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March 23, 2017

President Donald Trump The White House 1600 Pennsylvania Ave NW Washington, DC 20500

RE: LETTER TO PRESIDENT TRUMP & TRANSPORTATION SECRETARY CHAO

Dear President Trump and Transportation Secretary Chao:

As CEOs and senior officers in Silicon Valley, who comprise some of the 400 members of the Silicon Valley Leadership Group - an association of employers who have facilities and employees in all 50 States and most of America's 435 Congressional Districts - we encourage your support of a key, shovel-ready transportation improvement in Silicon Valley, which also creates nearly 10,000 jobs for American workers in Congressional Districts throughout the United States.

Here's context: Since 1863, when Abraham Lincoln was President of the United States during the most divisive and destructive time in our nation's history, what we now call Caltrain Commuter Rail began continuous diesel train service between San Jose and San Francisco.

For nearly two decades, employers, large and small, have placed our wallets where our words are, by successfully leading ballot campaigns to tax ourselves and our fellow local citizens to both electrify and modernize Caltrain Commuter Rail. What was cutting edge technology when Abraham Lincoln was President - diesel locomotives - is not the case today. Yet our venerable trains still lumber along on diesel, slowly but surely transporting technology workers and others along the corridor two minutes slower than they ran in 1863.

It's time for an upgrade; which is why the Silicon Valley Leadership Group, Bay Area Council, SPUR and other regional business organizations have championed the electrification and modernization of Caltrain, which has served our region for 154 years, now running 79 miles between Gilroy's "Garlic Capital of the World," through America's 10th largest city of San Jose, along the Peninsula to San Francisco. With nearly 60 months of consecutive ridership increases, Caltrain is running at 125 percent of ridership capacity. Ridership has grown from 25,000 weekday passenger trips a decade ago to nearly 65,000 daily trips today. It is standing room only in both the morning and evening commutes.

Modernizing Caltrain includes safety improvements such as grade separations, longer station platforms to accommodate more train cars and elevated platforms for quicker boarding. Last November, the Silicon Valley Leadership Group championed a local ballot measure to tax our own companies and fellow private citizens with an increase of one-half cent in our sales tax to fund more than \$1 billion for modernization improvements on Caltrain. It passed by 71.74 percent of the vote. Modernization, coupled with electrification, is essential. A key component is doing away with diesel engines and turning the switch to electric, which allows longer train cars - growing from five trains per train-set to eight trains per train-set - and increasing service from 92 trains per day to 114 trains per day. The \$1.98 billion electrification upgrade, primarily funded by our own local, region and state funds - coupled with modernization - allows us to almost double Caltrain ridership to more than 110,000 daily trips. Three of every five Caltrain passengers are called "choice riders." They own cars, but choose to get out of their own cars and



onto rail cars instead, easing traffic on local streets and roads, and two of the most congested highways - 101 and 280 - in Northern California. The benefits abound:

- Each day, electrification would eliminate 619,000 car miles traveled.
- Each year, the reduction in polluting greenhouse gases would be the equivalent of removing 40,000 cars from our roads.

The economic importance of electrifying Caltrain cannot be overstated. Innovation economy employers calling the Peninsula corridor home contribute 14 percent of our entire state's gross domestic product, 52 percent of all patents filed in California and 43 percent of all venture capital investment in the United States.

At a time when we are encouraged to "Build American and Buy American," electrifying Caltrain creates 9,600 jobs: from power converters and transformers built in Richmond, Va.; the assembly of electric trains in Salt Lake City, Utah; the transportation of electric train shells in Humble, Texas; or engineering services in San Mateo, California; American workers win. The electrification of Caltrain puts Americans to work, while helping our fellow Americans get to work.

So why the last-minute attempt to derail two decades of work? A belief by 14 well-meaning Republican members of Congress, that defunding Caltrain will somehow kill California's controversial High-Speed Rail project. As already determined by a judge in court, and codified by the California Legislature in 2012, the electrification of Caltrain is a separate and distinct project from High-Speed Rail. In fact, High-Speed Rail in the Peninsula Corridor would require its own Environmental Impact Report and more than \$10 billion in revenue that currently does not exist. This bears repeating: If High-Speed Rail never happens, an electrified and modernized Caltrain is a complete and distinct project serving millions of passenger trips each year.

Based on the merits of Caltrain electrification and its many benefits to our regional, state and national economy, we urge Secretary Chao to sign the Full Funding Grant Agreement.

Sincerely, Carl Guardino President & CEO Silicon Valley Leadership Group

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