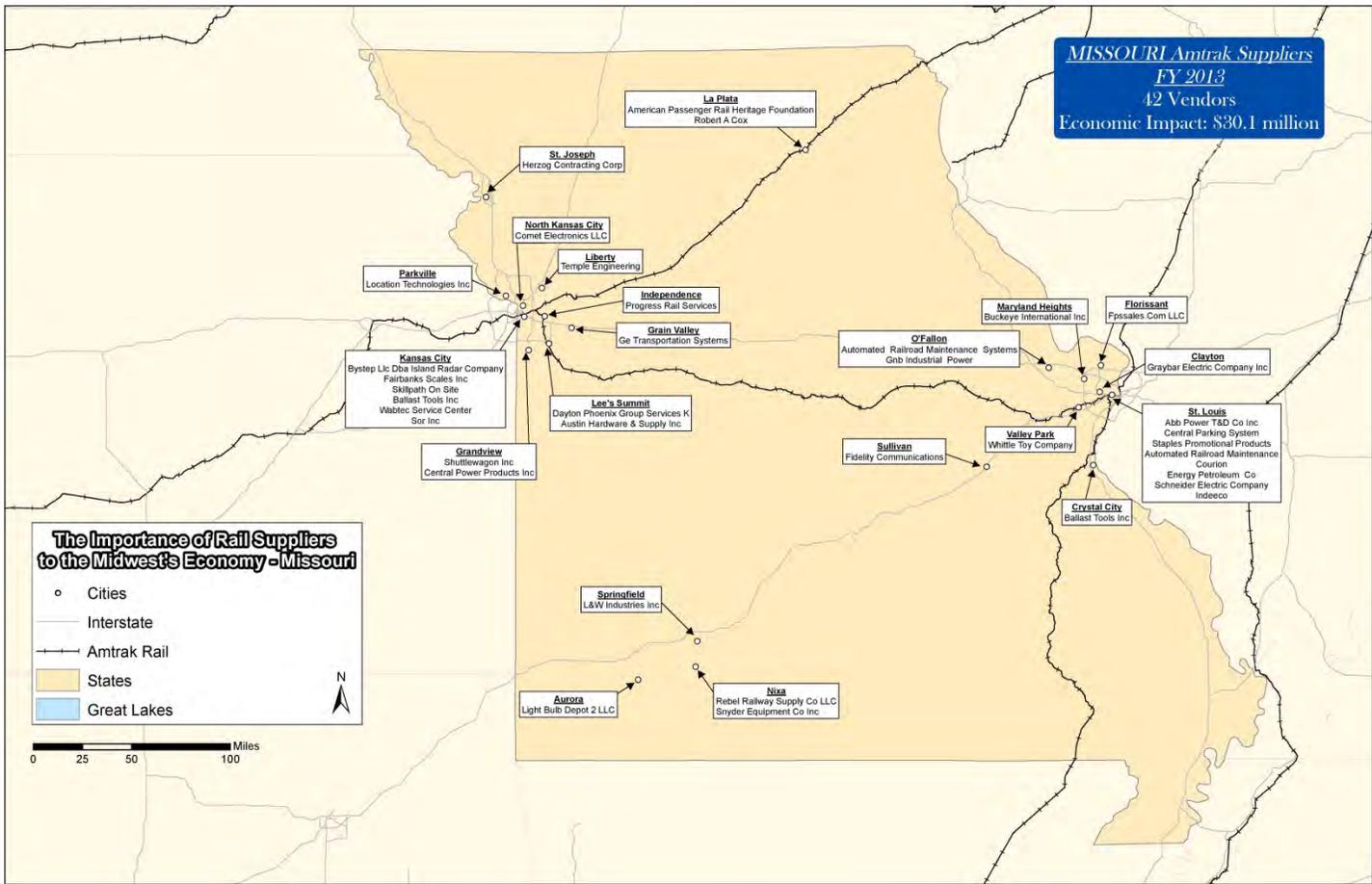
## Greater Minneapolis Area Inset



- Bloomington**  
Richfield Bus Company
- Brooklyn Park**  
Culligan Soft Water Service Co
- Burnsville**  
Kully Supply Inc
- Eagan**  
Cardsource  
Thomson West
- Eden Prairie**  
Travel Franchise Group
- Hamel**  
Loram Maintenance Of Way Inc
- Hanover**  
Horizons LLC
- Hopkins**  
Brandpoint
- Minneapolis**  
Tennant  
Sunsorce Technologies  
Dc Group Inc  
Olson & Co Inc  
Jefferson Lines  
Pace Analytical Services Inc
- Minnetonka**  
G&K Services Inc
- New Brighton**  
Accustream Inc
- Plymouth**  
Railway Equipment Co  
Circle C Products
- Richfield**  
Best Buy Co Inc
- St. Paul**  
Minnesota Life  
Tkda & Associates  
Ecolab Inc  
Vomela Specialty Company  
Dynamic Air Conveying Systems  
Rustad & Associates Inc  
Printware LLC
- Wavzata**  
Lewis Bolt & Nut Co

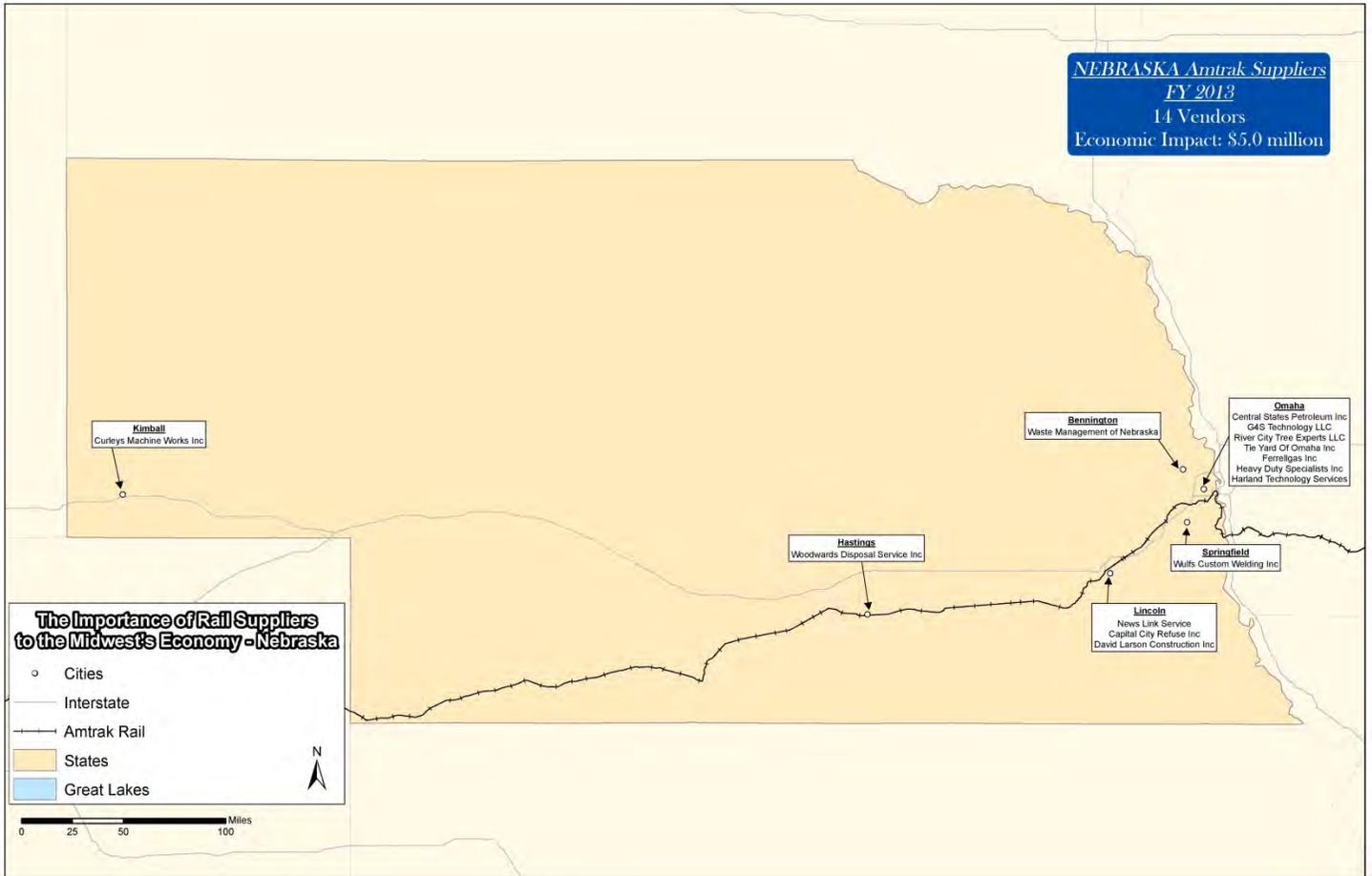
# Missouri

Amtrak contacted with 42 vendors in Missouri, for a total economic impact of \$30.1 million during FY13. Since FY 03, Amtrak increased its Missouri expenditures by more than \$28 million. The majority of vendors are located in the Kansas City and St. Louis areas.



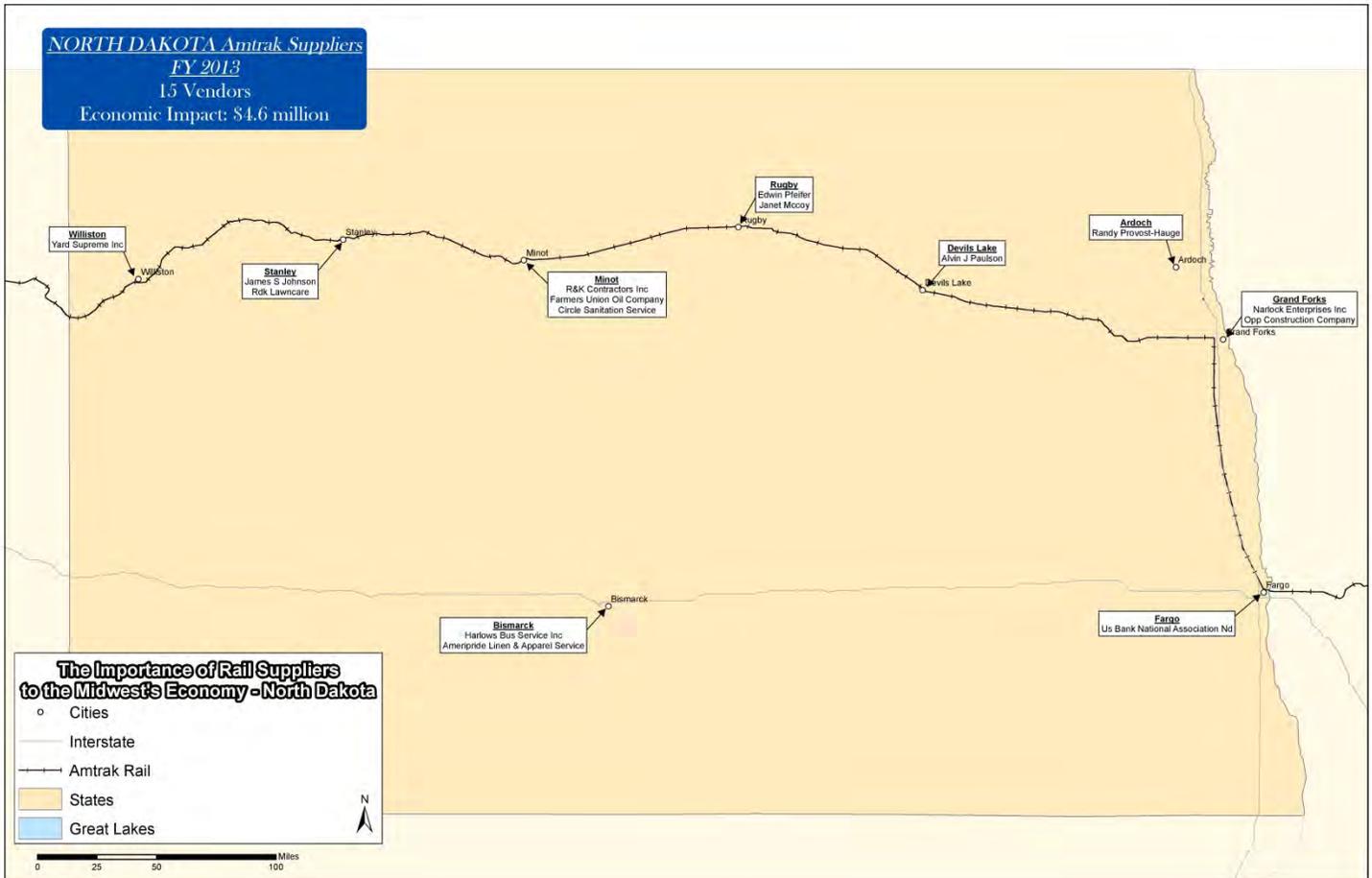
# Nebraska

In Nebraska, during the 10-year period since FY 03, Amtrak went from expending less than \$100,000 annually in vendor contracts to more than \$5 million. During FY13, Amtrak contracted with 14 vendors in the state, with most vendors located in Lincoln and Omaha.



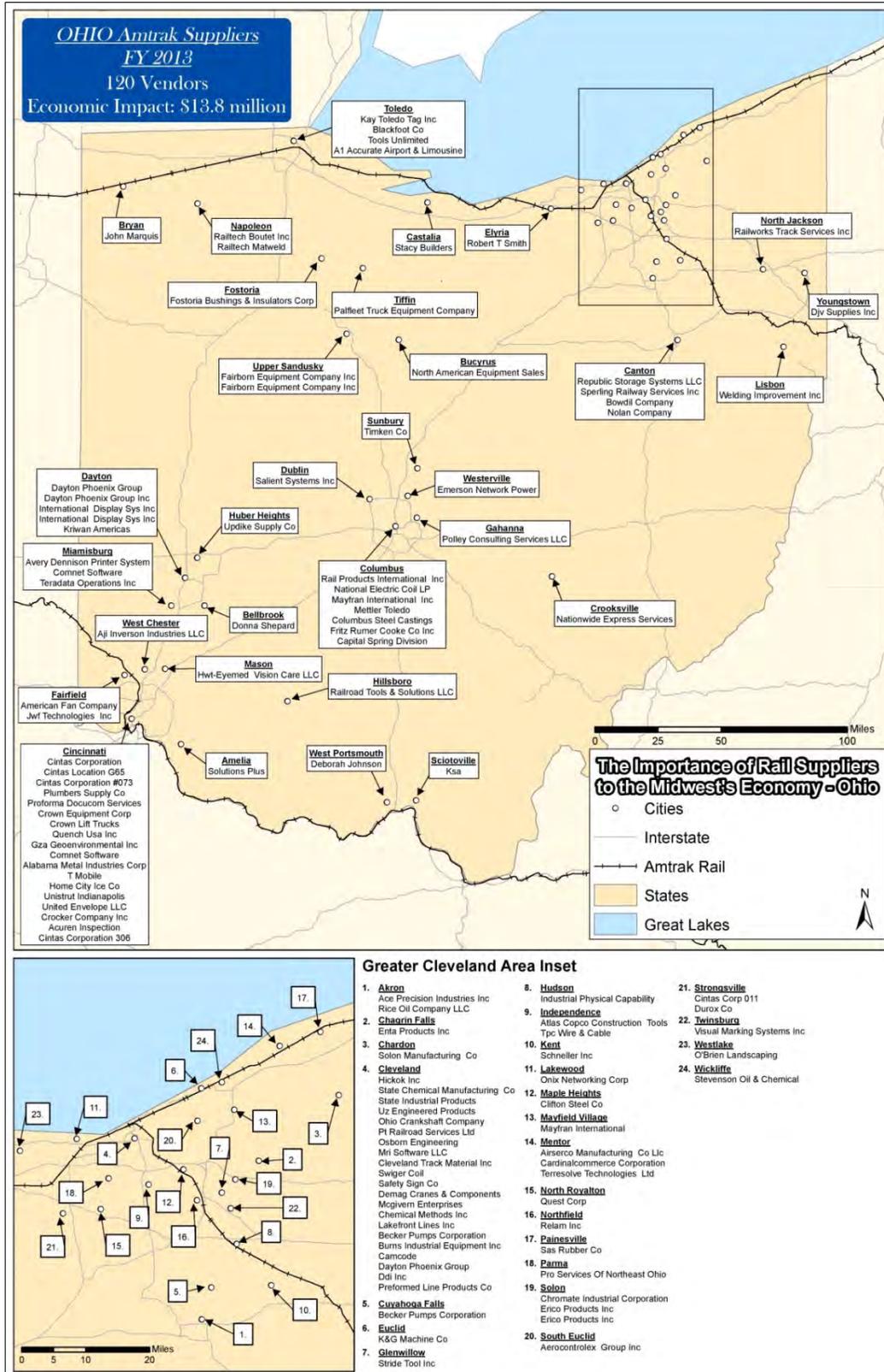
## North Dakota

During FY 13, Amtrak contracted with 15 vendors in North Dakota for a total economic impact of more than \$4.6 million. The growth in economic impact since FY 03 is almost 100 fold, as Amtrak expended less than \$50,000 on North Dakota vendor contracts in FY03. All but two vendors are located directly alongside the rail line that carries Amtrak's *Empire Builder* service through the state.



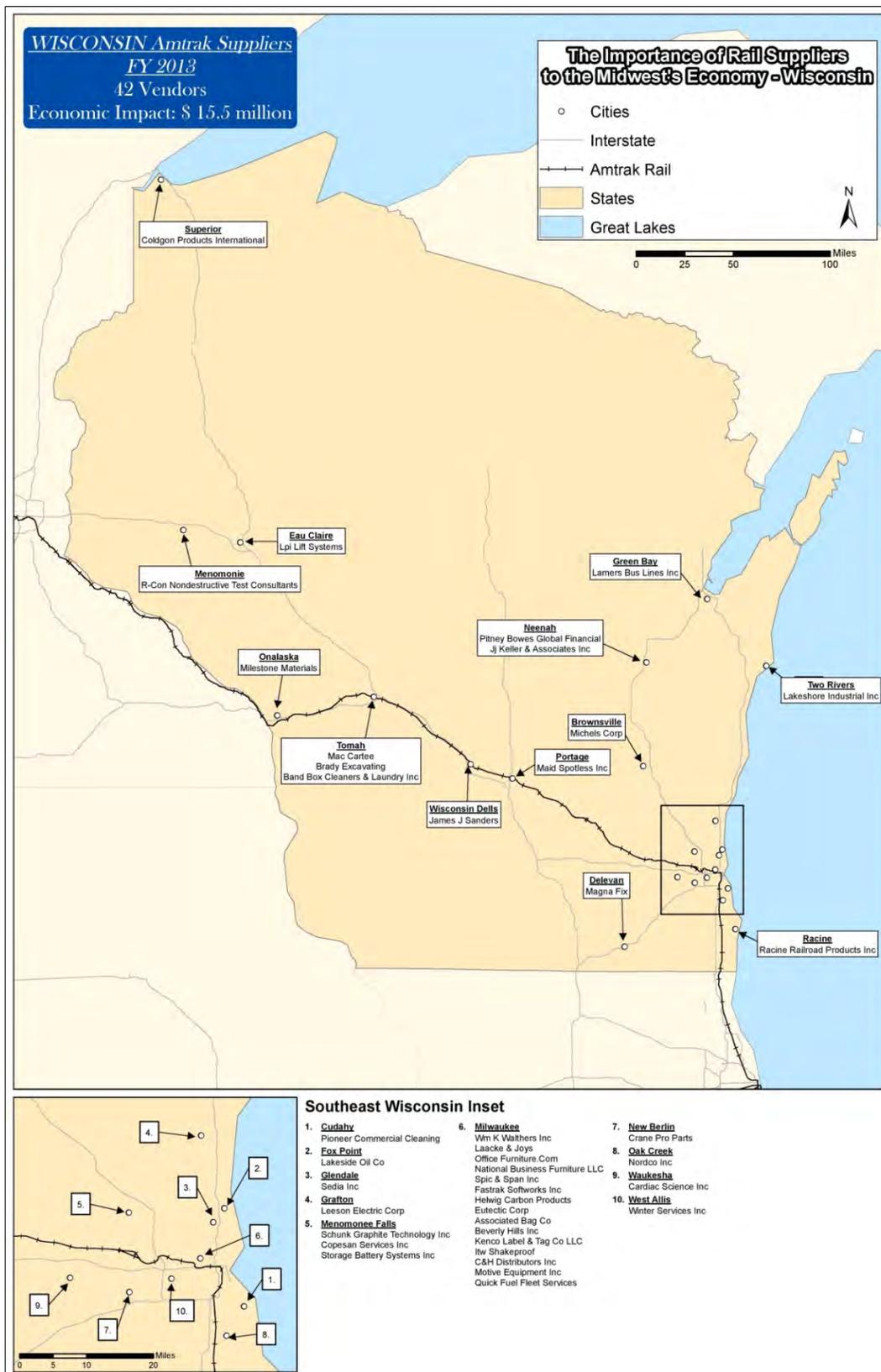
# Ohio

During FY 13, Amtrak contracted with 120 vendors in Ohio, which gave a \$13.8 million boost to the state's economy. This represents a 37% increase from Amtrak's FY 03 expenditures for goods and services in Ohio. Cincinnati, Columbus and the Greater Cleveland area had the most vendors, but others are spread throughout the state.



# Wisconsin

During FY 13, Amtrak contacted with 42 vendors in Wisconsin for a total economic impact of \$15.5 million. Amtrak has more than doubled its expenditures for goods and services in the state since FY 03. Southeast Wisconsin had the greatest concentration of vendors, with others scattered along the state's Amtrak line and throughout other parts of the state.



## Case Study: St. Paul Union Depot in Minnesota

As passenger rail remains an affordable, popular option for both shorter and long-distance travel, regions with rail hubs will likely continue to make investments to modernize their stations and tracks. In May 2014, thanks to extensive renovations, Minnesota's Union Depot in St. Paul welcomed a passenger train back to the station for the first time in 43 years. Amtrak's *Empire Builder* service now includes a stop at Union Depot as it makes its 46 hour journey between Chicago and Oregon.

Union Depot, which started going into disrepair in the early 1970s, required millions of dollars in renovations before it became a working passenger train station again. A number of contracts were issued for various components of the project, such as construction, design, and signal and track maintenance. In addition to spurring economic growth in St. Paul and the surrounding area, the Union Depot project provided contracts for hundreds of firms from other parts of the country. According to a June 2014 study by Good Jobs First, a non-partisan group based in Washington DC, the restoration created over 660,000 hours of work for about 2,000 workers in at least 13 different trades. As part of the reconstruction project:

- BNSF Railway Co., which had a \$2.3 million construction contract, subcontracted with Progress Rail and United Signal from **Wisconsin**.
- Five **Minnesota**-based suppliers – EVS Engineering, Rock on Trucks, Yaw Construction Group, Meyer Contracting, and RailWorks – were awarded more than \$2.5 million in contracts.
- Union Pacific Railroad, headquartered in Omaha, **Nebraska**, received more than \$3.2 million in construction and design contracts.

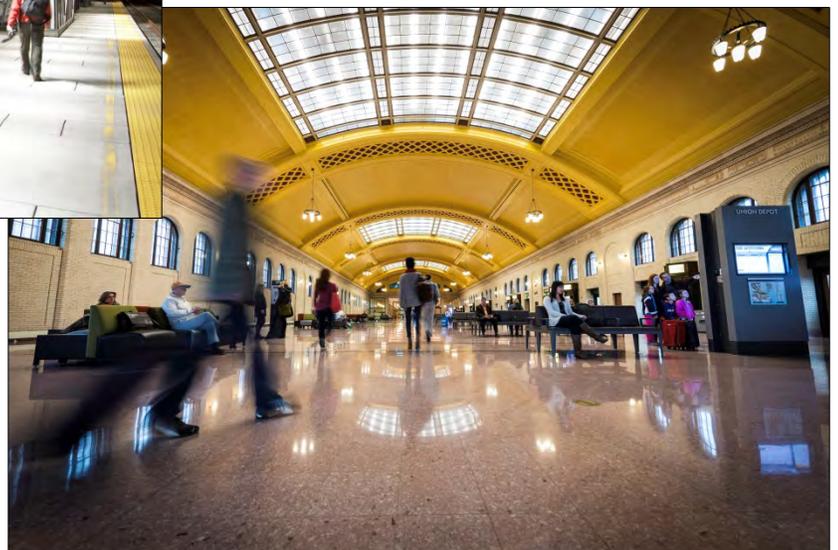
Officials involved in the Union Station project hope to add a second daily train to Chicago and are looking at increasing local passenger-rail services. A long-term goal to create a high-speed passenger-rail line to Chicago is also in the planning stages. These projects will require additional construction and renovation of the stations' tracks.



**Above:** *Empire Builder* rolls into the station.

**Right:** Passengers take advantage of Union Depot's newly renovated waiting room.

Photos courtesy of Ramsey County Regional Railroad Authority.



## Case Study: Bi-Level Passenger Railcar Manufacturing

Manufacturing passenger rail equipment has economic impacts not only for the company awarded the contract, but for many other rail suppliers. In September of 2012, Nippon Sharyo based in Rochelle, Illinois was awarded a \$352 million contract to assemble 130 bi-level passenger rail cars for Amtrak's Midwest and California corridors. The Federal Railroad Administration funded the purchase of the railcars, with a requirement that 100 percent of the components be American-made.

To meet that demand, Nippon Sharyo built a \$100 million addition to their existing facilities and added 90 new manufacturing jobs. The Illinois Department of Transportation ordered another 34 cars from Nippon Sharyo, for a total addition of 122 next generation railcars to the Midwestern Amtrak fleet. This will allow all existing Midwestern corridor service routes to be equipped with new railcars.

The total economic impact of this manufacturing project reaches much farther than Rochelle, Illinois. Nippon Sharyo is subcontracting with suppliers across the Midwest and the nation for many of the more than 100 components needed to build the trainsets. According to Joseph Szabo, former administrator of the Federal Railroad Administration, the Midwest has more rail suppliers than any other region. For example, for the manufacturing of these bi-level passenger rail cars:

- Mitsubishi Electric Power Products, Inc. from Grafton, **Wisconsin** was tasked with building auxiliary AC motors
- Kustom Seating Unlimited, Inc. and Strut & Supply, Inc. from **Illinois** received contracts for seating and table components
- For the train floors: **Wisconsin**-based GSI EXIM America, Inc. will build the composite floor panels; The RCA Rubber Company from **Ohio** will supply the rubber floor coverings; and Narita Mfg., Inc. from **Illinois** is manufacturing wiring harnesses
- Oshitani America Inc. and Fabrication Specialties, Inc. from **Illinois** were chosen as suppliers for the carbody insulation
- Faiveley Transport/North American Specialty Glass will be producing the train's window gaskets at their Painesville, **Ohio** location
- **Minnesota**-based ISC Applied Systems Corp. is the provider of communication equipment such as the PA system.

Columbus Steel Castings in **Ohio** received a \$23 million contract, the largest order in the company's history, to build the train's undercarriages. Joseph Haviv, Columbus Castings' chairman, said the company's contract with Nippon Sharyo will create approximately 80 new jobs in the company.

## Conclusion

Continued development of the nation's passenger rail system has resulted in a huge economic boost for our Midwestern states. From the hundreds of vendors annually helping to keep Amtrak service running, to suppliers producing components for new train cars, the renovation of existing stations and the building of new ones, as well as the upgrading of hundreds of miles of track, businesses from all across the region have benefited directly from expansions in passenger rail.

Many developments have been made in recent years and there is still room for growth. Whether it be adding another train from St. Paul to Chicago or continuing to increase Amtrak's fleet of rail cars, there are plenty of opportunities for the passenger rail industry to grow, and the Midwest's economy to grow along with it.