

May 10, 2007

Hon. Julia Patterson, Chair
PSRC Transportation Policy Board
Central Puget Sound Region, Washington State

Dear Councilwoman Patterson:

Coalition for Effective Transportation Alternatives **commends PSRC for requiring Sound Transit to submit a benefit-cost analysis (BCA) covering the light rail extensions** that comprise over half the spending in the forthcoming Integrated Roads and Transit investment package.

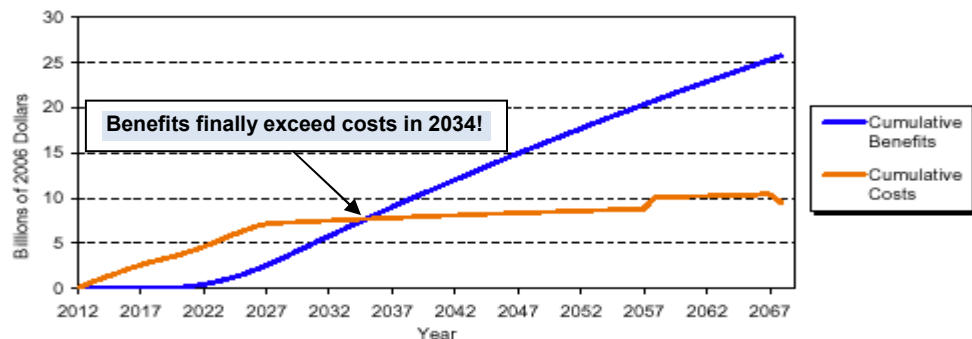
CETA urges TPB's attention to the **lack of specifics from Sound Transit as to how data for the published input assumptions (attached) for the BCA are assembled and calculated to reach the results claimed.** Sound Transit's assumptions on the next page show that value of time savings, reduced vehicle operating costs, and monetized environmental benefits, among others, all go into the benefits summation. But without the details of data input and calculations, nobody outside of Sound Transit and its consultants can understand the proportions of benefit resulting from each of these sources. Similarly, the sources and proportions of actual cost should be fully revealed quantitatively.

CETA urges that the TPB **make approval of ST2 conformity to the MTP contingent upon timely issuance of a document showing the data and calculations by Sound Transit** that transform the assumptions and inputs listed on the attachment into the resulting time line of cumulative costs and benefits shown in the graphic result shown below. Otherwise, how can we confirm that the results are calculated correctly? (Expert Review Panel examination of details in ST's March 2005 calculation of BRT costs in the I-90 corridor found a billion dollar misallocation.)

Despite the lack of information on how calculated, the benefit-cost graphic below turned over to PSRC in ST's single page of results does still illustrate an important point: **Billions in tax payments starting in 2008 for light rail transit would not be exceeded by the benefits from that investment until the mid 2030s, about 30 years from now.** CETA regards this result as unacceptable. Available alternative transit investments would generate more new daily transit customers much sooner at a lower cost per rider, and yield more reduction of congestion and a lower tax bill per household. The graphic provides new reason for outrage and rejection of ST2, a plan of vast, immediate spending and slow, uncertain return on investment. Is PSRC certifying that there is no better transit alternative?

Cumulative Present Values of Benefits and Costs

Graph shown is from the summary of the ST2 light rail benefit-cost analysis



Respectfully yours,

John Niles
CETA Technical Co-Chairman

SUMMARY

The key benefit-cost analysis assumptions are summarized in Exhibit 15.

Exhibit 15 – Key Assumptions

Unit of Expression	2006 dollars
Inflation Index (Where Necessary)	BLS CPI-U for the Seattle-Tacoma-Bremerton MSA
Real Discount Rate	3.0%
Evaluation Period	
Construction-Only	2012-2018
Partial Operations (Partial Benefits)	2019-2027
Full Operations (Full Benefits)	2028-2067
Study Region	King, Pierce, and Snohomish Counties
Benefits Growth Rate	1.7% per year (2006-2039); 1.3% per year (2040-2067)
Real Wage Growth Rate	1.0% per year
Real O&M Cost Growth Rate	1.3% per year
Induced Highway Travel	None
Benefits	
Transit Travel Time Savings	Consumer surplus calculation from ST model outputs
Peak (Commute) Trips	Value of time = 60% of average wage rate
Off-Peak Auto (Non-Commute) Trips	Value of time = 50% of average wage rate
Commercial Trips	Value of time = 120% of average wage rate for tractor and truck drivers
Vehicle Operating/Ownership Cost Savings	15 - 25 cents/mile
Accident Rates	1.1 - 226 per 100 million VMT
Accident Costs	
Fatal	\$3,805,452 / accident
Injury	\$131,217 / accident
Property Damage Only	\$8,993 / accident
Parking Cost Savings	Estimated by ST model
Environmental Cost Savings	6 cents per VMT
Reliability	Ignored
Direct, Indirect, & Induced Effects from Construction + O&M Expenditures	Ignored
Increased Property Values	Ignored
Barrier Effect	Ignored
Transit Fares	Transfer payment captured in O&M costs
Induced Transit Travel	Ignored
Unpriced Parking	Ignored
Costs	
Initial Project Investment	
Residual Value	
Periodic Replacement & Rehabilitation	Estimates provided by ST
Regular Operating & Maintenance	
Federal Funds	Ignored