

## Caltrain buys time for electrification

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As Caltrain works to navigate a rocky path in its quest to modernize and electrify the regional rail system, the transit agency bought some time to keep the project on track while federal funding remains largely uncertain.

After being dealt a powerful blow by the Federal Transit Administration opting to delay a decision on a critical \$647 million grant, Caltrain announced Monday it negotiated with engineering contractors to extend a critical deadline to initiate construction agreements from March 1 to June 30.

The negotiations were prompted by the FTA's Feb. 17 announcement it would defer a decision until the Trump administration unveils its budget.

Caltrain may spend \$20 million on the four-month extension for it to secure a federal commitment and preserve the contractors' agreed upon nearly \$2 billion price tag for the electrification project. With the cost already increasing nearly \$500 million over the last few years, supporters note timing is of the essence.

Engineering firms have already designed plans to electrify 51 miles of track and create new trains, with construction now hinging on the FTA. The project has been touted as environmentally beneficial, able to help alleviate congestion in one of the world's most economically-productive corridors and slated to create 9,600 jobs across the country.

"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 Executive Director Jim Hartnett said in a statement.

However, it's not engineering contractors that need convincing of the project benefits; it's the Trump administration's newly appointed Secretary of Transportation Elaine Chao.

California Republicans who say Caltrain's electrification is too closely connected to the controversial high-speed rail project sent a letter to Chao Jan. 24 urging no further funding be allocated until an audit of the state's project is conducted.

Proponents for Caltrain electrification, including several dozen Bay Area representatives, contend the project has independent utility regardless of whether high-speed rail comes to fruition. They also note the grant is sought by Caltrain, not the High-Speed Rail Authority, which agreed to share the Peninsula tracks through a blended system.

Without providing a firm rationale, the FTA indicated it would delay the decision until the president releases his proposed budget, which he released a blueprint of Monday with more details expected in April.

But Trump is known for his unprecedented style. And, a recent suggestion to increase military defense spending \$54 billion while slashing other domestic programs, may not bode well even as the 45th president has expressed commitment to infrastructure improvements.

Still, Caltrain officials note they've spent years working with the FTA and that the project had been fully vetted.

"We're very optimistic that the [grant agreement] will be approved. The project was recommended for approval after thorough evaluation by FTA. It has met all statutory requirements. Every other project that has met those milestones has been approved for funding and we don't expect Caltrain electrification will be any different," Caltrain Chief Communications Officer Seamus Murphy said in an email.

The multi-billion dollar project is fueled by local, regional and state funds, but the \$647 million federal grant is imperative. Costs have already increased from \$1.5 billion a few years ago to nearly \$2 billion. After awarding contracts September 2016 to Balfour Beatty to electrify the tracks and Stradler U.S. to deliver new trains, Caltrain now has until June 30 to give a green light for construction or risk costs ballooning further.

"Our contractors have agreed to delay construction for the maximum amount of time possible," Hartnett said. "Delaying a decision on federal funding beyond June 30 will be the same as rejecting the grant."

Also, the longer it waits — assuming the FTA, Trump and Congress decide to approve the grant — the more Caltrain may have to pay for the extensions. The \$20 million it may spend would otherwise have been used to satisfy construction contingency costs, which Murphy said may need to be covered in the future.

Representatives with Stradler, which is slated to open an assembly plant in Utah due to its Caltrain deal, and Balfour expressed dedication to their work electrifying the Peninsula corridor.

The FTA Monday did not have an update since its Feb. 17 announcement.

Negative news for positive train control

The glimmer from this week's good news was welcomed after Caltrain announced Friday it terminated its contract with the firm responsible for implementing a new federally-mandated safety system designed to prevent collisions.

Parsons Transportation Group, responsible for designing and implementing Communication Based Overlay Signal System, filed a lawsuit against Caltrain Wednesday, Feb. 22, citing wrongful termination of its \$231 million contract.

Also known as Positive Train Control, or PTC, the system is designed to reduce the possibility of human error while allowing more trains to run faster and in closer proximity to one another.

PTC was mandated by the federal government following a 2008 Metrolink crash in Southern California that killed 25.

Parsons was hired in 2012 and initially expected to complete the project in 2015. But various deadlines were pushed back and, despite undergoing a third-party review, the project struggled. Although the equipment has been installed, there are interoperability challenges and the system is not functional, according to Caltrain.

PTC is also a crucial safety component for electrification and it wasn't immediately clear how much of the \$231 million cost has been spent. Parsons is seeking a range of unspecified damages and did not return a request for comment. Caltrain officials said they could not comment on pending litigation.

But in a press release Friday, Caltrain Chief Operating Officer Michelle Bouchard said the project is imperative to safety and reliability. She noted due to Parsons'

“continued failure to perform, combined with their potential to cause program delay, the decision to terminate was necessary to keep the program on schedule while also exercising cost control over its delivery.”

But Caltrain’s efforts to modernize the backbone of Silicon Valley’s transit system and operate electrified trains by 2020 may still depend on the federal grant that accounts for 32 percent of the project’s costs.

“We believe that the merits of this project in terms of job creation and enhancing economic productivity will carry the day,” Murphy said.

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