

**Subject:** Comment package for the PSRC Executive Board Thursday meeting, September 22  
**From:** John Niles <niles@globaltelematics.com>  
**Date:** 9/21/2016 10:39 PM  
**To:** "Saltys, Cheryl" <CSaltys@psrc.org>  
**CC:** Charlie Howard <CHoward@psrc.org>, Josh Brown <jbrown@psrc.org>, Maggie Fimia <mfimia@zipcon.com>  
**BCC:** "Lindblom, Mike" <mlindblom@seattletimes.com>

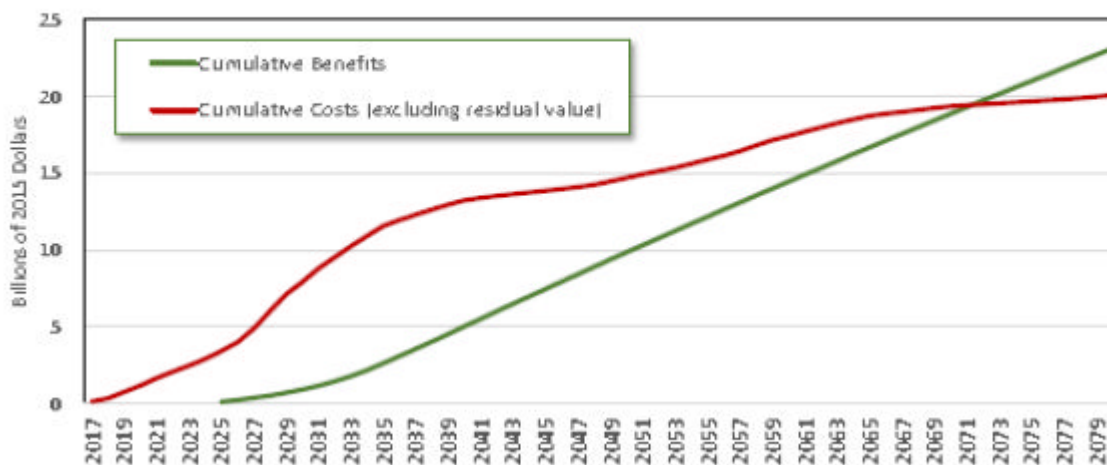
To: Members of the PSRC Executive Board:

The attached memo of September 8 to the Transportation Policy Board is hereby now submitted to the Executive Board as justification for careful consideration of a recommendation on Sept 22 Meeting Agenda Item Item 8A, Conformity of Sound Transit's Adopted Phase 3 (ST3) System Plan to existing Regional Plans:

**Contrary to what the PSRC staff claims in its September 22, 2016 action item for the Executive Board, the documented results of the ST3 high capacity transportation system do not support and even contradict the PSRC Transportation 2040 plan. Therefore a vote of conformity should be denied.**

In connection with this recommendation, the Light Rail Benefit-Cost Analysis (BCA) -- the only part of ST3 that is analyzed and included in Thursday's Executive Board meeting packet -- should be examined closely. The following graphic from the BCA is the key visual representation of how Sound Transit compares the annualized costs of ST3 light rail to the annualized, monetized benefits.

Exhibit B-6 — Cumulative Present Values of Benefits and Costs



Note that the cumulative benefits do not exceed the cumulative cost until 2072. The extraordinarily long horizon for the payback on a truly massive government investment is worthy of careful consideration. That the analysis requires going out to 2072 to find benefit creates a stark contrast with the claim of conformity with a Metropolitan Transportation Plan that only goes out to 2040 to proclaim regional benefit.

The attached communication that Smarter Transit made to the Transportation Policy Board two weeks ago makes the point "Sound Transit's own data in its unaudited benefit-cost analysis (independent audit in process) shows the ST3 plan would make the region's taxpayers billions of dollars poorer for decades beyond the horizon year of the PSRC 2040 plan, contrary to the PSRC's adopted regional economic goal of a sustainably prosperous region."

Please note that Smarter Transit with others has now taken preliminary steps toward conducting an independent audit of the Sound Transit benefit-cost analysis. The benefit to cost ratio is very low, namely, 1.1. In comparison, the benefit to cost ratio for ST2 using very similar methodology in 2008 was 2.7, a much stronger ratio of benefit to cost. What happened?

One of my preliminary steps for an independent audit was to request from PSRC the light rail cost data used by Sound Transit as necessarily broken down into a series of annual figures from 2017 out to 2072, the full 55 year evaluation period described. This light rail cost data is described in the BCA as follows:

#### Costs

- Initial Project Investment
  - Residual Value
  - Periodic Replacement & Rehabilitation
  - Regular Operating & Maintenance
- Estimates provided by ST.

This data is not in the same format provided by Sound Transit in any of its data releases for the ST3 Plan, but it obviously does exist, or else the BCA would not have been done. To my surprise I discovered that PSRC did not obtain that data from Sound Transit as part of the PSRC's certification that the ST Benefit-Cost Analysis conforms to industry standards, confirmed in second attachment.

I would regard an examination of that data and the spreadsheet that reveals how the data was used in the Benefit-Cost calculation to be quite fundamental to the judgment stated in your agenda packet for Action Item 8a, "The methodology used by Sound Transit in the BCA is well documented within the report attached to this memorandum. PSRC finds the methodology used for the BCA to be an appropriate methodology consistent with industry standards."

With an affirmative conformity vote on Thursday, the PSRC is vulnerable to the charge that it affirmed the validity of a quite low benefit-cost ratio without having examined the data that caused this result to be reached.

John Niles  
President of Smarter Transit  
Seattle  
206-781-4475

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— Re Request for cost data that is basis for the Sound Transit Benefit Cost Analysis.eml —

**Subject:** RE: Request for cost data that is basis for the Sound Transit Benefit Cost Analysis

**From:** Andi Markley <AMarkley@psrc.org>

**Date:** 9/21/2016 2:49 PM

**To:** "niles@globaltelematics.com" <niles@globaltelematics.com>

**CC:** Charlie Howard <CHoward@psrc.org>, "ric.ilgenfritz@soundtransit.org" <ric.ilgenfritz@soundtransit.org>, "Nagasawa, Q'Deene" <qdeene.nagasawa@soundtransit.org>, Andi Markley <AMarkley@psrc.org>

Dear Mr. Niles,

We have reviewed your public records request sent via email, which was as follows:

"[e]xisting electronic documents that contain the data described as  
Costs

- *Initial Project Investment*
- *Residual Value*
- *Periodic Replacement & Rehabilitation*
- *Regular Operating & Maintenance*

*Estimates provided by ST.*

The Puget Sound Regional Council does not have documents with the data you mention. Therefore, we have no responsive records to provide you. We will now consider this request closed. Please let me know if you have any further questions.

Sincerely,

**Andi Markley** | Library Manager/Public Records Officer

Puget Sound Regional Council  
1011 Western Avenue, Suite 500 | Seattle, WA 98104  
206.971.3034 | [amarkley@psrc.org](mailto:amarkley@psrc.org) | [www.psrc.org](http://www.psrc.org)



Begin forwarded message:

**From:** John Niles <[niles@globaltelematics.com](mailto:niles@globaltelematics.com)>  
**Date:** September 15, 2016 at 10:30:03 AM PDT  
**To:** Charlie Howard <[CHoward@psrc.org](mailto:CHoward@psrc.org)>, "Ilgenfritz, Ric" <[ric.ilgenfritz@soundtransit.org](mailto:ric.ilgenfritz@soundtransit.org)>, "Nagasawa, Q'Deene" <[qdeene.nagasawa@soundtransit.org](mailto:qdeene.nagasawa@soundtransit.org)>  
**Subject:** Request for cost data that is basis for the Sound Transit Benefit Cost Analysis

To PSRC or Sound Transit:

This is an informal request for existing electronic documents that contain the data described as

Costs

- Initial Project Investment
- Residual Value
- Periodic Replacement & Rehabilitation
- Regular Operating & Maintenance

Estimates provided by ST.

In Exhibit 14, Key Assumptions, on page 29 of the Benefit Cost Analysis document

provided to PSRC by Sound Transit dated September 1, 2016.

If the request needs to be formal, I am invoking PDA rules in this document as necessary.

Thank you,

John Niles  
4005 20th Ave West, Suite 111  
Seattle, WA 98199  
206-781-4475

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—Attachments:—

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Niles Smarter Transit Comments PSRC ST3 Conformity Sept 8 2016.pdf	659 KB
Re Request for cost data that is basis for the Sound Transit Benefit Cost Analysis.eml	32.9 KB