



December 5, 2022

Toks Omishakin, Secretary
California State Transportation Agency
400 Capitol Mall, Suite 2340
Sacramento, CA 95814

Re: Support for Caltrain's application to the Transit and Intercity Rail Capital Program Existing Projects Reserve

Dear Secretary Omishakin:

As Caltrain Electrification Project local funding partners from San Francisco, San Mateo and Santa Clara Counties, we are writing to express our strong support for Caltrain's \$410M application to the Cycle 6 Transit and Intercity Rail Capital Program (TIRCP) Existing Projects Reserve to complete the Caltrain Electrification Project. It is critical that Caltrain receive these resources to ensure this once in a generation project is completed by fall 2024, address the immediate cash flow needs and create a more sustainable future for Caltrain and the communities it serves.

The Caltrain Electrification Project (Project) is at the forefront of commuter rail innovation, transitioning from a legacy diesel rail line to a cutting edge, electrified line that mitigates climate impacts while creating thousands of jobs. The project has been in construction since 2017 and will modernize a nearly 160-year-old diesel commuter rail line by increasing capacity and improving performance and safety while providing cleaner and more sustainable service. Spanning 51 miles between San Francisco and San Jose, this project will replace 75 percent of Caltrain's 30-year-old diesel fleet with high-performance electric trains. Caltrain will become California's first electrified commuter rail system and North America's first commuter rail system in 30 years to transition its trains and infrastructure from diesel to an electrified system. The local, regional, and state level benefits of this endeavor, some of which are listed below, are significant.

Construction Nearly Complete

The Caltrain Electrification Project began construction in 2017 and continued throughout the COVID-19 pandemic. Caltrain has made significant progress: all 3,000 foundations of the overhead contact system (OCS) have been installed into the challenging 160-year-old right-of-way and the OCS traction power facilities are in place and energized in the southern corridor. Four of the new electric trains have already been delivered to the corridor and started testing. Caltrain is well on the way to providing electrified service in less than two years if additional resources are secured.

Fighting Climate Change

Single-occupancy vehicles are one of the most significant contributors to greenhouse gas emissions (GHG) in California. Caltrain Electrification and the future service vision expansion will deliver tremendous environmental benefits to the region by replacing a 30-year-old, polluting diesel fleet and expanding capacity to carry more riders and remove vehicles from the road.

Once the Caltrain corridor achieves zero-emissions and adds additional train service (as articulated in the Caltrain Service Vision), it will carry the equivalent of 5.5 lanes of U.S. Highway 101, eliminating nearly a million vehicle miles from Bay Area roads. Electrification will directly improve air quality along and reduce significant greenhouse gas emissions every day.

Equity

Caltrain Electrification will enhance access and benefit equity priority communities and as well as help Caltrain serve a more diverse group of riders, including people with lower incomes and members of racial and ethnic minority groups. The new electric train trains will significantly decrease emissions and noise pollution in the equity priority communities along the corridor. The Electrification Program will help Caltrain continue to expand midday and off-peak service levels to better serve essential workers, improve access for equity priority communities, and attract customers who need the system for non-work trips or whose work schedules do not conform to historic peak commute hours.

Job Creation and Economic Growth

The project has created thousands of jobs in California and contributed to job creation in 36 states across the county. With additional resources, over 30,000 direct and indirect jobs will be sustained and created over the next two years. The project is Buy America compliant and supports numerous manufacturing industries.

In addition to supporting manufacturing jobs, the Caltrain Electrification Project is a vital contributor to the continued economic growth and quality of life for Silicon Valley and the greater San Francisco Bay Area. Caltrain serves some of the world's most innovative and fastest-growing companies who contribute economic strength to the state and national economies, and more frequent, reliable Caltrain service to the communities in which these companies are located will enable them to help drive the economy of our state, not to mention the nation.

California High Speed Rail

The Caltrain Electrification Project's success will shape the future of rail in the region, state and nation. The core of California High-Speed Rail Authority's (CHSRA) northern section will run from San Francisco to San Jose and will depend on a fully electrified Caltrain operations. In the future, CHSRA will operate on Caltrain's tracks and use the new 24KV Overhead Contact System (OCS) being installed for the

Caltrain Electrification project. Essentially, the Caltrain corridor will be the first electrified section of the statewide California High-Speed Rail project.

Ridership and Community

The new high-performance trains will offer a better experience for riders and the community. They will generate less noise than their diesel equivalent, making the trip more enjoyable both for riders and residents that live near Caltrain tracks. The project will also provide greater efficiency and improved operating performance that will help Caltrain expand and sustain better service. An electrified, cleaner system provides a better economic environment for more transit-oriented development. The new vehicles also offer enhanced amenities, including new digital onboard displays, power outlets at each seat, energy-efficient lighting, coat hooks, security cameras, expanded storage and ADA restrooms with baby changing tables.

Fiscal Benefit

The COVID-19 pandemic's effect on Caltrain's overall financial health has been significant. Pre-pandemic, Caltrain counted on ridership to cover approximately ~70 percent of the operating budget. As of August 2022, ridership has been growing back slowly and steadily, currently standing at around 30% of the pre-pandemic level. As a result of the serious decrease in fare revenue and ridership, as well as increased costs, Caltrain faces an operating deficit of between \$25 million and \$55 million annually over the next few fiscal years.

Additional resources are critical because the Electrification Project will run out of funds in June 2023. Securing additional funding for the Electrification Project will not only keep this important capital project on track, but it will also help with the agency's overall financial health by making sure Caltrain isn't overly burdened with debt and that key funding sources such as Measure RR and the Low Carbon Fuel Standard that were intended for operating, safety repairs and expansion support aren't diverted to the Electrification Project. By securing \$410M for the Electrification project, Caltrain estimates the operating fiscal cliff would be move from fiscal year 2024 (July 2023) to fiscal year 2027 (July 2026).

With additional resources, the Electrification Project can be completed and Caltrain will have more financial stability to continue providing quality, reliable service and expansion projects to communities along the corridor.

Financial Need

The total project cost is \$2.44 billion, with over 84 percent already secured through local, regional, state and federal sources. Given the uncertainties to secure additional federal funding, the immediate need for additional funds to support project cashflow needs and the positive impact it could have on Caltrain's financial future, it is important that the full \$410M is awarded.

We are close to the finish line for this transformational project. We urge for your leadership to fund this project to ensure Caltrain stays on track to deliver a project that will leave a legacy for the region, state and nation. Thank you in advance for your consideration of our important request.

Most gratefully,



Jeff Tumlin, Transportation Director
San Francisco Municipal Transportation Agency



Tilly Chang, Executive Director
San Francisco County Transportation Authority



April Chan, General Manager/CEO and Executive Director
San Mateo County Transit District (SamTrans)
San Mateo County Transportation Authority



Carolyn Gonot, General Manager/CEO
Santa Clara County Valley Transportation Authority

CC: Chad Edison, Chief Deputy Secretary for Rail and Transit California State Transportation Agency
Caltrain Board of Directors