



Sound Transit Headquarters



Report Card for Sound Transit

April 2005

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Data for the Report Card for Sound Transit is taken from *Sound Move: The Ten-Year Regional Transit System Plan*, the program submitted to and adopted by voters in 1996, the ensuing Environmental Impact Statement, published in 1999, official Sound Transit data of actual capital and operating costs, ridership benefits, and pace of implementation, as reported in the agency's annual Financial Plans, and annual reports to the Washington State Department of Transportation.

Report Card for Sound Transit

Sounder Commuter Rail	F
Tacoma Link Light Rail	C
Central Link Light Rail	F
Regional Express Buses	C

Sound Transit is a regional transit agency serving King, Pierce, and Snohomish counties. This Report Card, issued in year eight of Sound Transit's Ten-Year Plan, evaluates the agency's performance compared to that plan, which was approved by voters in 1996. As indicated above, four separate transit services are graded – three rail services and the express bus service abbreviated here as REX. Each of the four services is described briefly, along with detailed justifications for each grade. The main elements of performance brought into the grading are adherence to schedule, capital cost of construction and equipment purchase, operating cost, and number of daily patrons.

The justification for measuring Sound Transit's performance against the promises of 1996 stems from the decision-making process that led to the four services listed above. A key milestone in the process was the approval vote in 1996 by the citizens of the Sound Transit service district on the Ten-Year Plan, called "Sound Move." Sound Transit ever since has steadfastly held that Sound Move is a commitment to light rail, commuter rail, and regional express bus service that must be met.

Performance claims made in Sound Move, however, are no longer described or discussed. On September 27, 2002, Sound Transit's chief legal counsel, Desmond Brown, announced in open court, in the presence of Executive Director Joni Earl and Board Chairman Ron Sims, that the agency has no legal obligation to honor either the budget or the schedule it presented to voters when soliciting their approval. It can spend as much as it wants and take as long as it likes to implement Central Link,

or some portion of it, as it sees fit. (*Seattle Times, September 28, 2002*). Neither does it accept any obligation for its ridership claims made in 1996.

As reported below, Sound Transit has revised the Plan considerably since 1996. Without apology or explanation, the agency has ceased to make comparisons between ongoing performance and the original commitments made to voters. Costs have gone up, ridership results are much lower than planned in 1996, and the schedule for completion has slipped.

The authors of this report card believe that the 1996 commitments are still important, since they were the basis for voters approving the plan and taxing themselves to pay for it. Sound Transit will offer new, multi-year commitments in the renewal vote coming in 2006 or later. We believe that the validity of new commitments should be assessed against the track record of Sound Transit in meeting commitments made to garner votes in 1996.

Without consideration of planned performance, the region is doomed to continue wasting precious resources on ill-considered, counter-productive projects such as the two that we show should be graded as F – for failure.

Souder Commuter Rail	F
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Souder is two passenger train services traveling every weekday morning to downtown Seattle on the tracks of the BNSF railroad. The trains leave in the morning from Tacoma and from Everett, with intermediate stops at Puyallup, Sumner, Auburn, Kent, and Tukwila to the south of Seattle, and at Edmonds to the north. This service deserves a failing grade.

Project Implementation — F

Souder was to be in full operation starting in 2002, with 15 daily trains. Nine were to serve the Seattle/Tacoma route, some continuing on to Lakewood, with six daily trains running between Seattle and Everett.

In 2000/2001, Sound Transit ordered 11 locomotives and 75 coaches for its Sounder lines. It would have needed that equipment if its performance were satisfactory. But the discrepancy was so great between the plans and pace of its project implementation, and the contrast was so vast between the ridership it projected and actual demand, that the surplus equipment sat unused until the agency finally sold or leased four superfluous locomotives and 47 excessive coaches. One can travel to Virginia and California and see Sound Transit's surplus trains that are now in operation by other agencies.

At the outset of 2005, only four trains were in operation, three running between Seattle and Tacoma, none serving Lakewood, and one in the Seattle/Everett corridor.

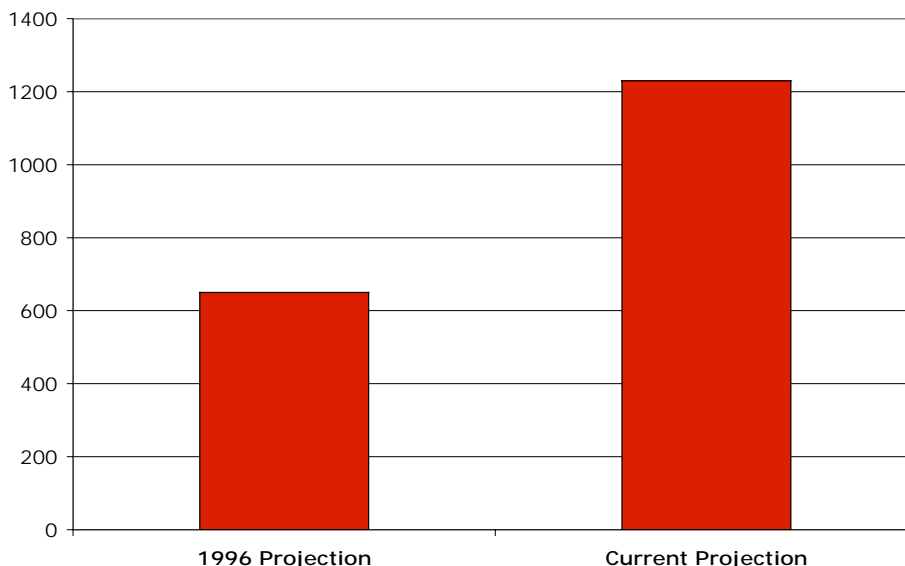
Capital Costs — D

Sounder commuter rail was to cost \$650 million (\$539 million in 1995 dollars). Sound Transit's current projected cost is \$1.23 billion, an 89 percent cost overrun, so far.

Applying the Federal Transit Administration's accounting methodology,¹ the annualized capital cost of Sounder is \$96 million. In 2004, the capital cost per boarding was \$100.

¹ FTA uses a conventional accounting procedure that distributes the total capital cost over the life cycles of its component parts.

Sounder Capital Costs (In Millions of \$)



Operating Cost — F

The operating expense for Sounder was to total \$1.9 million per train in 2004 – \$28,555,000 for 15 trains.

In 2004, Sounder's operating expense totaled \$18.55 million for four trains, \$4.64 million per train. That's nearly 2.5 times the promised figure.

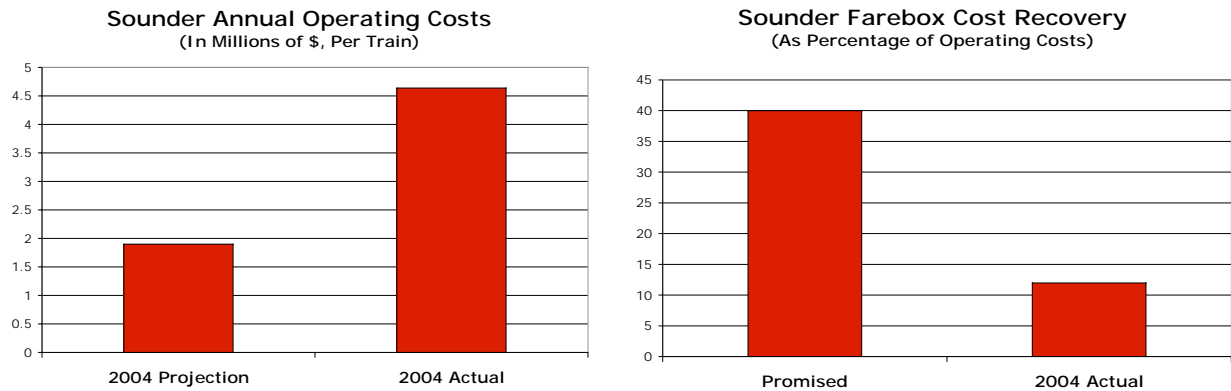
The 2004 operating cost per boarding on Sounder was \$19.40. The daily cost for a two-way commuter was \$38.80 – more than \$10,000 for one year's service.

The annualized capital cost per trip is \$100, for total one-way trip cost of \$119.40 in 2004. Total annual cost for each daily commuter – \$62,000.

Sound Transit's 1996 promise and current policy is to recover 40 percent of its trains' operating costs from farebox revenues during Phase I, 1996-2010. In 2004, farebox revenue was \$2,257,000, scarcely 12 percent of operating expense. Taxpayers subsidized nearly 88 percent of the operating cost, on top of 100 percent of the

capital cost. Combining the two, fares covered 2 percent of costs. Taxpayers subsidized the remaining 98 percent balance.

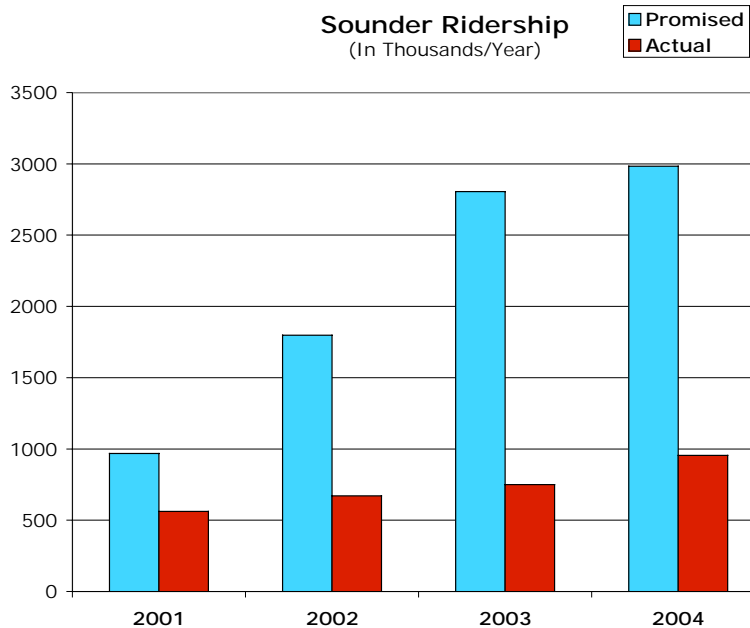
Voters were promised "economies of scale" – as time passes, fares are supposed to cover a growing share of the operating costs. But the opposite is occurring. Starting in 2002, the share of operating subsidy has grown every year. That trend is projected to continue in 2005 and 2006. The promise of 40 percent farebox recovery of annual operating expense is departing further from performance with each passing year. At its highest, 2002, it was 15 percent. By 2006, Sound Transit predicts 10.3 percent.



Ridership — F

Year by year, Sounder's ridership has been well below projections.

In its first full year of service, 2001, Sounder commuter rail attracted 58 percent of its projected ridership (promised – 969,000, actual – 563,000). In 2002, ridership was only 37 percent (1,798,000 vs. 672,000). In 2003 it was 27 percent (2,806,000 vs. 751,000). Sounder was projected to attract 2,984,000 boardings in 2004. It actually served 955,000, 32 percent as many.



In the face of failing patronage, Sound Transit began to "fix" the numbers. In 2002, when ridership was 37 percent of the level promised, the agency announced it had beaten its target by 10 percent. The press reported it that way.

The manipulation of data — both costs and benefits — is a notable characteristic of Sound Transit. The agency systematically uses deceptive practices to make poor performance appear good — and neither elected officials nor the public is fully aware of the agency's true performance.

In 2004, Sound Transit lowered its target from the promised 2,984,000 to 900,000, a reduction of 70 percent. Then it beat its finagled target by 6 percent. Another triumph — as presented by Sound Transit.

From one year to the next, Sound Transit adjusts its target to a number woefully short of what it promised voters it would achieve when it wanted their votes. As a given year approaches, the ridership prediction for that year continues to diminish. No matter how poor its performance, Sound Transit adjusts the ridership number to a point so low it can "beat its target."²

² This matter will be described in detail in a Postscript to the Report Card.

Souder's Failing Performance

The proper comparison is between the costs and benefits used to select and justify the investment — and get the public to vote the necessary taxes — and actual performance. By that standard, Souder is a failure, even though there are patrons who enjoy and appreciate their fabulously subsidized commuter train trips, perhaps the most costly in the country.

Tacoma Link Light Rail	C
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Tacoma Link Light Rail is a 1.6-mile long streetcar service operating between downtown Tacoma and the Souder station near the Tacoma Dome. There are three intermediate stops along the route. Trains run every 10 minutes seven days per week, with 20-minute intervals in off-hours. Two streetcars are in operation to provide this service. This service deserves a C grade, representing fair performance.

Project Implementation — A-

Tacoma Link was completed in August 2003, almost on schedule.

Capital Cost — B-

Tacoma Link was projected to cost \$61 million (\$50 million in 1995 dollars). It was completed for \$80.4 million, a 32 percent cost overrun. Sound Transit claimed it completed the project "under budget" by finagling the numbers.

Operating Cost — F

The 2004 operating cost in the first full year of service was \$3.94 million, to serve 740,000 boardings.³ That's \$5.30 per boarding, for a 1.6-mile system, providing an average trip of less than 1 mile. By comparison, King County Metro Transit costs \$3.90 per trip and the average trip length is about 4 miles.

³ That is the number claimed by Sound Transit. No fares are charged and there's no reliable data for riders. The agency asks its train operators to guess.

Sound Transit promised that its rail systems would recover 40 percent of operating costs from fares in Phase I (through 2010). In order to inflate ridership, Sound Transit subsequently decided to provide Tacoma Link service free of charge. The \$5.30 operating cost per trip is 100 percent subsidized by taxpayers, on top of the 100 percent subsidized capital cost. In addition, Sound Transit provides free parking for Tacoma Link users in a garage at the end of the line near the Tacoma Dome.

Ridership — C

Ridership on Tacoma Link has been touted by Sound Transit's press releases as a huge success – purported proof that the agency can do something right. The projected number of boardings for 2010, 600,000, was exceeded in 2004 with a total 740,000 trips. ⁴

Tacoma Link riders, traveling for free, exceed the projection premised on a fare-based service. It is Sound Transit's sole successful performance. The cost for every project has been excessive, and every other ridership performance has fallen short. Any useful service offered for free will attract more takers than the same service provided at a cost. Sound Transit is deceitful in bragging about its Tacoma Link ridership accomplishment, while failing to admit the cause for it – free fares, plus free parking.

Central Link Light Rail	F
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The 21-mile Central Link light rail, extending from Northeast 45th Street in the University District of Seattle, to South 200th Street in SeaTac, was to be completed and operating in 2006, "for certain," according to Sound Move. This service, now scheduled to begin three years after the end of the Ten-Year Plan, deserves a failing grade.

⁴ This is another example of how Sound Transit manipulates data. When it changed its policy to free fares for Tacoma Link, it did not increase projected ridership but instead, claimed higher than expected ridership.

Project Implementation — F

The 21-mile Central Link light rail, extending from Northeast 45th Street in the University District to South 200th Street in SeaTac, was to be completed and operating in 2006, "for certain," according to Sound Move.

Only the easiest 14-mile portion is under construction. It has been named Initial Segment, and extends from Westlake Center in downtown Seattle to South 154th Street in Tukwila. It includes a one-mile-long tunnel under Beacon Hill.

The portion between the University District and downtown Seattle was so ineptly planned, selected, and cost-estimated that it had to be abandoned, and a new alignment chosen. Yet Sound Transit repeatedly claimed it had thoroughly studied that segment for a decade, and insisted that its viability and cost estimate were solid and reliable.⁵

Sound Transit planned the north terminus of Central Link at Northeast 45th Street. The University District already is severely congested, with air quality problems. It is a foolish place for a rail terminus that would generate lots of associated traffic. The agency now accepts that the terminus must be farther north, preferably Northgate. The cheaper, easier segment, Airport Link⁶ — 15 miles, from Convention Place in downtown Seattle to SeaTac Airport — now is scheduled for completion in late 2009, mostly under the rubric Initial Segment.

When the balance will be completed — to South 200th and to north Seattle — is problematic. Sound Transit repeatedly and falsely claimed it had the money in hand to complete Central Link. Eventually, the agency had to concede that it needs a lot more money, billions of dollars, though it refuses to admit how much more.

⁵ C/f New Starts Reports to the Federal Transit Administration, 1999 and 2000.

⁶ The nomenclature is complicated. The original Airport Link was 14 miles, from South Lander to South 200th Street, an alignment 80 percent identical with the current, 14-mile Initial Segment project. The latter includes about 2.6 miles from Convention Place to South Lander, formerly part of University Link, but not South 154th to South 200th, nearly 3 miles, which was part of Airport Link. However, recently Sound Transit said it would extend Initial Segment an additional 1-mile in order to reach SeaTac Airport.

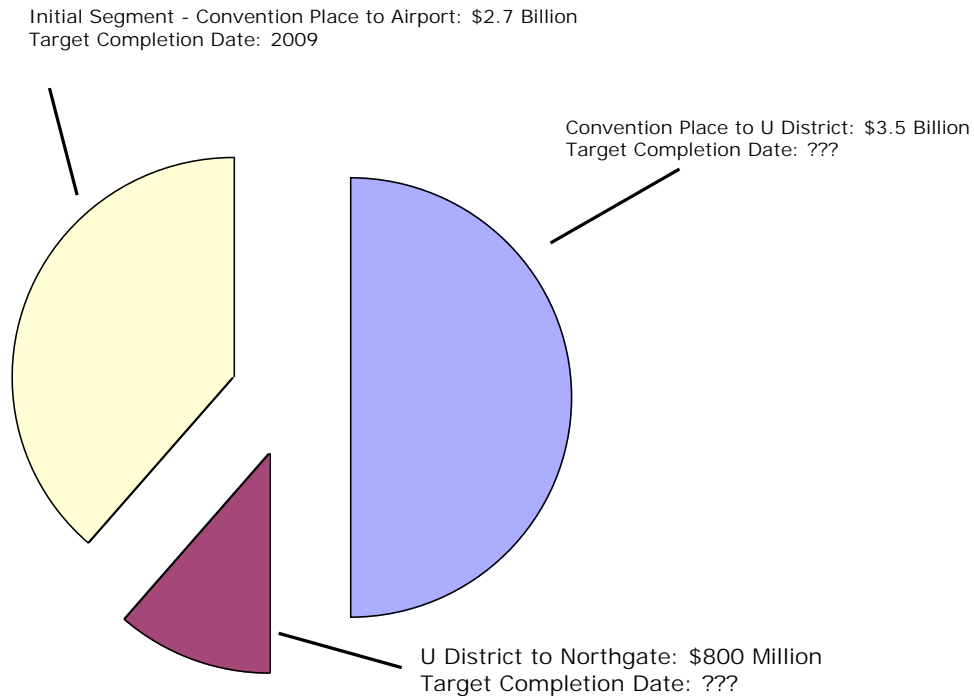
Capital Cost — F

Central Link light rail was to cost \$2.36 billion, according to the Sound Move Plan (\$1.75 billion in 1995 dollars). That was represented as a "very conservative" estimate, with the agency's promise it would "make sure" it was met.

Now the cheap portion, Airport Link/Initial Segment (Convention Place to SeaTac Airport), is projected to cost \$2.7 billion. The so-called Initial Segment is budgeted at \$2.44 billion, and the final mile to SeaTac Airport is projected at an additional \$225 million.

Sound Transit temporizes on providing a comprehensive cost estimate for the balance of Central Link — especially the portion to north Seattle, the most challenging, costly part. If cost overruns on that segment are proportionate to those of Initial Segment, 150 percent, that portion will cost approximately \$3.5 billion, with a total cost for 21-mile Central Link of \$6.2 billion, a cost overrun of \$3.84 billion on a \$2.36 billion project.

Central Link Estimated Costs



However, Sound Transit admits that its plan to have a Link terminus in the University District was ill considered, and now plans to site it at Northgate, which will add 3 miles and approximately \$800 million to the capital cost. The final capital cost for the 23-mile line will be \$7 billion or more — if construction starts fairly soon. But it can't, because billions of dollars more must be secured. Further delays will add to that stupendous figure.

Operating Cost — N/A

Even the scaled-back Airport Link/Initial Segment portion of the Central Link project is 4-plus years from being put in operation, so there is no way to evaluate operating cost performance.

All other Sound Transit projects — Regional Express Buses, Sounder, and Tacoma Link light rail — show operating costs markedly higher than projected. There's no

credible reason to presume Sound Transit will operate Central Link in accord with its 1996 cost projections.

The agency claimed that farebox revenues for Central Link would cover 55 percent of the operating costs, even as high as 68 percent. That facile assurance must be weighed against the agency's claim that farebox revenues from its set of rail projects would cover 40 percent of operating costs in Phase I, 2000-2010. In 2004, rail fares of Sounder and Tacoma Link covered only 10 percent of their combined operating costs, and the trends suggest it will be worse than that in 2005 and 2006.

In 2010, the benchmark, concluding year of Phase I, when performance should be at its highest level, fares are projected to cover but 17 percent of operating costs for Sounder, Tacoma Link, and Initial Segment/Airport Link. The 17 percent likely will prove unrealistically optimistic.

Ridership — N/A

It is impossible at this time to evaluate ridership performance for Central Link. It will be but a small fraction of that projected for 2010 in Sound Move. Only the least productive portion of Central Link will be in operation in 2010. Plus, all other projects are falling severely short of riders — save Tacoma Link, due to free fares.

Regional Express Buses (REX)	C
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The Sound Transit Regional Express bus service consists of about 200 buses making about 1,150 one-way inter-city runs per day, operating mostly on freeways. This is express bus service with limited stops. The cities served range from Everett in the north to DuPont and Bonney Lake in Pierce County. This service has earned a grade that represents fair performance.

Project Implementation — B

Sound Transit completed implementation of its promised 20 Regional Express Bus routes only modestly behind schedule.

Most of the routes are simply pre-existing express bus services provided by the local transit agencies, King County Metro Transit, Pierce Transit, and Community Transit. Those agencies continue to operate them, now under contract to Sound Transit, adding a layer of bureaucracy and additional cost. Some routes were modified and a few were added.

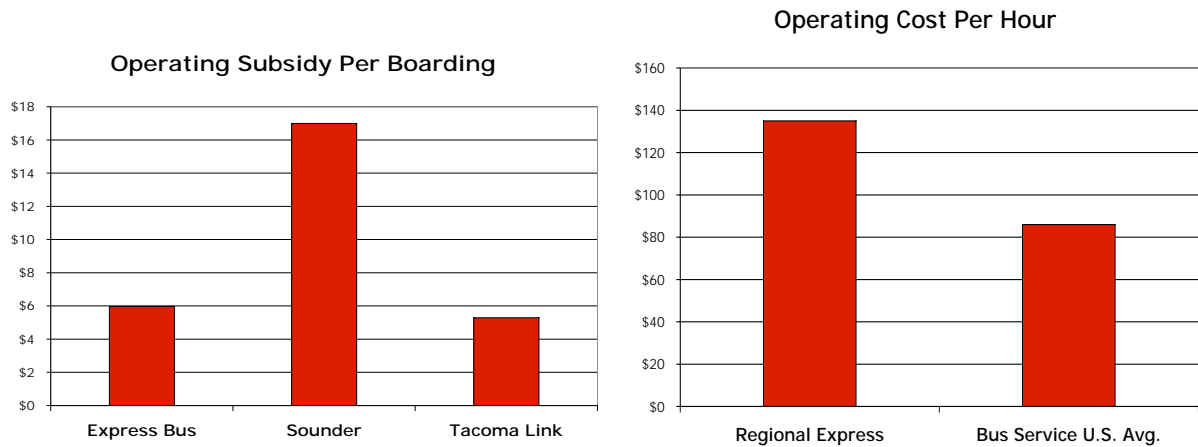
Capital Cost — B-

The capital cost performance of Regional Express is satisfactory – compared with Sounder and Central Link. In Sound Move, the capital cost to implement Regional Express was projected at \$92 million in 1995 dollars – about \$110 million in year-of-expenditure dollars. Now the total is projected at \$147.5 million, a cost overrun of 34 percent.

Operating Cost — D

At \$135 per operating hour, Regional Express is one of the most costly bus services in the nation, 57 percent over the \$86-per-hour national average.

Operating costs were to be \$269 million through 2010 in 1995 dollars, approximately \$355 million in year-of-expenditure dollars. But the 2005 Sound Transit Financial Plan projects \$611 million operating costs through 2009, a cost overrun of 72 percent.



That said, Regional Express is a bargain when compared with Sounder commuter rail or Tacoma Link light rail. The operating cost per-boarding is \$7.30. Of that, \$1.33 is covered by fares, hence a per-trip operating subsidy a bit under \$6. That's a fraction of Sounder's (\$19.40, minus \$2.46 average fare, a \$17 subsidy). Regional Express, at \$6 subsidy per boarding, costs only modestly more than the \$5.30 operating subsidy of Tacoma Link for much longer trips.

Ridership — D

The 1996 Sound Move Plan predicted 15.8 million trips for Regional Express in 2010. In 2004, with all 20 routes in operation, it served 8.25 million trips. That seems encouraging – but most of those trips are simply the same riders on the express buses formerly provided by their local transit agencies.

Attracting additional riders will not be easy, because they must be new transit patrons. Indeed, Sound Transit recurrently revises its 2010 projection downwards, and now predicts only 9.6 million boardings that year, merely 60 percent of those promised in 1996.

Sound Transit — Promises Vs. Performance

In its Sound Move Plan, Sound Transit promised voters it would serve 52.2 million trips in 2010.

Sound Transit proclaimed those numbers were very conservative, and insisted it almost certainly would do better than that – and do so on time and on budget. Subsequently, it announced that it is free to take as long as it likes and spend as much as it wants on its projects, especially Central Link.

The agency also said that the transit resources it would free up for the local transit agencies — by contracting and paying for regional express buses — would result in an additional 6 million annual trips by those agencies. By 2010, the total additional transit trips would meet or exceed 58.2 million — beyond those that normally would accrue with a growing population and incremental increases in local transit agency budgets.

As of the 2005 Financial Plan, Sound Transit's projections for 2010 are as follows:

Service	2010 Trips – Original Projection	2010 Trips – Current Projection	Difference from Original Projection
Central Link Light Rail	32 million	8.7 million (For Airport Link/Initial Segment)	-73%
Tacoma Link Light Rail	600,000	800,000	+33%
Regional Express Buses	15.8 million	9.6 million	-39%
Souder Commuter Rail	3.8 million	3 million	-21%
Total	52.2 million	22.1 million	-58%

The total of 22.1 million trips is only 42 percent of the 52.2 million trips promised in 1996 when Sound Transit was seeking voter support for taxes. Further, there is no evidence that the promised 6 million additional trips are being added by the local agencies with their freed-up resources.

It appears that the current estimates for 2010 are excessive, just like those of 1996, and will be recurrently revised downward as 2010 approaches. This is part of Sound Transit's manipulation of data. When the year is safely in the future, Sound Transit estimates high, to give an exaggerated value. As the year approaches, it lowers the estimate, and expectations, in order to claim success when the diminished target is met. The press so far has cooperated in this dissembling process.

For example, Sound Transit predicts that the Seattle/Everett Souder line will serve 600,000 trips in 2010, only 10 percent fewer than the 663,000 originally predicted for that year. But in 2004, it had only 27 percent as many trips as predicted for the initial year, 97,000 vs. 357,000. And now the Seattle/Everett Souder line will run a maximum of four daily trains, not the promised six. There is no plausible prospect that Sound Transit will reach 90 percent of its 1996 prediction for 2010. But it serves the agency's current PR purposes to pretend that it will.

Sounder, in its fourth full year of operation, had only 32 percent the ridership predicted for 2004. It is not credible it will have 76 percent six years from now.

Plummeting Ridership Projections

In just the past year, Sound Transit's 2010 projection for Regional Express Bus ridership plummeted by 2 million trips, reflecting the growing gap between promise and performance. However, Sound Transit prefers trains and is fairly indifferent to the performance of its buses. This year, it will jack up fares for Regional Express, which will reduce patronage – but no fare increases are planned for Sounder, and Tacoma Link rides are free. Also, it recently announced it will cut back Regional Express service in Pierce and South King County, due to the staggering cost overruns on its rail projects.

The Initial Segment/Airport Link portion of Central Link light rail is scheduled to start service in 2009. The current projection for that segment, 8.7 million trips in 2010, is in accord with the original estimate. Since there will be no experience until 2009, there's no way to test its plausibility. But every other Sound Transit project is falling woefully short – save Tacoma Link, due to free fares. Sound Transit's current overall projection for 2010 is merely 42 percent of that in 1996, with all but one component falling short. So the likelihood that Initial Segment will come out of the blocks and attain 100 percent is remote. And when it doesn't, the 42 percent will plummet further.

Budgets, Riders, and Transit Market Share

Along with the standard basis of comparison — promises versus performance — the key issue is whether Sound Transit is contributing to more cost-effective transit service and improving transit market share. It's doing neither.

In 1998, without Sound Transit, the four local Central Puget Sound transit agencies (King County Metro Transit, Pierce Transit, Community Transit, and Everett Transit) received \$506 million in revenue.

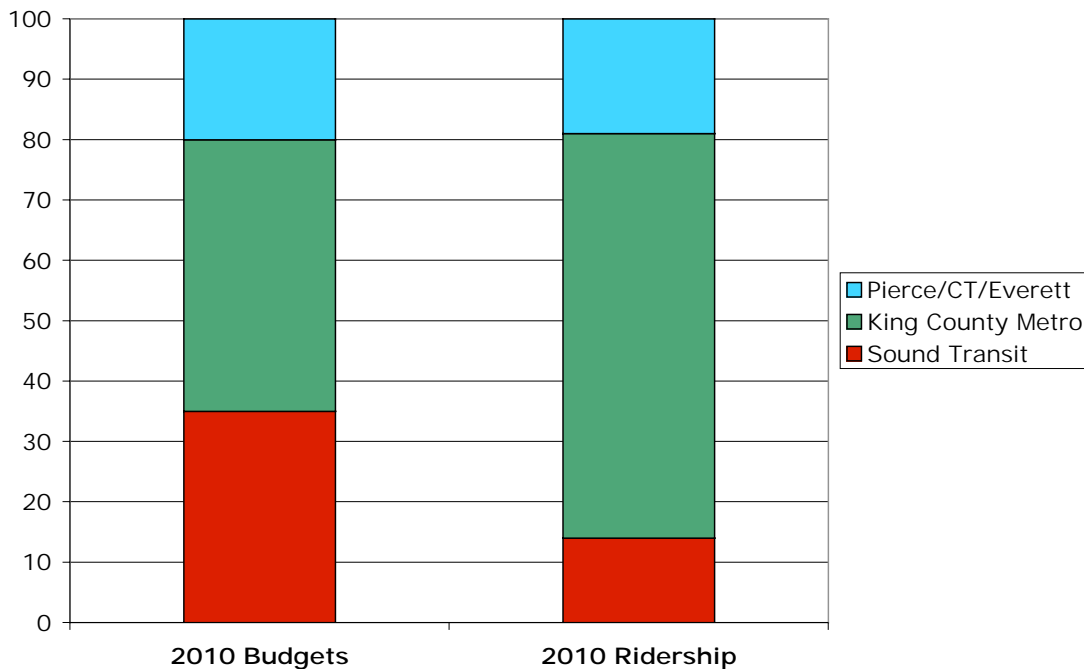
Current projections are for Sound Transit alone to receive \$453 million in 2010, with nearly \$850 million more going to the local agencies, bringing the regional total to

approximately \$1.3 billion. In inflation-adjusted dollars, regional transit revenues will double between 1998 and 2010 – primarily due to Sound Transit.

In 1998, the four local agencies served 118 million trips, without Sound Transit. In 2003, with Sound Transit, they served almost 125 million. In 2010, they are projected to serve 156 million trips, with Sound Transit – and that includes implausible ridership projections by Sound Transit. That's an increase in ridership of 32 percent spread over 13 years, a compounded annual increase of slightly more than 2 percent per year. That is lower than the region's total annual growth in transportation trips.

The projected but highly improbable 32 percent ridership increase is to be funded by a 150 percent increase in transit revenue, in absolute dollars (\$506 million in 1998 to \$1.3 billion in 2010), double the amount when accounting for inflation.

Combined Budgets & Ridership
(Percentage Shares)



Rising Costs, Declining Market Share

The region's cost per transit trip is escalating sharply and, in spite of all that additional money, transit market share is declining. That is precisely the opposite of what Sound Transit claimed – that market share would increase, and transit would become more cost-effective.

As transit revenues have doubled in constant dollars, transit market share is falling, not rising.

In 2010, 14 years into its 10-year plan, Sound Transit will add 36 percent to the region's transit bills. If its latest projected ridership materializes — 22.1 million trips — it will contribute 14 percent of the region's transit trips. King County Metro Transit will get 46 percent of the revenue, \$577 million, and provide 104 million trips, 67 percent of the total. Sound Transit will receive nearly 80 percent of the money Metro Transit will, but provide only about 20 percent as many trips.

In 1998, the four local agencies served 118 million trips. If Sound Transit's 52.2 million trips for 2010 materialize, that would total 176.2 million trips — plus the 6 million it claimed the other local agencies would serve by 2010, even if the local agencies made no incremental increases in service on their own. The miserable outcome now forecast for 2010 — 156 million trips — is due primarily to the terrible performance of Sound Transit. Because Sound Transit's numbers still are exaggerated, actual performance will be worse than that.

Sound Transit now claims that, if only it can have another huge tax bite, it will increase transit patronage by 150 percent. That's an echo of its duplicitous 1996 claims. As transit revenues have doubled in constant dollars, transit market share is falling, not rising.

Before Sound Transit came along, the region's local transit agencies were incrementally improving transit ridership, outperforming most of the nation's urban areas. No longer, not even with an immensely higher transit tax imposed on the region, the biggest increase in history.

Sound Transit's Manipulation of Data

Data manipulation and PR spin is a lavishly-financed, ongoing process at Sound Transit, engaging on-staff and contracted expertise, buttressed by multi-million dollar annual buys of media time and space. It has convinced many people that failure is success. The following examples illustrate how it works:

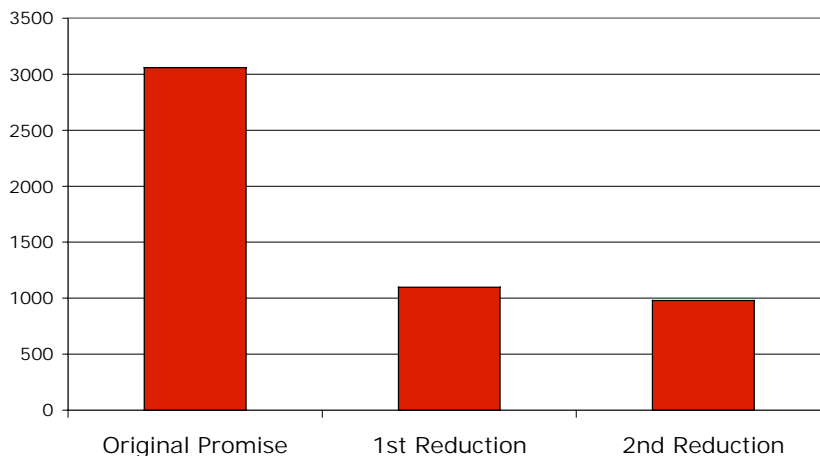
In Sound Transit's 2001 Financial Plan, the goal for 2002 Sounder ridership was 1,798,000, as it had been from the outset. Anticipating poor performance, during 2001, Sound Transit lowered the number to 700,000, merely 39 percent of that promised. Later, seeing that even that low number would not be met, the agency reduced it again, to 580,000, in order to set up the following: When actual ridership was 638,000 boardings — 35 percent of what had been promised — Sound Transit declared victory and assigned its PR operatives to hype the agency's success. It was rewarded with favorable press coverage, including this puffery:

"That exceeded our projection for the year by 10 percent," said King County Executive Ron Sims, who is the current chairman of the Sound Transit Board of Directors." (King County Journal, January 13, 2003)

The 2003 Sounder ridership figure, originally promised at 2.8 million, was reduced to 1.1 million. As it became clear the agency still would fall short, it was reduced again, to 750,000. That number was met, just barely: 751,000.

Promises, Promises

2005 Sounder Ridership Promises, in Thousands of Passengers



That narrow escape prompted Sound Transit to cut the 2004 target, previously reduced by 284,000, by an additional 1,800,000 — from 2.7 million to 900,000 — even though a fourth train was to be added. The agency cut the original estimate for the first year of the Seattle/Everett train in half, and pegged the target for the three Tacoma/Seattle trains well under the level accomplished in 2003. That way, when Sounder served 955,000 trips, 32 percent as many trips as promised originally for 2004, Sound Transit could say it beat its goal.

The 2005 projection originally was 3,060,000. By the 2004 plan, the target had plummeted to 1,100,000. But now, to set up another success, it's been reduced further, to a safe 981,000, requiring minimal gain.

The 2006 projection was 3,137,000. By last year, it was down to 1,500,000. Now it's only 1,132,000. Next year it'll come down yet again, if that's what it takes to enable the agency to pretend that it's achieving its goals.

Ridership Exaggerations Continue

Another aspect of deception is the way the agency exaggerates ridership numbers — when they're safely off in the future. For example, the original 2007 ridership projection for Sounder was 3,213,000. That goal has been reduced to 1,881,000 — but even that demands an implausible increase of nearly 650,000 boardings before 2007.

The agency's best ever, one-year Sounder gain was 205,000, less than one-third as many. But keeping an exaggerated, future number on the books enables Sound Transit to create the impression it's in the process of accomplishing more than it will. As 2007 approaches, the bar will be lowered enough to claim another success.

The package of project costs and ridership benefits represented to voters in 1996 was guided by elaborate polling. That polling informed Sound Transit how to manipulate the public in order to win the tax revenues it wanted.

'Under Budget' Deceptions

When Tacoma Link construction was completed for \$80.4 million, Sound Transit proclaimed it had come in "under budget," even though it was a 32 percent cost

overrun, as the cost portrayed to voters in 1996 was \$61 million. That deception was rewarded with favorable press coverage. Emboldened, Sound Transit even conveyed the Tacoma Link misinformation to the Senate Transportation Committee of the Washington Legislature – whose members either welcomed being deceived, or didn't know they had been.

The same is true of construction contracts for Central Link's Initial Segment. There are recurrent agency press releases that this or that major contract is "under budget" – glossing over the fact that the latest Initial Segment budget is about 2.5-times the cost represented in 1996. First, Sound Transit raises an estimate by, say, 160 percent, and when a contract comes in 2.5 times the cost promised to voters, it stages a PR operation that brings it favorable publicity for competent estimates and prudent fiscal management.

In 1996 Sound Transit packaged its cost projections with proclamations that they were "conservative," "very conservative," "conspicuously conservative," etc. The agency claimed it had management oversight practices, policy guidance, plus generous contingencies that would "make certain" the budgets were met.

Review Process Corrupted

Sound Transit even used and corrupted an "Expert Review Panel" process to lend credence to its misrepresented capital and operating costs, ridership benefits, and construction schedule. Recently, another Expert Review Panel was created, to affirm the costs and benefits Sound Transit will put forth for Phase II. Since nothing has been done to investigate and correct why the first ERP was so far off the mark — billions and billions, years and years — there's little reason to anticipate better performance the second time around.

Once again, the staff for the panel has been selected by, and will be directed by Sound Transit. It will strive to see that ERP2, like its predecessor, is guided to the premises, data, perspectives, and conclusions desired by the agency.

One member of the original Expert Review Panel — Scott Rutherford, of the University of Washington engineering faculty — made candid remarks about the process to a symposium at Portland State University, January 10, 2003. The

following transcription provides relevant, recorded passages that bear on Sound Transit's work and methods. It begins with an explanation of how less-costly, more-productive bus options for this region were surreptitiously set aside in favor of more costly, less-productive rail projects:

"I can't think of any place where the client didn't already know what they wanted before they started the study. I thought we were going to get there [i.e. a fair, objective process] in Seattle a few years ago when doing an alternatives analysis for what we were going to do. Because [when] they started out, they were going to hire separate consultants for the bus alternative and for the rail alternative and let them sort of fight it out in the arena of choice. I forget what happened, but it just fizzled. As soon as the more powerful policymakers decided that rail was it, it was it. So, what can you say? It's kind of disappointing. We'd like to think, as engineers and planners, that we're going to go in there and do this totally objective thing and they're going to take our advice, [but] it doesn't happen very often. It doesn't happen very often...."

Since the "more powerful policymakers decided that rail was it," even-handed studies were quashed, and data was manipulated to make much more costly rail projects appear less expensive than more productive, cost-effective bus alternatives. Then the agency used its phony results to rationalize its course of action — a course it continues today.

Playing the Federal Grants Game

Next there was the challenge to get a large federal grant, to move the project along, and help local people think they were getting something for nothing. That required an additional pattern of deception that explains why Sound Transit's promises don't correspond to reality:

"[Y]ou had to get a certain cost-effectiveness to be able to get funded or at least to get recommended for funding by the then Urban Mass Transportation Administration [now Federal Transit Administration]. So if you didn't have, if you weren't doing your trips for \$6 a trip, then you couldn't get funded. So the 'game' was, you know, if you could keep your cost estimate down and your rider forecast up, they were looking at this cost-effectiveness number, cost per new rider – and those costs can get way out of line. And so the federal government is saying 'well we don't want to invest in something that has, you know, \$30 per new ride,' and so what people did was sort of low-balled their cost estimates and goosed their forecasts so that that number comes down to sort of under \$10. I always thought that when I was out there, watching this that, you know, 'someone's gonna go to jail, these people are robbing the federal government of a billion dollars.' You know, they're defrauding the federal government basically – I mean what else could you say? – they're cheating. But the thing was that if you didn't cheat, you got nothing. If you cheated, you might get a billion dollars. So what do you think people do? I mean, duh!" [laughter]

When asked about his comments, Professor Rutherford said he was talking about Detroit, not Seattle. But he described a process common to those aspiring to build rail projects, which was applied in Seattle as in Detroit. If there's anything distinctive about Sound Transit, it's that it is developing the most wasteful, costly commuter rail system in the country, Sounder, and the most costly, wasteful light rail system, Central Link.

In 1996, while serving on a Regional Transit Authority/Sound Transit committee chaired by Dick Ford, a partner at Preston, Gates and Ellis, Sound Transit's leading law firm and one of the 50 law firms retained to represent Sound Transit, I was introduced first-hand to the agency's propensity to distort and dissemble. From that experience, I wrote a short paper with several illustrations titled: *If the RTA Project Is Defensible, It Could Be Defended by Telling the Truth, October 30, 1996.*

But I could not imagine in 1996 how egregious and systematic Sound Transit's distortions and misrepresentations were, and how they would grow and elaborate.

Only time and experience has revealed the scale, and the systemic nature of the mendacity. But I correctly identified the motive: Sound Transit's projects are indefensible, and would not gain support if people knew the truth. So, to get the money, they lie – what the scholars in this field, seeking to explain the consistent pattern of deception, dub "strategic misrepresentation."

The Result: More Congestion, Higher Costs

Absent accurate information, the region is destined to spend more and more money for extravagant transit options, higher per-trip costs, with diminished transit market share. This is contributing to the worst possible outcome, more intense congestion in tandem with higher taxes and subsidies.

With massive resources thus squandered, the useful and effective things that could be done, won't be done. Now, Sound Transit is conspiring to obtain an enormous, additional tax increase. A large portion of that is required for the completion of Central Link light rail, which itself is merely "a starter rail." Sound Transit promised it would be completed and operating next year, 2006, fully paid for with the initial tax increase. The agency is spending \$2.7 billion just for the easiest, cheapest, least-productive portion of Central Link, and will require upwards of \$5 billion more for the balance.

Taken in by the agency's "strategic misrepresentations," citizens voted \$2.3 billion for Central Link light rail in 1996, relying on Sound Transit's promise that it would complete it on budget, and on schedule, "for certain," and premised on operating costs and ridership benefits that will prove as distorted and manipulated as the capital cost estimates and construction schedule.

A senior colleague of Sound Transit Executive Director Joni Earl recently said she is "nervous as a cat" these days, fearing that "everything is one banana peel away from a total collapse." What she has cause to fear is that the truth of her performance, and that of her agency, will become public knowledge.

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