



Friday, July 17, 2009

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Governor Doyle Announces Agreement with Talgo to Bring New Trains, Assembly and Maintenance Facilities to Wisconsin

MADISON - Governor Jim Doyle today announced an agreement with the Spanish train manufacturer Talgo to put two Talgo train sets into service in Wisconsin and to establish new assembly and maintenance facilities in the state. The rail car assembly plant will support the delivery of Talgo trains throughout the country.

"We are pleased to welcome Talgo to Wisconsin," Governor Doyle said. "I can't wait for our Midwestern travelers to experience first-hand the comfort, modern amenities and expanded seating capacity on these wonderful trains. In addition, the company will use Wisconsin workers and skills to assemble and maintain Talgo trains. This relationship has the potential to create even more jobs, gives the state a major role in the growth of an exciting transportation industry and helps us move forward with our vision for high speed passenger rail service in the Midwest."

Talgo officials joining Governor Doyle to make the announcement in Madison included Antonio Perez, CEO and president of Talgo Inc., the company's U.S. subsidiary, and Jose Maria Oriol, CEO and president of Patentes Talgo, Spain.

"After 14 years of track record in the US market and having participated in the Midwest Regional Rail Initiative in 2000, Talgo is very excited to have its equipment selected again as the most suitable for the Madison-Milwaukee-Chicago Corridor," Antonio Perez said. "We are very excited with the opportunity of manufacturing high speed trains in Wisconsin and helping to bring economic development and the option for proven intercity passenger rail equipment to the Midwest region. We appreciate the leadership from Governor Doyle in this very important step towards accomplishing the new Administration's Vision."

Wisconsin will purchase two, 14-car train sets for \$47 million. The agreement provides an option to buy two additional train sets if the state is successful in securing federal American Recovery and Reinvestment Act funding for the extension of passenger rail service from Milwaukee to Madison.

Talgo cars are made of aluminum alloy with welded seams to form a structural frame making them lighter weight and stronger than traditional rail cars. The rail cars use passive tilt technology that allows the cars to navigate curves at higher speeds with less car tilting and to ride smoother at higher speed, greatly enhancing passenger comfort.

The trains will be put into service on the Amtrak Hiawatha Service with the cars pulled by existing locomotives. Each train set provides a seating capacity of 420 compared to the current capacity of 350. The

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popular Amtrak Hiawatha Service provides daily trips between Chicago, Illinois, and Milwaukee, Wisconsin. Ridership on the Hiawatha Service continues to grow, with more than 766,000 riders in 2008, a 24% increase over 2007.

"I'm delighted the State of Wisconsin has taken the bold step to purchase modern, new passenger rail equipment," said Amtrak Chairman of the Board Thomas Carper. "Amtrak has had a great response to Talgo train equipment on its Cascades Service in the Pacific Northwest, and we are confident travelers on the Hiawatha Service will have the same reaction. Wisconsin has always been one of Amtrak's strongest state partners, and we congratulate Governor Doyle on this important and exciting initiative that will bring new levels of comfort and convenience to intercity travelers."

The locations of the assembly and maintenance facilities have not yet been determined, but are likely to be in south central or southeastern Wisconsin. Together, the assembly and maintenance facilities are expected to create about 80 jobs for Wisconsin workers, with the potential for more jobs as operations grow.

Aluminum alloy structural frame parts for the Talgo trains will be manufactured in Spain and then shipped to Wisconsin for assembly. Talgo will be working with Wisconsin and other U.S. vendors to supply parts for outfitting the trains.

The dedicated rail car maintenance facility will provide ongoing service for equipment used in the Midwest. Talgo currently operates a maintenance facility in Seattle, Washington, to service Amtrak Cascades trains.