



September 20, 2012

Sound Transit Board
Honorable Pat McCarthy, Chair
401 South Jackson Street
Seattle, WA 98104

Dear Chair McCarthy and Board Members:

With this letter the Citizen Oversight Panel is transmitting the results of our North Shore Alternatives Task Force.

COP members are very sympathetic to the sense of ownership, pride, and equity that Sounder North represents in Snohomish County. In a decade of development and operation, riders have grown to appreciate having the service and citizens have stated clearly that they value having both train and bus service as alternatives. These are real and meaningful values and COP shares them.

However, we believe that, in the long-term, the tax-payers and transit users of Snohomish County will not be well served if the high-cost Sounder North line continues to run well below capacity while the much lower-cost ST Express bus routes run overloaded with passengers standing in the aisles. At a certain point in the future, Sound Transit may have to come to terms with a reality that one of its services is not living up to a reasonable definition of viability. Thus our recommendations call on the agency to make a three-part commitment to ridership development, benchmarking, and evaluation and fine-tuning of Sounder North.

- 1. Continue efforts to develop ridership.** We strongly encourage the agency to continue to focus on ridership development strategies. The targeted marketing campaign initiated this year is a good start. Another strategy should include working with the local jurisdictions to support ridership growth through land use changes and parking management efforts near stations.
- 2. Use metrics to set targets and introduce the concept of threshold benchmarks.** As Sound Transit does with its ST Express bus routes, it should set service standards that define what a satisfactory level of performance is. As an example only, COP feels that the original **Sound Move** projection of 2,400 average weekday riders might be a reasonable threshold. We suggest the agency set this or similar targets for ridership, cost per rider and farebox recovery achievement within five to eight years and set intermediate benchmarks for the years 2013 to 2020.

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JD Wessling

Paul Wiesner

Harold Wirch

- 3. Monitor and fine-tune annually if targets are not met.** Report on metrics and targets annually and consider fine-tuning actions such as reducing Sounder service, replacing some train service with lower cost buses serving the stations, or shifting funds to ST Express where the demand is strong. ST should explore any and all alternatives that could allocate resources efficiently and meet the demand.

COP is not suggesting that Sound Transit dismantle the existing North Sounder service. We recognize it is a popular service among its riders and a value to the communities it serves. We also recognize that the kind of accountability COP is recommending is not easy or without costs. Increasing the current 1,100 average weekday ridership to 2,400 within eight years would mean more than 10% annual ridership growth—a steep challenge even in a strong economic environment.

We do believe that accepting the status quo of low ridership and high costs on North Sounder is not acceptable. Sound Transit should undertake proactive efforts to continue to bring costs down and to build ridership so that Snohomish County tax-payers can be assured that their investments are purchasing real value to regional mobility, their communities, and people's lives.

Sincerely,

CITIZEN OVERSIGHT PANEL



Stuart Scheuerman
Chair

Cc: Joni Earl

Sound Transit Citizen Oversight Panel

North Shore Alternatives Task Force

Introduction

In COP's 2011 Year-End Report, we reported that while Sounder ridership overall was up, that positive trend was entirely on the South segment from Tacoma to Seattle. The North Sounder segment from Everett to Seattle experienced a 4% decline in ridership last year. At the same time, the bus routes 510/512 and 511 in the Everett-Seattle corridor had seen ridership spikes of 21% and 30%. The Snohomish County to Seattle corridor is among the highest in transit ridership in the region. But for a variety of reasons, riders were choosing not to ride Sounder North. COP identified this as a focus area for in-depth study in 2012 and formed the North Shore Alternatives Task Force.

The Task Force met five times between March and August 2012. Task Force Chair was Josh Benaloh and Task Force members were Aubrey Davis, Phil Lovell, Dave Russell, Stuart Scheuerman, Vic Sood, JD Wessling, Paul Wiesner, and Harold Wirch.

The Task Force scope as adopted by COP was the following:

Sound Transit service currently traverses two corridors from Everett Station to Seattle. Sounder North rail travels along the shoreline via Mukilteo and Edmonds while several Regional Express bus routes travel along I-5 approximately 3-5 miles to the east via Mill Creek, Lynnwood, and Mountlake Terrace. The rail service is more expensive to operate, has higher fares, has a longer travel time, and is substantially under-utilized while the bus routes are less expensive to operate, have lower fares, have shorter travel times, and suffer from severe overcrowding.

This task force will explore options to better balance Sound Transit service between Seattle and the Northern Region (especially Snohomish County).

- *Are there steps that can be taken to improve service and ridership of Sounder North?*
- *What would be the effects of diverting resources from Sounder North to Snohomish Regional Express routes?*
- *What metrics can be used to evaluate current and future allocation of resources?*
- *Is it appropriate to set a timetable for reallocating resources if metrics for Sounder North are not achieved?*

Throughout the months that the Task Force studied the issues related to the North Sounder corridor, we received the support of Sound Transit staff members who provided data, answered questions and discussed alternatives with our members. We greatly appreciate their knowledge and their time and efforts in working with the Task Force.

Two Important Notes

We draw attention to two important notes at the outset of this report: The first is that since the end of last year when COP decided to study this issue, the ridership trend on North Sounder has improved considerably, with mid-year ridership as of second quarter 2012 up 19% for weekday boardings over the same period in 2011. Ridership development has been an agency priority for the past year and, as we report, efforts are underway to explore new strategies to research and develop ridership on the North Sounder corridor. Nevertheless, COP still believes that the performance of North Sounder warrants continued monitoring, and we encourage the agency to treat it with a sense of urgency.

The second note we make is that COP is very aware that commuter rail service to Everett has been a Sound Transit commitment to Snohomish County voters since the beginning of **Sound Move** and that the forecasts of ridership and costs have always been relatively unfavorable compared to other modes and to commuter rail on the Sounder South corridor. Commuter rail was always a choice made by Snohomish stakeholders in light of the fact that it would be decades before light rail would reach the county's citizens. COP is not suggesting abandoning service on the North corridor nor are we challenging the concepts of subarea equity and adherence to commitments made to the voters.

However, based on what we have learned and present in this report, we do believe that the Board and the public should be aware of just how costly this service is and what the implications are of continuing to allocate scarce resources to an underutilized service when the alternative express bus service is running overcrowded every day with standees in the aisles, at a much lower cost. We are not critiquing the original planning decisions to include Sounder North in **Sound Move**, but we do believe the investment may have been incomplete in that it did not include investments such as station access and parking improvements that could have significantly improved ridership. Some of the facts we point out and the questions we raise in this report may be controversial and unpopular, but we believe they deserve the serious consideration of the Board, other policy-makers and tax-payers in the region.

Background and Context

In November 1996, **Sound Move** passed with a 56% Yes vote in the Sound Transit district. In Snohomish County it passed with 54%. Prior to the ballot, Sound Transit planning staff and Burlington Northern Railroad staff had been working together to plan the implementation of commuter rail on the BN tracks. During that time, BN was merged into the Sante Fe Railway and became BNSF. The new Sante Fe management was unfamiliar with the project and less inclined to be supportive. West Coast rail freight was and is significantly dependent on the Cascades route and the Seattle- Everett rail corridor as the fastest for freight travelling to or from the Chicago hub and most of the country. Constraints exist at the Cascade Mountain tunnel and in the downtown Seattle rail tunnel, limiting capacity to 28 trains a day on the line. Railroad management was understandably reluctant to give away that rail capacity without firm agreements as to the number of commuter trains and time of day they would be using the line.

Nevertheless, Sound Transit had made a commitment in **Sound Move** that Sounder service would begin within four years. The South line did begin service in September 2000. Around this same time, Initiative 695 passed which eliminated the motor vehicle excise tax as a funding source that local transit agency partners relied on, limiting feeder service that had been part of the plan. On the North line, negotiations with BNSF began in earnest in 2002-2003.

Early assumptions changed. The agreement eventually reached between ST and BNSF limited Sound Transit commuter rail to four daily round trips, where six had been planned. The cost of the four easements was \$258 million, compared to about \$65 M previously assumed. The trips were to operate in the peak direction only, although both directions had been assumed. While the railroad struck a hard bargain for use of its track and facilities, one significant negotiating outcome for ST was that it was able to secure the North line easements in perpetuity, not limited to a set term. **Sound Move** had included provisional stations in north Seattle at Richmond Beach and Ballard, subject to funding. That funding never became available and thus the line has not been able to serve that north Seattle market. Also, the Sounder fares were originally assumed to be the same as ST Express bus fares, but are now generally higher. These various factors have played a significant role in increasing costs and suppressing ridership below what had been assumed by the original planning models.

The implementation of Sounder North service and of the payments to BNSF was staggered over several years, with the start of service with one trip in December 2003, the second trip in June 2005, the third in September 2007 and the fourth in September 2008. Thus ridership ramped up in stages, growing briskly as the regional economy was strong during the first several years of service. Ridership peaked in 2008 when the recession hit the region and ridership stalled.

The 1996 projection for 2010 North line average weekday ridership was 2,400 to 3,200 daily boardings. Ridership has never exceeded 1,200 boarding per day (achieved in June 2008) and reached a recent low of 699 in December 2010. North Line daily average ridership in the second quarter of 2012 was 1,126 boardings.

A variety of factors cumulatively have led to the lower-than-projected ridership. There are fewer trips, fewer stations, parking constraints at several stations, and periodic service disruptions due to mudslides along the corridor. Other challenges on the corridor include the topography and the water immediately next to the tracks, reducing the ridership catchment area. The reduction in feeder service by Community Transit and the difficulty in aligning train schedules with ferry schedules at Edmonds and Mukilteo have also made rider access and transfers more difficult.

Lessons learned. Negotiating with BNSF, the sole source provider of an essential service, was hugely challenging for the young agency, as it was with Amtrak, the provider of vehicle maintenance and shop services. One important lesson learned from the Sounder North experience was that term sheet agreements with BNSF and Amtrak should have been negotiated before going to the ballot. ST did not have that benefit on the North line and ended up with less service and much higher costs than it had anticipated and told the voters. This lesson was applied subsequently for the four new perpetual easements on the South line included in ST2.

Another lesson related to anticipating and developing adequate access to stations. While the Everett Station was built with a new parking structure to accommodate riders, Mukilteo and Edmonds stations, located near the waterfront, had little available land for parking development. These stations now are experiencing increasing ridership demand but poor access opportunities by car or by transit; and these are suburban locations where pedestrian and bicycle access are not as easy or as commonly used as they are in more urban neighborhoods.

Sounder and ST Express Capital and Operating Costs

Sounder. The total capital investments in the Sounder North line to date include the following: easements \$258 M, stations \$57 M, layover \$6 M, environmental mitigation \$5 M, and fleet \$42 M. These amounts total \$368 M in sunk capital costs.

ST's arrangement with BNSF also includes an operations agreement, with dispatching, crewing and track maintenance performed by BNSF and originally agreed to at \$25 per train mile. The total North Line operating costs in 2011 were \$9.1 M. These operating expenses are attributed approximately one-third to ST, one-third to BNSF and one-third to Amtrak.

The original **Sound Move** operating cost-per-rider target was \$11.97. The actual for the system in 2011 was \$12.71. The operating cost per rider on the North line in 2011 was \$32.38, more than two and a half times the target and the actual. The methodology for calculating this cost per rider is consistent with transit industry practice and does not include capital costs.

The original **Sound Move** farebox recovery target for Sounder systemwide was 23%, with actual recovery at 26% last year. South Sounder's farebox recovery was at 32%. North Sounder farebox recovery was at 11%.

ST Express. By way of comparison, the ST Express bus service in Snohomish County was based on \$292 M in capital investments to date, comprised of HOV ramps, transit centers and parking lots of \$174 M, HOV and arterial improvements of \$71 M, bus base contributions of \$7 M, and fleet costs of \$40 M.

Bus operating costs in the Snohomish subarea in 2011 totaled \$17.1 M with a farebox recovery of 29%. The five Snohomish bus routes carried a weekday average of over 8,000 riders in 2011. The average cost per boarding last year was \$5.17, less than the systemwide average, because Community Transit is the lowest cost provider that ST contracts with. While the ST Express bus ridership falls well short of the original **Sound Move** projections just as the Sounder North ridership does, the bus service costs much less per boarding and has been operating at capacity for several years. Some of the factors that have influenced the lower than projected bus ridership include the Community Transit service reductions and limited feeder service after the passage of Initiative 695; limited capacity at major park and rides; capped service hours; and despite ST investments, capacity constraints at the bus operating and maintenance base.

The cost and ridership of Sounder North and the Snohomish County express bus routes are not entirely comparable for various reasons. For one, the commuter rail corridor hugs the shoreline and was built in another era for freight rail, not to serve modern population centers. The rail corridor runs for miles between the water and steep embankments which have been plagued by mudslides during the rainy season. The bus service, on the other hand, runs along the well-developed I-5 and I-405 corridors and makes stops at major park and ride facilities where riders from a much larger catchment area can access the service. For another reason, the train and the bus have traditionally served different market segments. The train serves primarily commuters and is considered by many riders to be a premium service and has a higher fare. The bus, while also serving commuters, has traditionally served transit-dependent populations and has been shunned by some middle-class and suburban users. Recently, however, many Snohomish County residents report appreciating having both modes available as travel alternatives.

COP members understand these factors and offer the comparison simply to inform the public discussion and to encourage evaluation of the tax-payer investments ST is making and the resources available to move people about the region.

Peer Comparisons

For a similar reason, we have examined and are reporting data about a selected set of peer agencies that are comparable to Sounder North. These are not the large well-established urban systems like New York, Washington DC, or Chicago. Instead, we specifically asked Sound Transit staff to provide peer examples that are newer systems in mid-sized cities.

Sounder Comparisons						
		Start of Service	Average Weekday Boardings (2011 APTA)	Boardings per Revenue Vehicle Hour (2010 NTD)	Cost per Boarding (2010 NTD)	Farebox Recovery (2010 NTD)
Sounder North	Seattle	Dec-03	1,013	48.20	\$32.38	11%
Sounder South	Seattle	Sep-00	9,280	67.13	\$10.19	32%
Music City Star	Nashville	Sep-06	1,000	13.59	\$17.60	14%
Westside Express	Portland	Feb-09	1,600	45.13	\$20.40	5%
Northstar Line	Minneapolis	Nov-09	2,000	55.23	\$21.90	16%
Rail Runner Express	Albuquerque	Jul-06	3,900	33.30	\$18.00	13%
FrontRunner	Salt Lake City	Apr-08	5,800	11.50	\$14.30	11%
Altamont Express	Stockton	Oct-98	3,000	35.35	\$17.70	34%
Capital MetroRail	Austin	Mar-10	2,000	32.76	\$57.00	1%

Comparing to these newer systems and using three typical industry metrics, Sounder North compares favorably on one metric, poorly on another, and in the middle on a third. Sounder North achieved 48.2 boardings per revenue vehicle hour, the second best among the peers; it cost \$32.38 per boarding, the second highest cost; and its farebox recovery is at 11%, in the mid-range among this group of peers.

Sounder North's metrics look not unreasonable when taking into consideration that it offers only four daily roundtrips, far fewer than most of the other systems, has just three suburban stations, and limited parking available at two of those stations. However, there is no doubt that ridership is weak and thus the cost per boarding is high.

Sound Transit currently reports and evaluates Sounder productivity measures for the North and South segments together—total boardings, boardings per revenue hour, boardings per one-way trip, and cost per boarding. There are big differences on the two segments that affect their productivity: the number of trips, number of stations, population catchment areas, reliability, and parking available close to stations. While ST produces an annual Service Implementation Plan that publishes service standards and evaluates its routes against those standards, the agency does not currently use benchmarks for evaluating Sounder. Staff have stated that ST plans to begin doing so for North and South Sounder in 2013 and will select peers that are comparable

to each segment. COP members are supportive of this move and encourage regular productivity reporting that the Board can use to evaluate the viability of each segment, as it does with ST Express routes.

Alternatives Explored

In the meantime, the COP Task Force was very interested in understanding what Sound Transit is doing and what else it could be doing to improve the productivity and cost-effectiveness of the Sounder North line. We examined a variety of topics and discussed these with ST staff.

Fare reduction and free ride offers. With the overloads on buses and the significant additional capacity on the trains, Task Force members suggested exploring fare reductions on Sounder to encourage commuters to switch to the trains. However, ST staff believe that many train riders are commuters who receive subsidized or free ORCA cards from their employers and so are unlikely to be sensitive to fare changes. Survey research also indicates that the target market of potential riders consists mostly of people with annual incomes between \$50,000 and \$100,000 who are not as likely to be induced to ride the train for a modest cost savings. Nevertheless, the Task Force believes that further consideration should be given to experimenting with fare reductions as a means of increasing Sounder North ridership.

In addition, the Task Force also noted that targeting new riders with steeply discounted or free rides could be a successful marketing approach. Experience at other transit systems around the country has shown that free ride offers typically yield 10% new riders. The diminished farebox recovery ratio would certainly be a consideration, but only 11% of Sounder North's operating costs are covered by the farebox, so it could make sense to prioritize recruitment of new riders for a certain period of time.

Improving service reliability. North Sounder service has experienced interruptions caused by mudslides during the rainy seasons. Mudslides disrupted 41 trips this year and 70 trips last year. BNSF has a rule that 48 hours must pass before passenger service can resume after a slide. For customers needing a seamless commute, Sound Transit has used bus bridging when the train service is interrupted. The Everett, Mukilteo and Edmonds stations have regular ST or Community Transit service to downtown Seattle, but ST has also used the special bus bridges selectively depending on the circumstances, such as the time of day and whether it is a full or partial disruption. ST can deploy either CT buses or private charter coaches. The CT bus routes serving Mukilteo and Edmonds stations are routes that make many stops along the way and offer a much slower trip to downtown Seattle. Also capacity on these routes is sized for average weekday service -- not for disruptions, so train riders using these buses may have to stand.

Typically, about 25% of riders have taken advantage of the bus bridge, the rest have presumably used backup plans such as driving or taking another more direct transit route offered by CT or ST Express. Recently, ST has scaled back the bus bridges and directed passengers to existing regular routes.

What can be done to eliminate the mudslides and make the train service more reliable? Understanding that ST has no funds for maintaining the rail right-of-way and that it is the railroad's responsibility, Task Force suggested pressing BNSF to make repairs to the embankments and/or relax its 48-hour rule as an obligation of ST's easement. BNSF's own freight traffic suffers these same disruptions, yet repair work has been minimal. This year BNSF was granted \$16 M by the Washington State Department of Transportation to stabilize the

slopes above the tracks, so it is hoped that some improvement in service reliability will be forthcoming.

Targeted marketing. ST focused a research effort on Sounder North in February 2012. Of the surveyed commuters who currently drive alone from Everett to Seattle, 40% said that they don't really know how to reach their commute destination using transit; and 21% of those could see themselves riding Sounder one or two times a week. This group of so-called "choice" riders is the target market for efforts to persuade them to try Sounder. In June a marketing effort was launched that started with a mailing to 14,000 households near Everett. Everett was chosen as the first target area because Everett Station is the only Sounder North station that has ample parking. The letters included a promotional code that enabled residents to request a trip kit with a free \$10 ORCA card. Station agents were available to meet riders at Everett Station to offer help in how to ride. A 1% return from the marketing effort would generate 140 new riders trying the service. As of early August, 166 potential riders had requested the free trip kits. The effort is considered a prototype and if successful would be tried at other stations.

However, Task Force members noted that the marketing effort at Everett must necessarily be different than at Mukilteo and at Edmonds. At Everett there is ample parking but Sounder is slower and more expensive than ST Express bus. At Mukilteo and Edmonds, parking is constrained but Sounder is faster and comparably priced to the bus.

Improving access strategies (parking, feeder service, pedestrian and bike improvements, etc.). In Mukilteo and especially in Edmonds there is very limited parking near the station and the lots are close to full (in Edmonds 156 stalls are at 97% utilization and in Mukilteo 63 stalls are at 89%)¹. In these suburban settings, most riders arrive by car. Given the much higher ridership projections originally assumed for Sounder North, Task Force members could only guess that planners had significantly miscalculated how riders would access these stations. The transit feeder service is limited and, if riders must take a feeder bus first and then transfer to the train, they might as well choose to take the feeder bus to one of the ST Express bus stops and transfer to another bus which will arrive more frequently, cost less, take the same or less time, and serve more Seattle destinations. Given the reductions in local Community Transit service caused first by I-695 and more recently by the economic recession and accompanying revenue losses, more feeder service is unlikely to be an option in the near future. Additionally, shifting the morning Sounder North schedules five minutes later could significantly improve ferry connection opportunities in Edmonds and Mukilteo.

Additional parking and pedestrian and bicycle improvements are expensive capital improvements in any case and ones that are not in Sound Transit's current financial plan. Some additional land exists near both Mukilteo and Edmonds stations that might be suitable for collaborative shared-use arrangements with local jurisdictions or possibly interested developers. These kinds of arrangements are under discussion in both communities. Given the benefits of premium rail service enjoyed by Mukilteo and Edmonds, COP does not think it unreasonable that these communities be asked to share the cost of providing sufficient parking to improve access for their citizens and help grow ridership.

North Seattle access. While it would require a significant investment, additional stations – especially a north Seattle station in the vicinity of the northern tunnel portal – could significantly improve ridership. Since there is no current funding for new stations, this can only be

¹ Sound Transit Parking Utilization Report, June 2012

considered as a long-term measure. But the ST Board may eventually be faced with having to decide between major new investments in Sounder North or significant reductions in service.

Reducing the operating cost of Sounder. Task Force members considered the dichotomy between overloaded buses and empty trains by asking whether the Sounder service could be trimmed somewhat to direct the savings to additional ST Express trips along the I-5 corridor. They asked how much money could be saved or revenue generated by running fewer cars on each train, by reducing the number of daily trips, by leasing out rail cars to other commuter rail agencies, or by suspending the use of BNSF easements.

Members recognize that the **Sound Move** and ST2 plans made commitments to the voters that can't just be changed lightly. The plans are governed by financial policies established in the ballot measures and major changes in service allocation would require policy review and action by a supermajority vote of the Board. There is precedent for such actions, however, and we encourage the Board to consider these and other possible shifts to use available resources as effectively as possible.

- **Fewer cars per train.** Sounder North uses three-car train sets and makes four round trips per day so the 12 passenger coaches make just one round trip per day. The Sounder budget plan already reduces the North line train sets by 2 to 4 coaches and shifts these cars to a new South line trip in late 2013. The train sets could potentially be reduced by just one more car each because a federal rule requires trains to run a minimum of 2-car sets. The maintenance agreement with Amtrak charges \$363 per day per car, so in theory, any cars not operated would save \$92,000 per year (\$363 x 255 days). However, another obstacle would be a provision of the Amtrak agreement that requires a minimum of 56 cars to be maintained. That number will likely be exceeded as trips are added on the South line in the next several years, and some renegotiation of the terms of the maintenance agreement will be needed.

That said, if one car were removed from each of two train sets, \$184,000 in savings would be generated, and that amount could purchase some 1,600 annual bus hours or one to two new daily one-way bus trips on the overloaded I-5 ST Express routes.

- **Fewer daily trips.** One train from Everett to Seattle costs \$1,200 to operate plus \$500 in fuel per trip. The \$1,700 is a marginal cost; it does not include the full cost of overhead or long-term expenses such as equipment replacement or facilities. If one North Sounder trip per day were cancelled, the estimated net savings would be \$1 million per year after subtracting the lost fare revenues. (The costs saved would be \$676,000 from BNSF, \$368,000 from Amtrak and \$120,000 in fuel.) Staff cautioned that riders would not necessarily shift to one of the remaining trips as commuters typically settle into a pattern that gets them to their destination at a specific time and they dislike changing their travel patterns. However, if \$1 million in savings were generated by suspending one daily trip, that amount would buy some 8,770 ST Express bus hours or 10 to 12 daily one-way trips.
- **Leasing out cars to other rail agencies.** How much revenue could be generated by leasing out extra cars if train sets were shortened or if one daily trip were cancelled? Staff explained that ST has no extra cars to lease out at this time and, further, legal counsel has advised that there may be legal obstacles and tax consequences to doing so. The agency is already planning to pull at least two cars from the North line for the South Line in 2013 and additional new trips in the South will go into effect in 2016 and

2017. It remains an open question whether up to four cars could be leased on a short-term basis until they are needed for the South line in four or five years. Sound Transit has leased its cars to other rail systems in the past for about \$325 per day per car – so even if taxes had to be paid, that revenue could fund significant additional service where there is currently a need.

- **Suspending use of BNSF easements.** Could ST lease back one or more of the easements to BNSF for either a savings or cash income? Staff thought that would be unlikely and indicated they have not approached BNSF with the question. But Task Force members speculated that if the economy picks up and BNSF has an urgent need for more capacity on the line, the railroad might be willing to consider an offer for an interim period until its own investments could catch up with the growing capacity needs.

Sounder North offers four trips into Seattle each morning and four trips out of Seattle each afternoon, with 550 riders in each direction, or a total of some 1,100 riders per day. In a thought experiment, Task Force members imagined that if Community Transit or another bus operator were to run a replacement bus service, it would take about one bus per station to carry the current riders. At 2011 CT rates, the bus operating cost per boarding would be about one-sixth the train cost. True, the operator would have to acquire the buses and would also need to acquire maintenance base capacity, capital investments that could reach as high as \$10 million. In the short term, however, ST might be able to use older buses by deferring replacements or by leasing buses from another agency. As CT has had to reduce its service hours due to declines in revenue, it is likely to have some spare capacity in the short term and some willingness to accommodate additional service needs by Sound Transit.

Staff cautioned that ST could not assume that train riders would automatically shift to buses. As the trains are considered more comfortable and serve a different market segment than buses do and as Sounder North riders have developed their commute patterns and enjoy them, many riders might not switch even if additional buses were available.

Conclusions and Recommendations

COP members have taken note of the letter dated April 17, 2012 from the Mayors of Everett, Mukilteo and Edmonds in support of continuing Sounder North service. COP members from Snohomish County and members from other subareas are very sympathetic to the sense of ownership, pride and equity that Sounder North represents. In a decade of development and operation, riders have grown to appreciate having the service and citizens have stated clearly that they value having both train and bus service as alternatives. These are real and meaningful values and COP shares them.

However, we also appreciate the frustrations of the many riders who arrive at the Lynnwood, Ash Way and Mountlake Terrace transit centers every weekday morning and cannot get a seat on a bus or cannot even board due to severe overcrowding. We appreciate the frustration of commuters having to live with overloaded trips, lack of parking, and lack of feeder service to the regional system. We appreciate the irritation of tax-payers who see an inefficient and inequitable allocation of resources to one mode that is underutilized while another is overloaded. We believe that Sound Transit and its Board must seriously consider this situation.

COP noted at the outset of this report that 2012 has seen significant ridership growth on Sounder North. That is very welcome news and we hope that the growth continues as the economy improves. That said, however, average daily ridership has yet to return to its 2008

peak and is still less than half of **Sound Move** 2010 projected ridership. Under any circumstances, we would like to see ridership continue to improve on all modes and routes but especially on Sounder North with its high sunk costs and high costs per boarding. If ridership continues to grow, the current excess capacity on Sounder North will eventually be needed, and any resources shifted away from the North line would eventually need to be shifted back. Even temporary reductions in train service and reallocation to bus service might undermine the longer term objective of growing Sounder ridership.

However, we believe that, in the long-term, the tax-payers and transit users of Snohomish County will not be well served if the high-cost Sounder North line continues to run well below capacity while the much lower-cost ST Express bus routes run overloaded with passengers standing in the aisles. At a certain point in the future, Sound Transit may have to come to terms with a reality that one of its services is not living up to a reasonable definition of viability. Thus our recommendations call on the agency to make a three-part commitment to ridership development, benchmarking, and evaluation and fine-tuning of Sounder North.

- 1. Continue efforts to develop ridership.** As we did in our System Access Task Force report in December 2010, we strongly encourage the agency to continue to focus on ridership development strategies. The targeted marketing campaign initiated this year is a good start. Another strategy should include working with the local jurisdictions to support ridership growth through land use changes and parking management efforts near stations.
- 2. Use metrics to set targets and introduce the concept of threshold benchmarks.** As Sound Transit does with its ST Express bus routes, it should set service standards that allow the agency and the public to see clearly what is a satisfactory level of productivity. As an example only, Task Force members feel that the original **Sound Move** projection of 2,400 average weekday riders may be a reasonable threshold. The 2,400 ridership target was originally projected to be met by 2010 so has already been missed by two years. We suggest the agency set this or similar targets for ridership, cost per rider and farebox recovery achievement within five to eight years and set intermediate benchmarks for the years 2013 to 2020. Annual targets could also be set at thresholds that would trigger certain actions, e.g., 90% of target, 75% of target, 50% of target, etc.
- 3. Monitor and fine-tune annually if targets are not met.** Report on metrics and targets annually and consider fine-tuning actions such as reducing Sounder service, replacing some train service with lower cost buses serving the stations, or shifting funds to ST Express where the demand is strong. ST should explore any and all alternatives that could meet the demand and allocate resources efficiently.

In conclusion, COP is not suggesting that Sound Transit dismantle the existing North Sounder service. We recognize it is a popular service among its riders and a value to the communities it serves. We also recognize that the kind of accountability COP is recommending is not easy or without costs. Achieving a doubling of ridership within eight years would mean more than 10% annual ridership growth—a steep challenge even in a strong economic environment.

We do believe that accepting the status quo of low ridership and high costs on North Sounder is not acceptable. Sound Transit should undertake proactive efforts to continue to bring costs down and to build ridership so that Snohomish County tax-payers can be assured that their investments are purchasing real value to regional mobility, their communities, and people's lives.