A project to convert Caltrain from diesel engines to an electric system is under threat after the Trump Administration put a hold on federal funding. Voice file photo

Caltrain has successfully negotiated an extension of the deadline for contractors to begin construction on a massive electrification project while awaiting a decision from the Federal Transit Administration on a $647 million grant, the transit agency announced Monday.

Transit officials said on Feb. 27 that contractors agreed to extend the deadline for four months, from March 1 to June 30, after the FTA decided to defer a final decision about the money until the Trump Administration developed its 2018 fiscal year budget.

Caltrain executive director Jim Hartnett said in a statement, "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."
The project to convert the commuter train system from diesel fuel to electric power has a price tag of $1.98 billion, with $1.3 billion already committed from local, state and regional sources, according to Caltrain spokesman Seamus Murphy.

The final $647 million was to be from the FTA's Core Capacity grant program and the project was already vetted and approved by the federal agency's staff after a two-year evaluation process.

According to agency officials, the extension will likely require the utilization of up to $20 million in project contingency funds.

The FTA's decision came on the heels of a letter critical of the funding sent to U.S. Transportation Secretary Elaine Chao by the 14 members of California's Republican caucus, including House Majority Leader Kevin McCarthy, R-Bakersfield.

The letter, sent Jan. 24, urged Chao to reconsider the grant on the basis that it is tied up with California's high-speed rail project, which the letter said ballooned in price from $33 billion to over $100 billion and is already the beneficiary of roughly $3.55 billion in federal funds.

The letter said providing any further federal money to the project would be "an irresponsible use of taxpayer dollars" until there is "a full and complete audit of the project and its finances can be conducted."

The Caltrain project would electrify the tracks between San Francisco and San Jose for commuter trains but it would also serve as the high-speed rail corridor along the Peninsula.

The FTA, however, gave no reason for its decision to defer a final decision on the $647 million grant.

Murphy said the Caltrain project would be the first project to ever lose funding after making it so far down the approval process.

On Feb. 3, House Democrats from California also sent a letter to Chao, but in support of the Caltrain grant.

Earlier this month, U.S. Congresswoman Jackie Speier issued a statement urging President Trump to intervene to save the funding.
"Caltrain is the backbone of the Silicon Valley transportation system and this decision to delay would threaten to break the backbone of this economy," Speier said. "To make America great again, the president should order that this grant be made and then join us to turn dirt as 9,600 good American jobs related to this project -- spread over 13 states -- are created."

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