

MEMORANDUM

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: March 19-20, 2026

From: STEVEN KECK, Chief Financial Officer

Reference Number: 2.6g.(10), Action Item

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Division of Local Assistance

Subject: **SUPPLEMENTAL FUNDS ALLOCATION FOR THE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM – (2018:04) TRANSBAY CORRIDOR CORE CAPACITY PROGRAM (COMMUNICATION-BASED TRAIN CONTROL SYSTEM) COMPONENT**
RESOLUTION TIRCP-2526-55S

ISSUE:

Should the California Transportation Commission (Commission) approve a request for an additional \$52,800,000 for the Construction (CON) phase of the Transit and Intercity Rail Capital Program (TIRCP) (2018:04) Transbay Corridor Core Capacity Program (Communication-Based Train Control System) component (PPNO CP055Y), in various counties?

RECOMMENDATION:

The California Department of Transportation recommends that the Commission approve a request for an additional \$52,800,000 for the CON phase of the TIRCP (2018:04) Transbay Corridor Core Capacity Program (Communication-Based Train Control System) component (PPNO CP055Y), in various counties.

BACKGROUND:

In December 2019, the Commission approved an allocation of \$51,492,000 for the CON phase of the (2018:04) Transbay Corridor Core Capacity Program component (PPNO CP055Y), under Resolution TIRCP-1920-06. In May 2021, an allocation amendment was approved to split the project scope into two separate components, Communication-Based Train Control System and Rail Procurement, and to allocate the remaining 2018 TIRCP funds of \$267,108,000 for a total of \$318,600,000, under Resolution TIRCP-2021-27. In October 2023, a supplemental allocation was approved for \$157,200,000, under Resolution TIRCP-2324-23S.

In August 2024, a second supplemental was approved for \$40,000,000, under Resolution TIRCP-2425-11S. A total of \$515,800,000 in TIRCP funds has been allocated to the CON phase of this component.

PROJECT LOCATION AND DESCRIPTION:

The Bay Area Rapid Transit District (BART) will replace its existing fixed-block train control systems with a new communication-based train control system (CBTC) to achieve the shorter headways needed to operate 30 peak hour trains per hour through the Transbay Tube. The Transbay Corridor Core Capacity Program is located in Alameda, Contra Costa, and San Francisco counties, however, the project benefits the entire BART system beyond the Transbay Corridor.

FUNDING STATUS:

The current total programmed amount for the CON phase of the Communication-Based Train Control System component (PPNO CP055Y) is \$515,800,000. However, to complete the CON phase, an additional \$52,800,000 is needed. \$52,800,000 was awarded from the 2023 TIRCP Cycle 6 augmentation funds for the 2020:02 Transbay Corridor Core Capacity Program: Vehicle Acquisition Project Traction Power Substations component (PPNO CP060A). In February 2026, the California State Transportation Agency approved the reprogramming of the \$52,800,000 from the Traction Power Substations component (PPNO CP060A) to the Communication-Based Train Control System component (PPNO CP055Y).

REASONS FOR COST INCREASE:

Cost increases for the CBTC component of the Transbay Corridor Core Capacity Program stem from multiple factors identified in October 2023 and August 2024.

In 2023, the project experienced significant cost escalation due to labor shortages for specialized work, inflation, supply chain disruptions related to the COVID-19 pandemic and the Russia–Ukraine war, evolving design requirements, and delays in vehicle integration. A 2022 cost escalation analysis identified a \$769 million funding gap for the overall Transbay Corridor Core Capacity program, which includes vehicle acquisition, traction power substations, train control and rail car storage. A major driver of the CBTC component increase was vehicle integration between Hitachi’s CBTC system and Alstom’s rail vehicles. While BART had anticipated \$30 million in integration costs, actual change orders totaled \$100.8 million. Additional increases occurred in BART labor, construction management oversight, design oversight, insurance, and vehicle integration, resulting in a \$157.2 million increase over the original budget for this component.

In August 2024, BART identified an additional funding shortfall due to lower-than-expected ridership recovery. As of May 2024, trips were at 43 percent of pre-COVID levels, significantly reducing fare revenue and limiting BART’s ability to contribute planned capital funds.

In 2026, ridership levels have remained below 50 percent of pre-pandemic levels. The supplemental request allows continued construction of the CBTC project, which will improve system capacity and reduce headways.

CONSEQUENCES:

If this request for supplemental funds is not approved, the CON phase completion of the Communication-Based Train Control System component (PPNO CP055Y), will be delayed while BART seeks alternative funding sources.

FINANCIAL RESOLUTION:

Resolved, that an additional \$52,800,000 be allocated from the Budget Act of 2024, Budget Act Item 2660-301-0046R to complete the CON phase of the TIRCP (2018:04) Transbay Corridor Core Capacity Program (Communication-Based Train Control System) component (PPNO CP055Y).

Attachment

2.6 Mass Transportation Financial Matters

Project #	Allocation Amount	Recipient	District-County	Project Title	Location	Project Description	PPNO Program Funding Year Item # Fund Type Program Codes Project ID Adv Phase	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
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2.6g.(10) Supplemental Allocation - Transit and Intercity Rail Capital Program Resolution TIRCP-2526-55S

1	\$52,800,000	Bay Area Rapid Transit District	MTC	04-Various			04-CP055Y TIRCP/2018-19 CONST 101-0046 PTA 30.10.030.200	\$28,661,000		\$28,661,000
						<p>(2018:04) Transbay Corridor Core Capacity Program (Communication-Based Train Control System). Complete a communication-based train control system (CBTC), which increases train frequency through the Transbay tunnel.</p> <p><u>Outcome/Outputs:</u> The new CBTC system will directly allow for increased capacity, decreased crowding, encouraged increased ridership. Specifically, the Core Capacity Program will increase average daily ridership by over 200,000 riders, decrease GHG emissions in the corridor by over 4 million metric tons of carbon dioxide-equivalent over the lifetime of the project, and support a more reliable and safer BART system for all users.</p> <p>Total revised amount \$568,600,000.</p> <p>Supplemental funds are needed to complete construction.</p> <p>CEQA - SE, 12/02/2016; Re-validation 01/22/2026 NEPA - CE, 09/14/2017; Re-validation 01/22/2026</p> <p>Right of Way Certification: N/A</p> <p>This project will be delivered using the design-build method.</p> <p>In April 2023, Project 2018:04 was awarded \$250,000,000, Cycle 6 General Fund Augmentation Funding.</p> <p>The reimbursement schedule for the \$568,600,000 programmed amount is as follows.</p> <p>FY 19-20: \$51,492,000 FY 20-21: \$267,108,000 FY 23-24: \$197,200,000 FY 25-26: \$52,800,000</p>				
							TIRCP/2018-19 CONST 301-0046R GGRF 30.20.301.100	\$22,831,000		\$22,831,000
							TIRCP/2020-21 CONST 301-0046R GGRF 30.20.301.100	\$118,436,000		\$118,436,000
							TIRCP/2020-21 CONST 101-0046 PTA 30.10.030.200	\$148,672,000		\$148,672,000
							TIRCP/2023-24 CONST 301-0046R GF 30.20.301.200	\$157,200,000		\$157,200,000
							TIRCP/2023-24 CONST 301-0046R GF 30.20.301.200	\$40,000,000		\$40,000,000
							TIRCP/2024-25 CONST 301-0046R GGRF 30.20.301.200 0026000116 S R430GA	\$52,800,000	\$52,800,000	\$52,800,000