

From: [Roland Lebrun](#)
To: [MTC Commission](#)
Cc: [SFCTA Board Secretary](#); [VTA Board Secretary](#); [Nila Gonzales](#); [Board \(@caltrain.com\)](#); [CHSRA Board](#); [SFCTA CAC](#); [cacsecretary \(@caltrain.com\)](#); [Caltrain_Bac \(@caltrain.com\)](#)
Subject: Caltrain EMU railcar procurement
Date: Wednesday, July 06, 2016 1:13:45 AM
Attachments: [Caltrain EMU railcar procurement.pdf](#)

Dear Honorable Chair Cortese and MTC Commissioners,

Further to my comments during the June Commission Meeting, the intent of the attached letter is to substantiate and elaborate on the concerns I expressed about the Caltrain Modernization (CalMod) project, specifically the cost and reduced capacity of the proposed Electric Multiple Unit (EMU) railcars (550-seat trains replacing 650-seat trains operating at 158% of capacity).

The letter concludes with the following recommendations:

- Launch an immediate investigation into the procurement process
- Suspend any funding pending the outcome of the investigation
- Reach out to the 5 manufacturers, who responded to the RFI and inquire as to the events that

led them not to respond to the RFP

- Invite Stadler to provide a comparative breakdown of recent Stadler KISS procurements
- Determine if the \$225M discrepancy is related to customization for High Speed Rail and revise

CHSRA's contribution to the funding package accordingly

- Initiate an independent Caltrain capacity analysis to inform on the next steps
- Consider appointing an interim entity responsible for Caltrain administration (per Section 6.B of the 1996 Peninsula Corridor Project Joint Powers Agreement)

http://www.caltrain.com/Assets/Public/JPA_Agreement_and_Amendment_10-03-1996.pdf

Respectfully submitted for your consideration

Sincerely,

Roland Lebrun

CC

SFCTA Board of Directors

VTA Board of Directors

Transbay Joint Powers Authority Board of Directors

Caltrain Board of Directors

High Speed Rail Authority Board of Directors
SFCTA CAC
Caltrain CAC
Caltrain BPAC

Roland Lebrun
ccss@msn.com
July 5 2016

Metropolitan Transportation Commission
375 Beale Street
San Francisco
CA 94105-2066

Dear Honorable Chair Cortese and MTC Commissioners,

Further to my comments during the June Commission Meeting, the intent of this letter is to substantiate and elaborate on the concerns I expressed about the Caltrain Modernization (CalMod) project, specifically the cost and reduced capacity of the proposed Electric Multiple Unit (EMU) railcars (**550-seat trains replacing 650-seat trains operating at 158% of capacity**).

This letter concludes with a recommendation that MTC and the FTA suspend all funding and initiate an independent investigation into the Caltrain EMU procurement process.

Background

March 2012

LTK Engineering (LTK) releases a document entitled "Caltrain/California HSR Blended Operations Analysis"

<http://www.caltrain.com/Assets/Caltrain+Modernization+Program/Documents/Final-Caltrain-California+HSR+Blended+Operations+Analysis.pdf>

Section 3.3 Rolling Stock on page 28 states "Caltrain is planning to use 8 car trains to **augment the seating capacity of an existing 5 car train**".

The document additionally states (page 38). "To ensure conservative simulation results, **all trains were simulated with a full seated load of 948 passengers** (for an 8-car EMU)".

March 6th 2014

The JPB awards a total of \$42.3M in contracts to LTK, including a \$33.2M EMU Vehicle Consultant Service contract.

<http://www.caltrain.com/Assets/Agendas+and+Minutes/JPB/Board+of+Directors/Agendas/2014/3-6-14+JPB+Agenda.pdf> (item #13).

It should be noted that LTK were the sole respondent to the RFP and **there is strong circumstantial evidence suggesting that LTK were responsible for drafting this RFP.**

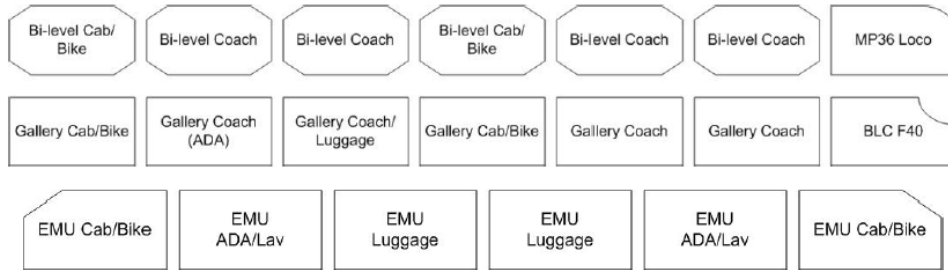
May 22 2014

Caltrain issues a Request for Information (RFI) to the EMU manufacturers

http://www.tillier.net/stuff/caltrain/EMU_RFI.pdf

Section 6.6 "EMUs must satisfy JPB's fleet management and operations service plan needs" shows a 6-car EMU configuration with capacity for 600 seats, 48 bikes and 2 ADA bathrooms.

Future Fleet (simplified - conceptual)



Parameter	Gallery Train	Bi-Level Train	EMU Train
Seated capacity	636	822	600
ADA compliance	4 cars per train	All cars	All cars
Bike capacity	80 per train	48 per train	48 per train minimum
Number in service	4 trains	6 trains	16 trains

May 20 2015

Board workshop presentation highlighting **650-seat trains operating at over 150% of capacity** during the peak summer season:

Standees: 2015 Maximum Loads

Northbound		
Depart SJ	Percent of Seated Capacity (low season)	Percent of Seated Capacity (high season)
7:03 AM	135%	158%
7:45 AM	128%	150%
8:03 AM	127%	149%
5:23 PM	122%	143%
6:57 AM	122%	142%
7:50 AM	117%	137%
6:45 AM	108%	126%
6:50 AM	106%	124%
4:39 PM	106%	124%
7:55 AM	103%	121%
8:40 AM	102%	119%
4:23 PM	96%	113%

6

August 2015


Caltrain releases a Request for Proposal (RFP) to the EMU manufacturers

<https://www.dropbox.com/sh/az34k161d28ah78/AACzwbjBH37v79hHRow8r2LZa?dl=0>

Volume 3 (Tech specs) APPENDIX A (page 468) states that seated capacity (AW1) is “assumed to be 550 passengers” (**100 seats less than trains operating at over 150% of capacity**).

May 5th 2016

Caltrain releases annual passenger counts showing **massive overcrowding on 762-seat bi-level and 650-seat Gallery trains**. It should be noted that Caltrain annual passenger counts are (inexplicably) collected during the low season (February).



2016 Top 10 Trains: Maximum Load

Northbound				
Train No.	Depart SJ	Max Load	Train Seating Capacity	Percent of Seated Capacity
319	7:03 AM	951	762	125%
323	7:45 AM	950	762	125%
329	8:03 AM	882	762	116%
375	5:23 PM	841	762	110%
217	6:57 AM	818	650	126%
225	7:50 AM	764	762	100%
269	4:39 PM	756	762	99%
313	6:45 AM	747	762	98%
233	8:40 AM	722	650	111%
215	6:50 AM	719	650	111%

13

July 1st 2016

Caltrain announces that the only responder to the EMU RFP is Stadler Rail and that it intends to proceed with a \$551M procurement of 16 6-car KISS EMUs with 550 seats (**before removing approximately 100 seats to allow access to another set of doors**).

Issues

1) Capacity

This EMU procurement cannot possibility meet Caltrain's present let alone future capacity requirements (450 seats/train vs. 948 modeled back in March 2012).

2) Costs

This procurement is approximately \$225M (70%) above similar procurements in Europe

Client	Manufacturer/model	Year	Contract (\$M)	#units	Unit cost	Reference
SNCF Lux	Stadler KISS	2010	\$84	24	3.49	http://www.railway-technology.com/ne
Deutsche Bahn	Bombardier Twindexx	2011	\$483	137	3.53	http://www.railway-technology.com/pr
Deutsche Bahn	Bombardier Twindexx	2012	\$210	64	3.28	http://www.railway-technology.com/pr
STIF & SNCF	Bombardier Omneo	2015	\$442	168	2.63	http://www.railway-technology.com/ne
AeroExpress	Stadler KISS	2016	\$205	62	3.31	http://www.railway-technology.com/ne
SNCF	Bombardier Omneo	2016	\$38	16	2.38	http://www.railway-technology.com/ne
Caltrain	Stadler KISS	2016	\$551	96	5.74	http://www.caltrain.com/Assets/___Ag

3) Non-competitive bidding (Stadler was the only responsive bid).

This is identical to what happened at SMART and eBART.

Recommendations

- Launch an immediate investigation into the procurement process
 - Suspend any funding pending the outcome of the investigation
 - Reach out to the 5 manufacturers, who responded to the RFI and inquire as to the events that led them not to respond to the RFP
 - Invite Stadler to provide a comparative breakdown of recent Stadler KISS procurements
 - Determine if the \$225M discrepancy is related to customization for High Speed Rail and revise CHSRA's contribution to the funding package accordingly
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Subject: MTC June 8th Programming and Allocations Committee Item 3.4
Date: Monday, June 06, 2016 2:19:51 PM
Attachments: [MTC June 8 Programming & Allocations Agenda item 3.a.pdf](#)

Dear Chair Wiener and Members of the Programming and Allocations Committee,

Please find attached my comments on item 3.a Peninsula Corridor Electrification Project 7-party MOU.

Thank you in advance for your consideration of the issues.

Sincerely,

Roland Lebrun

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VTA Board of Directors
SFCTA Board of Directors
Caltrain Board of Directors
TJPA Board of Directors
High Speed Rail Authority Board of Directors
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TJPA CAC

Roland Lebrun
ccss@msn.com
 June 6th 2016

MTC June 8th Programming and Allocations Committee
 Agenda Item 3a
 Peninsula Corridor Electrification Project (PCEP) MOU and Funding Plan

Dear Honorable Chair Wiener and Members of the Programming and Allocations Committee

Further to my letter of May 31 (appended below) I concur with MTC staff's concerns with the uncertainty of FTA Core Capacity and Cap and Trade funds but I also believe that it would be irresponsible to assume that the proposed allocation of \$87,230,000 in Prop1A bonds in FY16-17 (MTC resolution No. 4243 attachment D) is likely to survive the inevitable legal challenge (item 2.2 on page 3 of the May 31st letter).

MTC Resolution No. 4243 Attachment D

**REGIONAL MEASURE 2 PROGRAM
 Project Cash Flow Plan**

Project Title: Caltrain Electrification
 Sponsor: Caltrain
 RM2 Project Number: 40

RM2 Project No. 40	PRIOR	FY 2014-15	FY 2015-16	FY 2016-17	FUTURE	TOTAL
RM2 Funds Total	-	-	-	20,000,000	-	20,000,000
PA/ED	82,320,000	5,230,000		0	0	87,550,000
Prop 1B	8,000,000	5,230,000				13,230,000
JPB Members	58,640,000					58,640,000
FTA Formula	15,680,000					15,680,000
Final Design (PS&E)	0	0	0	0	0	0
Right of Way	0	0	0	0	0	0
Construction	0	0	0	396,680,000	1,496,022,000	1,892,702,000
RM2				20,000,000		20,000,000
RM1				19,400,000		19,400,000
Prop 1A				87,230,000	512,770,000	600,000,000
FTA Core Capacity				172,000,000	475,000,000	647,000,000
Carl Moyer				4,000,000	16,000,000	20,000,000
JPB Members				52,170,000	91,362,000	143,532,000
FTA Formula				11,650,000	298,120,000	309,770,000
HSR/Non Prop 1A				30,230,000	82,770,000	113,000,000
TIRCP					20,000,000	20,000,000
TOTAL FUNDING						
Environmental	82,320,000	5,230,000	0	0	0	87,550,000
Final Design (PS&E)	0	0	0	0	0	0
Right of Way	0	0	0	0	0	0
Construction	0	0	0	396,680,000	1,496,022,000	1,892,702,000
PROJECT TOTAL	82,320,000	5,230,000		396,680,000	1,496,022,000	1,980,252,000

Issues highlighted in the May 31st letter to the VTA Governance & Audit Committee:

- The PCEP terminates at 4th & King instead of Transbay (Streets & Highways Codes Section 2704.04 (b) (2)).
- 79 MPH speed limit makes it impossible to achieve a travel time of 30 minutes or less between Diridon and Transbay (Streets & Highways Codes Section 2704.09 (b) (3)).
- The PCEP does not support 12 trains/hour (Streets & Highways Codes Section 2704.09 (c))

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=shc&group=02001-03000&file=2704.04-2704.095>

<http://www.thehamiltonreport.com/downloads/TOS-RULING-KENNY-3-4-2016.PDF> pp 14-15

Last but not least, **the staff memo does not give any consideration or recommendation with regards to the lack of justification for Caltrain's exorbitant electrifications costs or what if any capacity this \$2.2B project would add to the existing system.**

- \$22.5M electrifications costs/mile (5-10 times higher than Boston to New Haven)
- \$8.5M cost/vehicle (2-3 times higher than similar vehicles in Europe)

Recommendation

MTC should seek guidance from an independent entity with a proven track record of delivering cost-effective commuter railway capacity enhancements.

Sincerely,

Roland Lebrun

PS. The first paragraph on page 3 is incorrect. The correct amount for the FTA funds committed by MTC for the EMUs in the original Nine-Party MOU funding plan is \$440M, not \$315M.

CC:

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SFCTA Board of Directors
Caltrain Board of Directors
TJPA Board of Directors
High Speed Rail Authority Board of Directors
SFCTA CAC
Caltrain CAC
Caltrain BPAC
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Dear Honorable Chair Chavez and members of the VTA Board of Directors,

The intent of this letter is to alert the VTA & SFCTA Boards and the Metropolitan Transportation Commission to potential budget and funding issues with the Peninsula Corridor Electrification Program (PCPEP) as well as significant conflicts with major capital projects including BART and High Speed Rail.

1 Budget Issues

The PCEP consists of three components:

Budget was revised in 2016

- ▶ **New Budget of \$2.221 billion**
 - Results of 2014 cost estimate study
 - Bids received for both Electrification and Vehicles contracts

Early Investment Program Costs (in \$ millions)	2012 MOU	2016 MOU
CBOSS/Positive Train Control	\$231	\$231
Electrification	\$785	\$1,253
Vehicles - Electric Multiple Units	\$440	\$727
TOTAL	\$1,456	\$2,211



1.1 Communications-Based Overlay Signaling System (CBOSS) \$231M.

Caltrain’s latest Quarterly Capital Project Report shows that this system is currently:

- **\$14.3M over budget** (as of March 31 2016)
- **Over 3 years behind schedule** (FRA safety certification rescheduled from September 2015 to December 2018)

[http://www.caltrain.com/Assets/ Finance/Quarterly+Capital+Program+Status+Report/JPB/FY16+Q3+JPB+Quarterly+Report.pdf](http://www.caltrain.com/Assets/Finance/Quarterly+Capital+Program+Status+Report/JPB/FY16+Q3+JPB+Quarterly+Report.pdf) pages 10-11

1.2 Electrification of 51 route miles \$1,253M (**\$24.5M/route mile**)

It is unclear why electrifying Caltrain between San Jose and San Francisco should cost 5-10 times as much as electrification between Boston and New Haven:

*“Cost to design and install high speed rail electrification system from Boston, MA to New Haven, CT (primarily two track mainline railroad) was approximately **\$2 million per mile** (contract cost) but nearly **\$4 million per mile** (according to the federal auditor’s review)”*
<http://www.reconnectingamerica.org/assets/Uploads/bestpractice101.pdf> (page 4: average costs).

1.3 Procurement of 96 vehicles – Electric Multiple Units (EMUs) \$821.1M (**\$8.5M/vehicle**)

There is a \$94.1M discrepancy between the May 25 presentation to the SFCTA CAC and the FY17 Capital Budget which will be presented to the Caltrain Board on June 2nd.

- The cost of electrification dropped by \$93.5M (\$1,253M - \$1,159.5M)
- **The cost of the 96 EMUs increased by \$94.1M (\$821.1M - \$727M)**

ii. CALTRAIN MODERNIZATION						
18	Electrification	12 - 13	Raja Viswanathan	1,159,500,000	99,142,587	139,512,533
19	EMU Procurement	12 - 15	Raja Viswanathan	821,100,000	44,828,000	67,684,548
				207,197,081		

- **The average cost of Caltrain EMU railcars is nearly triple that of recent contract awards (\$3.0M/railcar vs. \$8.5M for Caltrain).**

Client	Manufacturer/Model	Year	Contract (\$M)	#units	Unit cost	
SNCF Lux	Stadler KISS	2010	\$84	24	3.49	http://www.railway-t
Deutsche Bahn	Bombardier Twindexx	2011	\$483	137	3.53	http://www.railway-t
Deutsche Bahn	Bombardier Twindexx	2012	\$210	64	3.28	http://www.railway-t
STIF & SNCF	Bombardier Omneo	2015	\$442	168	2.63	http://www.railway-technol
AeroExpress	Stadler KISS	2016	\$205	62	3.31	http://www.railway-technol
SNCF	Bombardier Omneo	2016	\$38	16	2.38	http://www.railway-technology.co
Caltrain	???	2016	\$821	96	8.55	

2 Funding Issues

Supplemental MOU Funding Plan

Program Funding by Source (<i>in \$ millions</i>)	2012 MOU	2016 MOU
PCJPB Member Agency Contributions	\$180	\$240.0
JPB Local (San Mateo County Transportation Authority)	\$11.0	\$20.0
Caltrain PTC	\$4.0	\$4.0
<i>Subtotal Local</i>	<i>\$195.0</i>	<i>\$264.0</i>
Prop 1A Connectivity	\$106.0	\$106.0
Prop 1A High Speed Rail Authority	\$600.0	\$600.0
CHSRA Cap & Trade/Other		\$113.0
Cap & Trade TIRCP		\$20.0
Prop 1B Caltrain	\$24.0	\$24.0
<i>Subtotal State</i>	<i>\$730.0</i>	<i>\$863.0</i>
Federal Rail Administration (FRA)	\$17.0	\$17.0
FTA/FHWA prior/current obligations	\$45.8	\$45.8
FTA future obligations	\$440.0	\$315.0
FTA Core Capacity		\$647.0
<i>Subtotal Federal</i>	<i>\$502.8</i>	<i>\$1,024.8</i>
MTC Bridge Tolls	\$11.0	\$39.4
BAAQMD Carl Moyer*	\$20.0	\$20.0
<i>Subtotal Regional</i>	<i>\$31.0</i>	<i>\$59.4</i>
TOTAL	\$1,458.8	\$2,211.2



2.1 PCJPB Member Agency Contributions \$240M

These contributions can be eliminated by bringing electrification and EMU procurement in line with more realistic cost estimates (total savings in excess of \$1B)

2.2 Prop 1A High Speed Rail Authority \$600M

The PCEP as envisaged by Caltrain does not qualify for Prop 1A Bonds

- The PCEP terminates at 4th & King instead of Transbay (Streets & Highways Codes Section 2704.04 (b) (2)).
- 79 MPH speed limit makes it impossible to achieve a travel time of 30 minutes or less between Diridon and Transbay (Streets & Highways Codes Section 2704.09 (b) (3)).
- The PCEP does not support 12 trains/hour (Streets & Highways Codes Section 2704.09 (c)) (<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=shc&group=02001-03000&file=2704.04-2704.095>).

2.3 CHSRA Cap & Trade/Other \$113M

Risk: Cap & Trade revenues are “uncertain” at best and could be declared illegal by the Courts.

2.4 FTA Future obligations \$440M

This is currently the only guaranteed source of funding for the EMUs. SamTrans plans to “borrow” \$125M of this funding on the assumption that they can “make good” if/when they succeed in securing a \$647M FTA Core Capacity grant in the fall.

Q1: What is the backup plan if the grant does not come through?

Q2: Why is Caltrain “borrowing” \$125M for SOGR when there is less than \$25M SOGR in the FY17 Capital Budget?

i. SOGR						
Right of Way / Signal & Communications						
1	Grade Crossing SOGR - Design - FY17	13	Robert Tam	380,000	0	76,000
2	Grade Crossing SOGR - Phase II - FY16	13, 16	Robert Tam	2,499,000	360,000	669,466
3	Los Gatos Creek Bridge Replacement	14, 15, 16	Parand Maleki	33,847,800	23,302,000	7,295,800
4	Marin St. Bridge Rehabilitation and Napoleon St. Bridge Replacement	13 - 16	Bin Zhang	3,000,000	1,364,000	1,000,000
5	Track SOGR - FY17	16	Pedro Gutierrez	9,663,000	0	3,000,000
6	PA Upgrades	13 - 16	Robert Tam	1,073,000	0	488,000
7	Railroad Communication System SOGR - FY17	13	Uhila Makoni	1,075,000	0	442,000
8	Signal Rehab - FY17	16	Hubert Chan	1,210,000	0	900,000
						13,871,266
Rolling Stock						
9	F-40 Mid Life Overhaul	16	David Bennett	6,300,000	4,000,000	2,300,000
10	Bombardier Technical Spec. Mid Life Overhaul	11	David Bennett	183,642	0	183,642
11	Gallery Spec Mid Life Overhaul	12	David Bennett	183,642	0	183,642
12	F-40 SEP-HEP Replacement - FY17	16	David Bennett	2,745,000	223,865	2,130,000
13	F-40 Locomotive SOGR project - FY17	16	David Bennett	1,254,199	0	1,254,199
14	Main Engine Rebuild (F40 Inframe Overhaul)	16	David Bennett	1,350,000	0	945,592
						6,997,075
Station & Intermodal Access						
15	Station Enhancements and Renovations	13 - 19	Rob Scorpino	780,000	0	600,000
16	Sunnyvale Station Platform Rehabilitation	16	Rob Scorpino	1,300,000	650,000	550,000
17	Systemwide SOGR Stations - FY17	13 - 19	Rob Scorpino	950,000	0	300,000
						1,450,000

3 Conflicts with major Capital Projects

It is unclear how Caltrain proposes to operate an electrified system during construction of the following projects:

- Caltrain Downtown Extension (DTX) to Transbay
- Reconstruction of Diridon station throats and platforms, including BART interface
- South San Francisco station expansion (4 tracks)
- Bayshore station relocation (6 tracks)
- Hillsdale station expansion (4 tracks)
- High Speed Rail track realignments (smoother curves, 80 MPH turnouts)
- High Speed Rail capacity improvements (passing tracks)

Recommendation

Delay Caltrain electrification until all capital projects affecting the right of way have been completed

Sincerely,

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Subject: VTA June 2nd Governance and Audit Committee Meeting
Date: Wednesday, June 01, 2016 5:12:27 AM
Attachments: [VTA Governance & Audit June 2 Item 5 Caltrain MOU.pdf](#)

Dear Honorable Chair Chavez and members of the VTA Board of Directors,

Please find attached a letter highlighting the following concerns about the Peninsula Corridor Electrification Program 7-Party MOU:

Caltrain electrification costs are 5-10 times higher than Boston to New Haven. Electric rolling stock procurement is 2-3 times more expensive than similar contracts in Europe.

Project does not qualify for Prop 1A bonds.

Project conflicts with multiple large capital projects including BART to Silicon Valley and High Speed Rail.

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- **The average cost of Caltrain EMU railcars is nearly triple that of recent contract awards (\$3.0M/railcar vs. \$8.5M for Caltrain).**

Client	Manufacturer/Model	Year	Contract (\$M)	#units	Unit cost	
SNCF Lux	Stadler KISS	2010	\$84	24	3.49	http://www.railway-t
Deutsche Bahn	Bombardier Twindexx	2011	\$483	137	3.53	http://www.railway-t
Deutsche Bahn	Bombardier Twindexx	2012	\$210	64	3.28	http://www.railway-t
STIF & SNCF	Bombardier Omneo	2015	\$442	168	2.63	http://www.railway-technol
AeroExpress	Stadler KISS	2016	\$205	62	3.31	http://www.railway-technol
SNCF	Bombardier Omneo	2016	\$38	16	2.38	http://www.railway-technology.co
Caltrain	???	2016	\$821	96	8.55	

2 Funding Issues

Supplemental MOU Funding Plan

Program Funding by Source (<i>in \$ millions</i>)	2012 MOU	2016 MOU
PCJPB Member Agency Contributions	\$180	\$240.0
JPB Local (San Mateo County Transportation Authority)	\$11.0	\$20.0
Caltrain PTC	\$4.0	\$4.0
<i>Subtotal Local</i>	<i>\$195.0</i>	<i>\$264.0</i>
Prop 1A Connectivity	\$106.0	\$106.0
Prop 1A High Speed Rail Authority	\$600.0	\$600.0
CHSRA Cap & Trade/Other		\$113.0
Cap & Trade TIRCP		\$20.0
Prop 1B Caltrain	\$24.0	\$24.0
<i>Subtotal State</i>	<i>\$730.0</i>	<i>\$863.0</i>
Federal Rail Administration (FRA)	\$17.0	\$17.0
FTA/FHWA prior/current obligations	\$45.8	\$45.8
FTA future obligations	\$440.0	\$315.0
FTA Core Capacity		\$647.0
<i>Subtotal Federal</i>	<i>\$502.8</i>	<i>\$1,024.8</i>
MTC Bridge Tolls	\$11.0	\$39.4
BAAQMD Carl Moyer*	\$20.0	\$20.0
<i>Subtotal Regional</i>	<i>\$31.0</i>	<i>\$59.4</i>
TOTAL	\$1,458.8	\$2,211.2



2.1 PCJPB Member Agency Contributions \$240M

These contributions can be eliminated by bringing electrification and EMU procurement in line with more realistic cost estimates (total savings in excess of \$1B)

2.2 Prop 1A High Speed Rail Authority \$600M

The PCEP as envisaged by Caltrain does not qualify for Prop 1A Bonds

- The PCEP terminates at 4th & King instead of Transbay (Streets & Highways Codes Section 2704.04 (b) (2)).
- 79 MPH speed limit makes it impossible to achieve a travel time of 30 minutes or less between Diridon and Transbay (Streets & Highways Codes Section 2704.09 (b) (3)).
- The PCEP does not support 12 trains/hour (Streets & Highways Codes Section 2704.09 (c)) (<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=shc&group=02001-03000&file=2704.04-2704.095>).

2.3 CHSRA Cap & Trade/Other \$113M

Risk: Cap & Trade revenues are “uncertain” at best and could be declared illegal by the Courts.

2.4 FTA Future obligations \$440M

This is currently the only guaranteed source of funding for the EMUs. SamTrans plans to “borrow” \$125M of this funding on the assumption that they can “make good” if/when they succeed in securing a \$647M FTA Core Capacity grant in the fall.

Q1: What is the backup plan if the grant does not come through?

Q2: Why is Caltrain “borrowing” \$125M for SOGR when there is less than \$25M SOGR in the FY17 Capital Budget?

i. SOGR						
Right of Way / Signal & Communications						
1	Grade Crossing SOGR - Design - FY17	13	Robert Tam	380,000	0	76,000
2	Grade Crossing SOGR - Phase II - FY16	13, 16	Robert Tam	2,499,000	360,000	669,466
3	Los Gatos Creek Bridge Replacement	14, 15, 16	Parand Maleki	33,847,800	23,302,000	7,295,800
4	Marin St. Bridge Rehabilitation and Napoleon St. Bridge Replacement	13 - 16	Bin Zhang	3,000,000	1,364,000	1,000,000
5	Track SOGR - FY17	16	Pedro Gutierrez	9,663,000	0	3,000,000
6	PA Upgrades	13 - 16	Robert Tam	1,073,000	0	488,000
7	Railroad Communication System SOGR - FY17	13	Uhila Makoni	1,075,000	0	442,000
8	Signal Rehab - FY17	16	Hubert Chan	1,210,000	0	900,000
						13,871,266
Rolling Stock						
9	F-40 Mid Life Overhaul	16	David Bennett	6,300,000	4,000,000	2,300,000
10	Bombardier Technical Spec. Mid Life Overhaul	11	David Bennett	183,642	0	183,642
11	Gallery Spec Mid Life Overhaul	12	David Bennett	183,642	0	183,642
12	F-40 SEP-HEP Replacement - FY17	16	David Bennett	2,745,000	223,865	2,130,000
13	F-40 Locomotive SOGR project - FY17	16	David Bennett	1,254,199	0	1,254,199
14	Main Engine Rebuild (F40 Inframe Overhaul)	16	David Bennett	1,350,000	0	945,592
						6,997,075
Station & Intermodal Access						
15	Station Enhancements and Renovations	13 - 19	Rob Scorpino	780,000	0	600,000
16	Sunnyvale Station Platform Rehabilitation	16	Rob Scorpino	1,300,000	650,000	550,000
17	Systemwide SOGR Stations - FY17	13 - 19	Rob Scorpino	950,000	0	300,000
						1,450,000

3 Conflicts with major Capital Projects

It is unclear how Caltrain proposes to operate an electrified system during construction of the following projects:

- Caltrain Downtown Extension (DTX) to Transbay
- Reconstruction of Diridon station throats and platforms, including BART interface
- South San Francisco station expansion (4 tracks)
- Bayshore station relocation (6 tracks)
- Hillsdale station expansion (4 tracks)
- High Speed Rail track realignments (smoother curves, 80 MPH turnouts)
- High Speed Rail capacity improvements (passing tracks)

Recommendation

Delay Caltrain electrification until all capital projects affecting the right of way have been completed

Sincerely,

Roland Lebrun

CC

VTA Board of Directors

SFCTA Board of Directors

MTC Commissioners

Caltrain Board of Directors

TJPA Board of Directors

High Speed Rail Authority Board of Directors

SFCTA CAC

Caltrain CAC

Caltrain BPAC

TJPA CAC

From: [Roland Lebrun](#)
To: [Board \(@caltrain.com\)](#)
Cc: [VTA Board Secretary](#); [SFCTA Board Secretary](#); [MTC Commission](#); [SFCTA CAC](#); [cacsecretary \(@caltrain.com\)](#); [Caltrain, Bac \(@caltrain.com\)](#)
Subject: Caltrain FY17 operating budget
Date: Sunday, May 22, 2016 11:49:09 PM
Attachments: [FY2017 Operating budget comments.pdf](#)

Dear Honorable Chair Woodward and Members of the Caltrain Board of Directors,

Please find attached my comments on the FY17 operating budget

Sincerely,

Roland Lebrun.

Roland Lebrun
ccss@msn.com
May 16th 2016

Caltrain FY17 operating budget

Dear Honorable Chair Woodward and Members of the Caltrain Board of Directors,

The intent of this letter is to elaborate on the comments I made during public comment on item #11 (FY17 Caltrain operating budget) at the May 5 Board meeting, specifically:

- **Unbalanced budget (operating revenues exceed operating expenses by \$1.28M)**
- **\$23.4M administrative expenses (15.1% increase over FY16)**
- Misrepresentation of administrative expenses as a percentage (**16%**) of overall budget
- \$0.5M San Mateo net contribution to JPB operating expenses
- Fuel costs inflated by 50% + **\$2M**
- **No budget for increased capacity**

Unbalanced budget (operating revenues exceed operating expenses by \$1.28M)

http://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/Board+of+Directors/Agendas/2016/2016-05-05+JPB+BOD+Agenda+Packet.pdf item #11 Page 3 of 5 Fiscal Year 2017 Expense Projections “Grand Total Expense for FY2017 is projected to be \$146.4 million”.

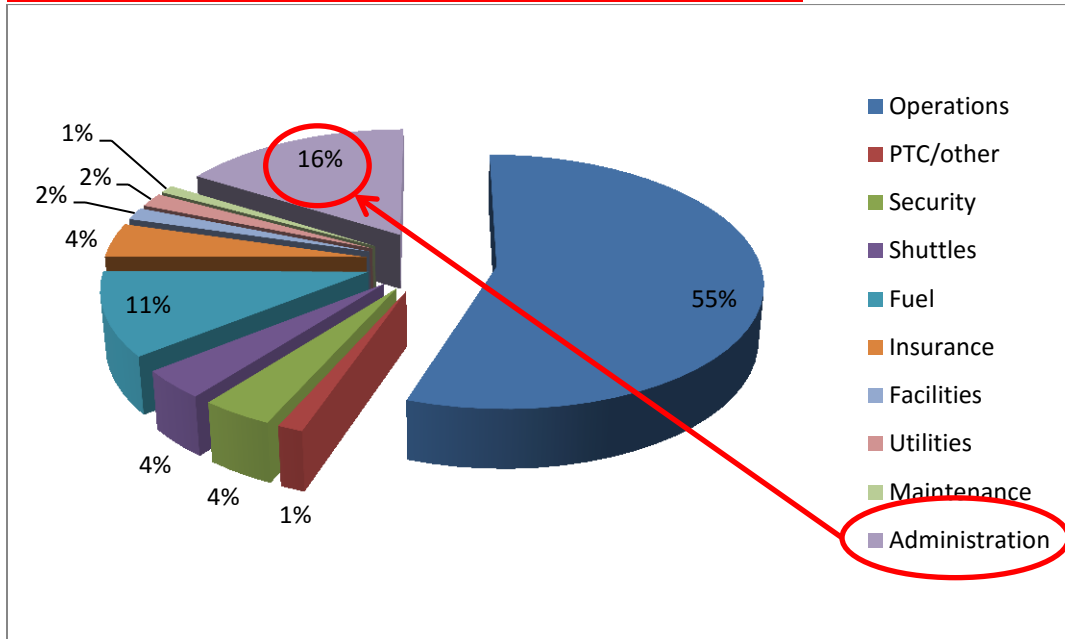
The actual expenses listed in the staff memo add up to \$145.12M (\$121.7M Operating + \$23.4 Administration) leaving a discrepancy of \$1.28M

Operations	\$80.20	55%
PTC/other	\$2.00	1%
Security	\$5.60	4%
Shuttles	\$5.40	4%
Fuel	\$15.60	11%
Insurance	\$6.30	4%
Facilities	\$2.30	2%
Utilities	\$2.60	2%
Maintenance	\$1.50	1%
Administration	\$23.40	16%
Timetables	\$0.22	0%
Total	\$145.12	100%
FY17 Budget	\$146.40	
Discrepancy	\$1.28	

Recommendation

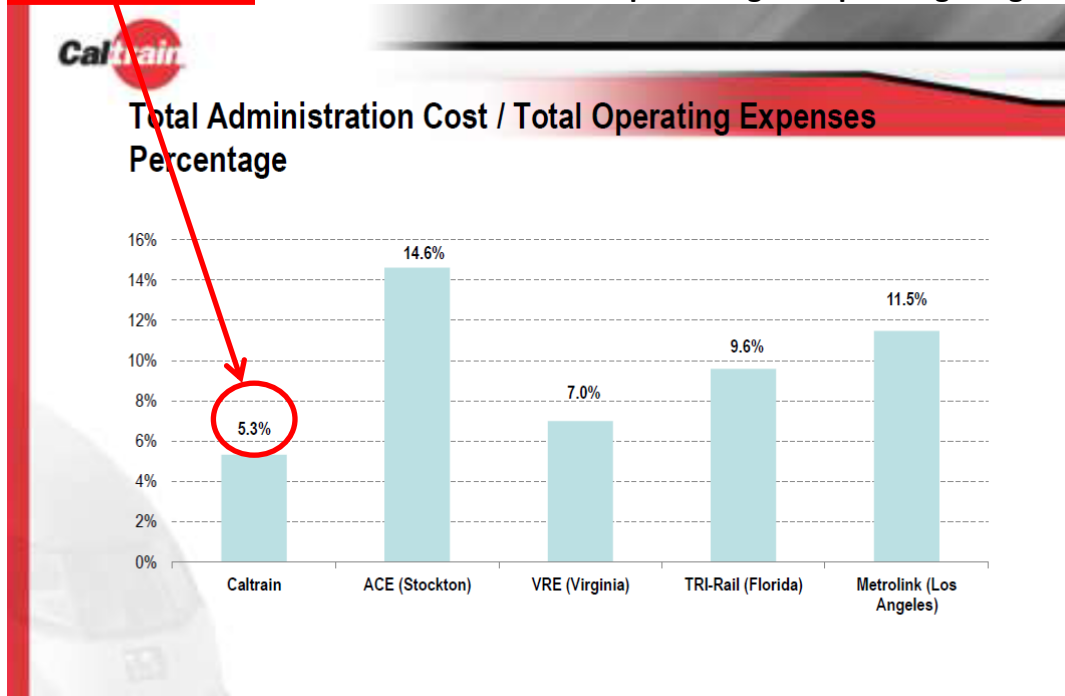
Resolve discrepancy by drawing \$1.28M less from reserves (\$17.4M instead of \$18.7M).

\$23.4M administrative expenses (15.1% increase over FY16)



- **Wages and benefits: \$8.8M (15.7% increase) (\$1M above FY17 SRTP projection)**
- **Managing Agency Administrative Overhead: \$6.0M (5% increase)**
- Professional Services: \$5.7M (**25.9% increase**) (**\$1M above FY17 SRTP projection**)
- Communications and Marketing \$0.2M (68% increase)
- Other Expenses: \$2.5M (13.7% increase)

Misrepresentation of administrative costs as a percentage of operating budget



\$0.5M San Mateo net contribution after \$6M Managing Agency Administrative Overhead

“JPB Member Agency contributions are projected to be \$21.0 million” (including \$6.5M from San Mateo) resulting in a net San Mateo contribution of 0.5M after accounting for the \$6M SamTrans Managing Agency Administrative Overhead.

Fuel Costs inflated by 50% + \$2M

The staff memo states (page 4): “Fuel costs are projected to be \$15.6 million in FY2017, a decrease of \$2.9 million or 15.8 percent. The decrease is primarily due to lower budgeted **per gallon costs (\$2.95 versus \$3.4 per gallon budgeted for FY2016)**, as well as slightly lower consumption in FY2017 compared to FY2016 (**4.64 million** versus 4.67 million gallons). **In FY2017, the JPB is not entering in a fuel hedging program, instead planning to self-hedge by budgeting at a slightly higher fuel price**”.

Given that 4.64 million gallons @ \$2.95/gallon = \$13.688M and that SamTrans propose to self-edge **by budgeting fuel at a 50% premium (\$2.95/gallon vs. less than \$2.00 in FY16)**, **the \$15.6M Fuel budget is artificially inflated by approximately \$2M** (\$15.6M - \$13.688M)

The most likely reason for the 30,000 gallon (4.67M – 4.64M) reduction in fuel consumption (30,000 gallons) is increased usage of wayside power when trains are idling in San Jose and San Francisco in which case it becomes questionable how Caltrain could only manage a 30,000 gallons/year saving when Capitol Corridor saves 100,000 gallons/year (**3 times as much as Caltrain**) given that Caltrain runs 3 times as many trains as Capitol Corridor (92 weekday Caltrains vs. 30 Capitol Corridors).

Recommendations

- 1) **Increase capacity via net-positive cashflow additional service** (hourly off-peak baby bullets).
- 2) Consider engaging the private sector to deliver item 1).
- 3) **Eliminate SamTrans Managing Agency Administrative Overheads by appointing another entity responsible for Caltrain Administration.** This would reduce operating expenses by approximately \$17M and eliminate annual drawdown on reserves and the need for a permanent funding source.

Sincerely,

Roland Lebrun

CC

SFCTA Board of Directors

VTA Board of Directors

Metropolitan Transportation Commission

SFCTA CAC

Caltrain CAC

Caltrain BPAC