

How Buy America Can Make U.S. Manufacturers More Competitive

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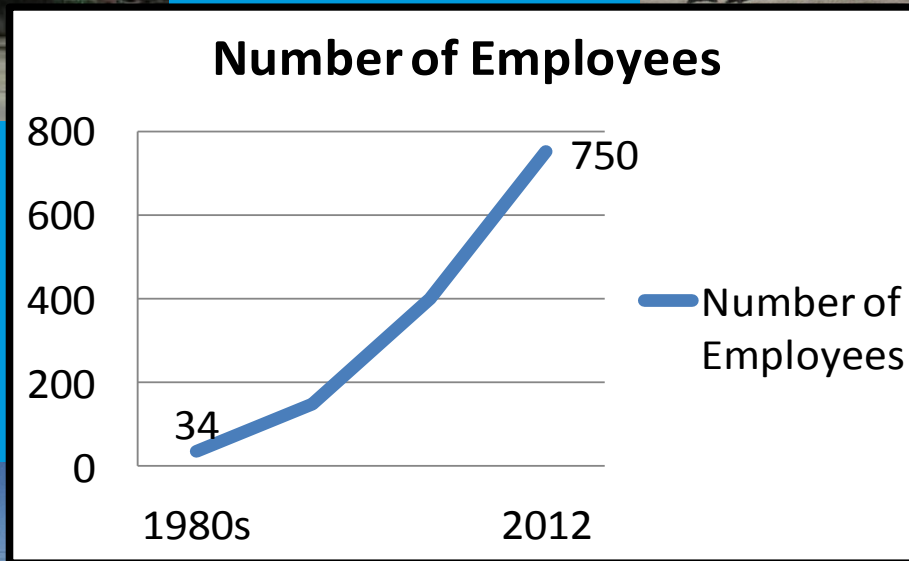
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How Siemens' U.S. Business Has Progressed



Increasing Domestic Content

Where we started



Design & Manufacturing Overseas

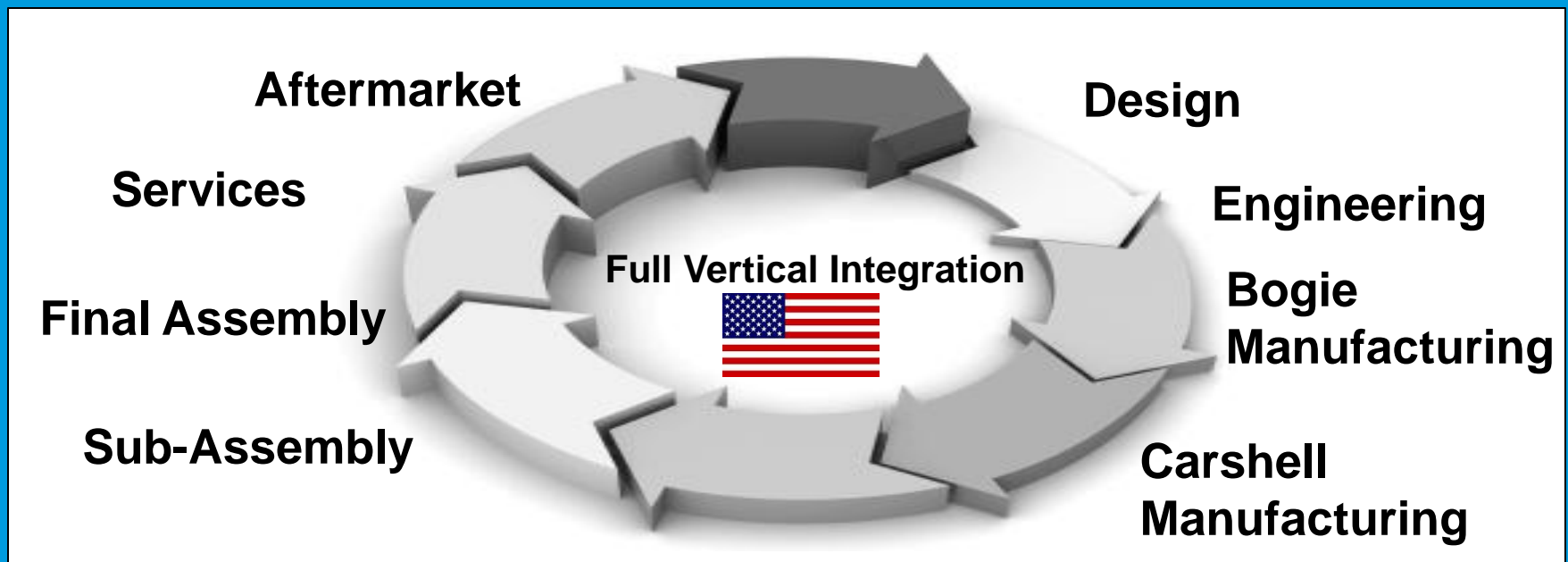


Local Assembly & Testing



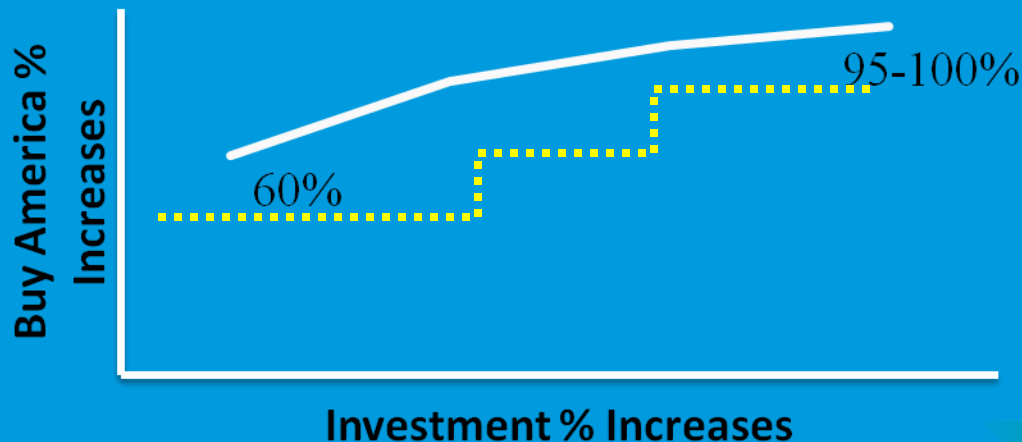
End of Contract

Where we are now



Raising the Bar on Buy America

- Current Buy America legislation dates back almost 30 years; it's time to progress even further
- To be taken seriously, a quick boost, with a measured long term goal would be most effective
 - 80% reasonable for interim, work up to 95 - 100% over next 10 years
- Focus should be on manufacturing with a view to sustainability and longer term economic benefits
 - Continue dialogue among public and private sectors



Why Not 100% Now?

Some components simply are simply not available in America

Why not ?

- Rolling Stock contracts are large but can be few and far between

This causes:

- A relative lack of demand, no economies of scale, and no predictability
- No incentive for sub-suppliers to set up fabrication in America



What Achieving 100% Will Take

Maintaining existing manufacturing jobs

- Encourages companies to invest back into America's workforce
- Thereby increasing our global competitiveness attracting more businesses to establish U.S. operations

Comprehensive federal surface transportation bill

- Multiple extensions and two year bill cause difficulty for customers, suppliers, and OEMs to predict the future

