



The Case for LRT

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Market for Light Rail is Booming

- Dozens of Canadian and US cities are installing new LRT systems.
- **Multi-billion dollar market** for new equipment and maintenance contracts for existing stock.
- No North American LRT manufacturer.



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Numbers prove huge demand



- 75 cities in North America are considering LRT.
- Over 30 US cities have *built* LRT systems.
- Canadian cities are planning LRT (*Vancouver, Winnipeg, Kitchener-Waterloo, Toronto, Montréal*).
- Metrolinx plans for billions of dollars in new light rail lines in GTA and Hamilton.
- Existing LRT systems grow *incrementally*, adding new lines every few years: *stable market*.



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Market Size for Rolling Stock

- Alstom and Siemens have each sold over 1000 train sets (over **\$4 billion**).
- **3.3 train sets per km** (based on Calgary).
- Calgary's system has 149 train sets (**\$600 million**).
- Metrolinx's *Strategic Transit Directions* plan calls for up to **160km of LRT** in the next 15 years (**\$2 billion**).
- North American market is worth *tens of billions* over the next twenty years.





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The Players

- **Bombardier**: Canadian, LRT factory in Germany (*5 years of backorders*).
- **Alstom**: French, technology leader.
- **Siemens**: German, bid on TTC contract, supplied Calgary and Edmonton.
- **Kinki Sharyo**: Japanese, supplied new Phoenix LRT (32km).
- **United Streetcar**: joint venture of Oregon Iron Works and Skoda. Aims to produce LRT "Made in America".



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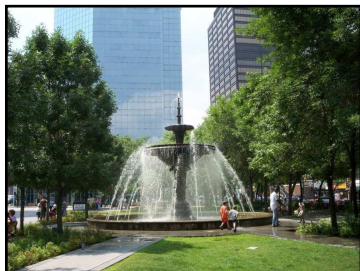
Developments in the USA



- **Siemens** has built a manufacturing facility in Sacramento, CA. Largest order: 77 trains to Salt Lake City in May 2008.
- **Skoda** (Czech) is starting a *joint venture* with **Oregon Iron Works** aiming to produce a "Made in America" in Portland, OR.
- *No* manufacturing in Canada!



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Why Build in Ontario?

- Economic **multiplier effect**.
- Build **expertise** in manufacturing and research & development.
- **Recession proof** industry: customers are governments.
- **Green** technology.
- **Growing market** in North America.
- Ontario government encouraging transition to **new industries**.



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Build it in Hamilton



- **Synergy** with proposed LRT system.
- Strong tradition of **heavy manufacturing**.
- **World class research**: McMaster University (Steel Research Centre), NRC Materials Technology Laboratory (Innovation Research Park).
- Excellent access to **suppliers**: rail, control systems, power systems.
- Ideal **location** for North American market.
- Situated on major highway, rail and shipping routes.