



March 03, 2017

## Caltrain Reaches Agreement with Major Project Contractors to Extend March 1 Deadline

The San Francisco Bay Area's commuter rail system known as Caltrain said it reached agreement with contractors of a major, long-planned project to extend by four months what had been a scheduled March 1 launch deadline, to give the transit agency more time to finalize a \$647 million federal grant that the Trump administration deferred.

The entire California Republican congressional delegation recently wrote U.S. Transportation Secretary Elaine Chao asking her to block the long-expected grant from the Federal Transit Administration, which Caltrain counted on for a nearly \$2 billion project to electrify the system that now operates diesel trains.

The GOP lawmakers sought to prevent the state's separate and controversial high-speed rail project – which will also be electrified – from using the Caltrain system when it eventually moves into the San Francisco Bay area.

As earlier reported, Caltrain said in a Feb. 17 it had received word from the FTA that a decision on whether to execute the grant agreement for its Peninsula Corridor Electrification Project "will be deferred until the administration develops the president's fiscal year 2018 budget."

The regional transit system warned that the deferral could put at risk the entire electrification project, which it said would expand system capacity, improve train speeds and improve the area's air quality.

But on Feb. 27, Caltrain announced that it had negotiated with contractors to [extend the project launch deadline from March 1 to June 30](#).

"The extension is needed to preserve the electrification project's contracts during this time," Caltrain said. However, "The extension does not come without cost implications," it added.

"Buying additional time from the contractors will likely require the utilization of up to \$20 million in project contingency that otherwise would have been available for construction-related expenses in the future. The sooner the grant agreement is executed, the smaller the impact will be to the project's contingency."

Caltrain said it has been working with the FTA since 2009 to ensure that the project meets all statutory and regulatory requirements of the FTA's Core Capacity competitive discretionary grant program.

"The project was rated highly after thorough evaluation," it said, "including ridership studies, design assessments, financial analyses and cost benefit evaluations by the FTA and the U.S. Department of Transportation."

Caltrain also emphasized that the project "has significant local financial support . . . demonstrated by the project's substantial leveraging of local, state and regional funds. The federal Core Capacity request makes up only 32 percent of the total project cost," with state, local and regional funds comprising the rest.

"Every project that has achieved these milestones has received an executed full funding grant agreement and we don't expect that this project will be any different," said Caltrain Executive Director Jim Hartnett. "By agreeing to an extension, Caltrain's contractors have demonstrated their commitment to preserving this unique opportunity to deliver unprecedented improvements to an aging commuter rail system that

serves 65,000 riders every day and a project that will put thousands of Americans to work throughout the country."

Caltrain cautioned, though, that additional extensions may not be possible. "Our contractors have agreed to delay construction for the maximum amount of time possible," said Hartnett. "Delaying a decision on federal funding beyond June 30 will be the same as rejecting the grant."

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