

# Congress of the United States

Washington, DC 20515

February 3, 2017

The Honorable Elaine Chao, Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, S.E.  
Washington, D.C. 20590

Dear Secretary Chao,

Congratulations on your confirmation as the 18<sup>th</sup> Secretary of Transportation. As one of your first acts as Secretary, we urge you to approve a shovel-ready infrastructure project that will create jobs, fuel innovation, and foster continued economic growth in the heart of Silicon Valley.

On January 18, 2017, the Federal Transit Administration (FTA) completed its rigorous evaluation of the Peninsula Corridor Electrification Project (PCEP) and favorably forwarded the proposed grant agreement to Congress for a mandatory 30-day review. This project received a Medium-High rating after a thorough two year review by FTA staff to ensure sufficient local funding is in place, as well as a robust Risk and Contingency Management Plan.

A letter of January 24<sup>th</sup> from some Members of the House contains a material misstatement of fact related to the proposed FTA grant for PCEP. In this letter, otherwise devoted to the subject of the California High Speed Rail Authority (Authority), it is asserted that the Authority is seeking “\$650 million in grants from the federal government to electrify its line from San Jose to San Francisco for use by both transit and high-speed rail service.”

The grant, in fact, is being sought by the Caltrain Joint Powers Board (Caltrain) through the FTA’s Core Capacity Program and the benefits of the project are separate and independent from the Authority’s proposal. Rail service has operated on this corridor for over 150 years and for decades Caltrain has sought to electrify this line to replace aging diesel engines. The right of way is owned by Caltrain, not the Authority, and the PCEP will boost capacity on this critical commuter rail corridor regardless of whether High Speed Rail ever operates on the Peninsula. An FAQ explaining the differences between the two entities and projects is enclosed.

The PCEP is an excellent example of a project Congress intended to fund when it created the Core Capacity Program, which was designed to increase ridership capacity on existing transit corridors that are at, or exceeding, capacity. Caltrain’s daily ridership has more than doubled to over 65,000 over the last six years and rush-hour trips are now exceeding 100% of seated capacity. By 2040, this project will reduce travel times between San Jose and San Francisco by 15%, air pollution by 97%, and add 46,000 more daily riders (over 100,000 in total). Estimates are that 619,000 vehicle miles per day will be eliminated by 2040, and 80% of those would be during peak traffic hours.

President Trump recently spoke about infrastructure investment, stating that “We’ll fix our existing product before we build anything new. We will fix it first because we have a lot of things that are in bad shape.” We share the commitment of the Administration to upgrade infrastructure that is in disrepair. This project certainly satisfies that priority. The vast majority of

Caltrain's twenty-nine locomotives were manufactured in 1985 and thus are beyond their 30 year useful life. Over the course of time, mechanical delays are escalating. For example, two locomotives were recently out of service for two and three months each due to the turbochargers on the engines being destroyed by wear and tear. On average there are close to 1,000 minutes of delay per month related to mechanical failures on the system. By commuter rail standards this is extremely high.

The Caltrain Modernization Program will result in the creation of over 9,600 jobs, including over 1,300 located outside of California in places like Jacksonville, Florida; Richmond, Virginia; Hudson, Wisconsin; Littleton, Colorado and more. For example, in Salt Lake City alone, this project is the driving force behind plans to build an assembly plant that will create new employment opportunities to over 550 workers and will help establish a new domestic railcar assembly facility in the United States.

World leading companies such as Genentech, Oracle, Google, and Facebook are aligned on the Caltrain corridor. Each day, thousands of their employees use this transit system to go to work and help our country remain globally competitive. The corridor contributes 14% of the state of California's Gross Domestic Product and 20% of the state's tax revenue.

It is our understanding that in the nearly two decades since the current FFGA process was created, only one project has failed to receive a final signature from the Secretary after having received low ratings. Conversely, the PCEP project received a Medium-High rating after a lengthy review process.

The proposed grant agreement for Caltrain will complete its 30-day Congressional review period on February 18, 2017. We strongly urge you to approve this grant agreement immediately following the review period to prevent any further delays in this critically needed project. Without question the electrification of Caltrain is ready to go. Any delays beyond March 1<sup>st</sup> will kill it.

For all these reasons, we urge you to approve and sign the grant agreement.

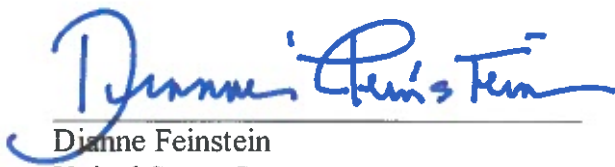
Most gratefully,



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Member of Congress



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United States Senator



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