Caltrain Electrification Grant Deferred

Today, Caltrain received word from the Federal Transit Administration (FTA) that a decision on whether to execute the pending $647 million Full Funding Grant Agreement (FFGA) for the Peninsula Corridor Electrification Project (PCEP) will be deferred until the Administration develops the President’s Fiscal Year (FY) 2018 Budget.

The contracts that have been awarded to complete the PCEP require that a Notice to Proceed be issued prior to March 1. Deferral of the decision to execute the FFGA will prevent Caltrain from issuing the notice by this date and may jeopardize the viability of the project itself.

Electrification will be the most transformative effort ever undertaken on the Caltrain Corridor. The project offers unique economic, environmental and mobility benefits that will have an impact across the country. Federal investment in this project will help create over 9,600 jobs in the Bay Area and spread throughout the nation in places like Salt Lake City, UT, Jacksonville, FL; Richmond, VA; Hudson, WI; Littleton, CO and more. It will create over $2.5 billion in economic value and address one of the region’s principal barriers to economic growth by eliminating over 619,000 daily vehicle miles from the region’s roadways.

Caltrain is evaluating options for maintaining a viable project in the face of uncertainty about the timing of FFGA approval and the question about whether it will be approved at all.

In September, Caltrain issued a Limited Notice to Proceed to its contractors to advance design and pre-construction efforts. This work is nearly complete and approval of this Federal funding would match nearly $1.3 billion in secured local, state and regional investment, and allow construction to begin.

For two years, Caltrain worked closely with Federal officials to complete a thorough evaluation of the project including intensive engineering assessments and financial vetting. Following this evaluation, the project was rated very positively and recommended for approval by career professional staff still employed with that agency. Today, that 30-day period is complete, and the project has met all of the statutory requirements needed to qualify for an FFGA.
“Clearly, the FTA’s evaluation demonstrates that this Federal investment should be made based on the merits of the project, and we expect that the USDOT will continue with a fair process.” said Caltrain Chief Communications Officer Seamus Murphy. “We are poised to deliver mobility benefits that the region has been anticipating for over two decades, and across the country, workers are anticipating the thousands of jobs that this project will create. Caltrain is thankful for the hundreds of riders, employers and communities that have expressed support for the project. We will continue to work with our Congressional delegation, stakeholders and funding partners to support whatever actions are needed to provide our communities with the transit system they deserve.”

The Electrification Project is an opportunity to increase the capacity of the system and transform the way Bay Area experiences transit. Caltrain is already the mobility option of choice for over 65,000 daily riders. By connecting communities with more service to more stations and reducing travel times, electrification will make Caltrain even more attractive, equipping the system to accommodate more riders and providing significant relief to drivers on busy local streets and roads and increasingly congested freeways.

**Background**

Caltrain has been planning for the electrification project since the 1990s and the PCEP has received broad support from the business community, labor and environmental groups, regional transportation advocacy groups, local, state, and federal elected officials.

In September 2016, Caltrain awarded two contracts:

1) to a contractor to install the infrastructure to electrify the corridor
2) to a contractor to build and deliver high-performance electric commuter rail trains.

A Limited Notice to Proceed (LNTP) has been issued to those contractors to advance design of the project. A Full Notice to Proceed (NTP) must be issued by March 1, 2017, in order to maintain the terms of the contracts and avoid costly penalties and project delays. Before an NTP can be issued, PCEP must receive the $647 million Full Funding Grant Agreement (FFGA) from the Federal Transit Administration’s (FTA) Core Capacity grant program.

Caltrain has secured all local, regional, state, and Federal non-Core Capacity funds for the project. The only funding that is needed is $647m from the Federal Transit Administration (FTA) Core Capacity program.
Over the last two years, Caltrain and the other PCEP funding partners have worked with FTA to meet all of the Core Capacity FFGA requirements to secure the $647m grant. The project has already received $73m in previous appropriated Core Capacity funds and the FFGA would allow Caltrain to access those funds in addition to future Core Capacity funds.

The Project’s path forward is contingent on the FTA FFGA. In order to maintain the terms of the contracts and avoid costly penalties and project delays, the FFGA must be signed by March 1, 2017.

Link to FAQs about the project: http://www.caltrain.com/Assets/Caltrain+Modernization+Program/Electrification+Documents/PCEP+FAQ.pdf

Link to the jobs that will be created by this project: http://www.caltrain.com/Assets/Caltrain+Modernization+Program/PCEPJobAcrossUSApdf.pdf

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