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**House of Representatives**  
**Committee on Appropriations**  
**Washington, DC 20515-6015**

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October 23, 2003

CLERK AND STAFF DIRECTOR  
 JAMES W. DYER  
 TELEPHONE:  
 (202) 225-2771

Ms. Jennifer L. Dorn  
 Administrator  
 Federal Transit Administration  
 400 Seventh Street, NW  
 Washington, DC 20590

Dear Ms. Dorn:

I appreciate your work with Sound Transit in Seattle, to resolve challenging issues regarding their proposed Initial Segment project under the Federal New Starts program, and the recent material you have forwarded to the Committee from Sound Transit.

My concerns have been on several levels, including:

- The minimal congestion relief component; 26,500 of the 42,500 estimated daily Initial Segment riders (as of June 2003) would switch over from the Sound Transit bus system, instead of taking automobiles off of Seattle's overcrowded highways;
- The minimal cost-benefit ratio because congestion relief is minimal;
- The high cost-per-mile ratio of the Initial Segment (recognizing, however, that the geography dictates that any solution will be expensive) and the even higher cost-per-mile of anticipated expansions in the future;
- The high potential for major cost overruns;
- The potential of local revenue collapse if voter Initiative-776 (I-776) is upheld as constitutional by the Washington State Supreme Court;
- The potential for future demands on the Federal Government beyond the \$500-million sought under a Full-Funding Grant Agreement (FFGA); and

--The possible conflict between the FFGA and other regional commitments made by Sound Transit (including "subarea equity").

Of course, it is very late to address those concerns which should have been considered at an earlier stage in this process. We cannot re-visit those at this time, so I have focused on issues that relate to proper and current Federal decisions.

The letter from Sound Transit dated October 2, 2003, has helped the review process, addressing the issues raised in my earlier letters. Therefore, despite my concerns and those of many others, I would accept FTA approval of the FFGA, subject to the following conditions:

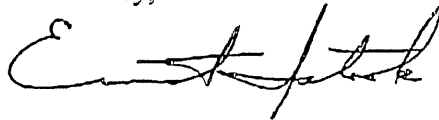
- 1.) Formal prior action by Sound Transit's governing board, confirming by resolution the statements and commitments in their October 2<sup>nd</sup> letter, including the commitments protecting subarea equity. This should also be reflected in the language of the FFGA.
- 2.) Formal prior action by Sound Transit's governing board, stating as a binding commitment that under no circumstances would they either seek or accept a higher amount or a higher percentage of federal funds for the initial segment, other than the \$500 million (20%) which is contained in the proposed FFGA. This should also be reflected in the language of the FFGA.
- 3.) A requirement (incorporated in the FFGA) that critical path right-of-way acquisition on the Tukwila freeway section will be purchased by October 2004, as identified by the Department of Transportation Inspector General report of July 7, 2003, and that no federal funds will be disbursed after October 2004 until the U.S. Secretary of Transportation certifies to the Congress that this condition has been met.

The first condition is self-explanatory, and addresses the I-776 revenue collapse possibilities. The second recognizes the great concern over potential cost overruns; federal taxpayers deserve the protection of knowing that the project's local sponsors would bear full responsibility for any cost overruns. The third condition seems prudent in light of land use disputes that have previously arisen in the area (related to the Seattle-Tacoma International Airport) and the Inspector General's finding that this right-of-way acquisition could be a major future problem.

The terms of the FFGA should be modified to assure compliance with these conditions. For example, page 4 of the proposed document states the federal funds would be "no less than \$500-million", but does not explicitly state that this amount would also be the maximum. Section 2 on page 8 leaves open a possibility of "possible future Grants".

These and other instances in the proposed document are easily correctable. As I understand it, Sound Transit's most immediate needs are met by resolving the intent to enter into a FFGA, even if compliance requires a few more days before a formal signing could occur. Nothing in this letter should be construed as guaranteeing that the pace of annual appropriations for this project will match the pace currently desired. Specific amounts are subject to the annual decisions made each year in the appropriations cycle, including those made by future Congresses. Demands for New Starts resources greatly exceed the available funding, and it is often difficult for Congress to resolve these needs to the satisfaction of all communities, including those with FFGAs. For this reason, it is imperative for the FFGA to include standard provisions reminding the grantee that final funding decisions are subject to annual Congressional appropriations.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernest Istook". The signature is fluid and cursive, with a large initial "E" and a long, sweeping underline.

Ernest Istook  
Chairman  
Subcommittee on Transportation, Treasury  
and Independent Agencies Appropriations