

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 7, 2013

Reference No.: 4.18
Action

From: ANDRE BOUTROS
Executive Director

Subject: **TRADE CORRIDORS IMPROVEMENT FUND (TCIF) PROGRAM AMENDMENT -
TEHACHAPI TRADE CORRIDOR IMPROVEMENT PROJECT
RESOLUTION TCIF-P-1213-60**

ISSUE:

Should the California Transportation Commission (Commission) approve the proposed Trade Corridors Improvement Fund (TCIF) Program amendment to reduce the scope and associated TCIF funds to TCIF Project 6, the Tehachapi Trade Corridor Rail Improvement Project?

RECOMMENDATION:

Commission staff recommends that the Commission approve the proposed TCIF Program Amendment to amend the scope and decrease the TCIF funds by \$41.730 million to the *Tehachapi Trade Corridor Rail Improvement Project*.

BACKGROUND:

This project was programmed in the original TCIF program in April 2008. The original scope of the project consists of 6 segments: 1 - Connect Walong and Mercel siding to create a 2.8 miles of double track; 2 - Extend cliff siding to accommodate prevailing system train lengths; 3 - Connect Rowen and Woodford sidings to create a segment of 4.2 miles of double track; 4 - Connect two segments of double track at Caliente and Bealville to create a segment of 10.3 miles of double track; 5 - Connect Caliente to Bealville double track project at Ilmon to Bena with existing double track into Bakersfield; and 6 - Upgrade train management system for 21 miles of double track controlled by Automatic Block Signal System. The total cost of the project was estimated at \$112.7 million, with TCIF funds programmed at \$54 million.

As reported at the March 5, 2013 Commission meeting, due to its environmental challenges, the project as programmed is unable to meet the begin construction date of December 2013 as prescribed in the TCIF Program Guidelines. The Department of Transportation (Department) and BNSF Railway (BNSF) propose to amend the TCIF Program by deleting scope and associated costs from the project. The total TCIF funds programmed to this project will decrease from \$54 million to \$12.270 million. The total cost of the revised project is estimated at \$26.040 million with BNSF funds contributing the required match.

BNSF is proposing to construct only Segments 1 and 2 of the project, connect Walong and Mercel siding to create a 2.8 miles of double track and extend cliff siding to accommodate prevailing system train lengths. The benefit analysis performed on the downscaled project has determined that the project will improve goods movement throughput by more than 63 percent; the expected value of

benefit for the project is estimated at \$414 million (2013 US\$); it will create 94.1 job-years across the State's economy, including 44.7 job-years direct jobs; and business sales attributable to the project are expected to amount to \$36.59 million over the entire construction period.

The completion of the environmental process with this smaller project can be completed by October 2013. As BNSF has its own construction forces, the traditional advertise, bid and award will not be necessary as they can start construction immediately upon allocation by December 2013 and thus meeting the December 2013 start of construction deadline.

With this action the \$25.423 million over programming in the Northern California Trade Corridor Region of the TCIF Program will be eliminated.

The Department and the Northern California Trade Corridor Coalition supports the proposed amendment to the TCIF program (see attached letters).