

Subject: Media Alert: Kick-Off to Sound Transit's Phase II Tax Increase

From: Emory Bundy

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To: [news media]

SOUND TRANSIT SUFFERS FROM "UNDER-FUNDING"

On July 20 Larry Phillips, Sound Transit board member and King County Council chairman, lent his name to an Op-ed in the Seattle Times calling for a Pierce, King, and Snohomish County Transportation Summit. If history is guide*, the piece was hatched by Sound Transit and drafted by its public affairs consulting firm, Cocker-Fennessy.

Phillips cites a litany of transportation "Visions...coming into focus," first of all, Sound Transit's "high-capacity transit network." Also the state legislature's package to help replace the Alaskan Way Viaduct and Evergreen Point Bridge. Ditto for "visions of a Seattle streetcar network."

Great visions he says--but there's a problem: The visions are "under-funded."

This may be the opening salvo of Sound Transit's pursuit of ten digits of additional funding via the Regional Transportation Investment District, and its own multi-billion dollar Phase II tax increase. Much of that money is required to complete Central Link light rail--that voters were assured by Sound Transit they paid for with the 1996 Sound Move tax increase.

The "under-funding" ploy likely is based on polling and focus group studies conducted by Sound Transit. Just like the Fairbank, Maslin, Maullin & Associates poll of September 1994 that guided Sound Transit on what it should tell voters to give its Sound Move tax proposal the best chance of winning. That guided the proffered price, scale, and speed of implementation of its rail projects--all false, but closely conforming to the poll results. The Sound Move Ten Year Plan was crafted to accord with the public's sentiments, as reflected in the polling, rather than the truth. Resolution 75, in turn, was crafted to evade the consequences--to convert a Ten Year Regional Transit System Plan, for a decade of capital expenditures for specific projects, at specific prices, into an open-ended, skies-the-limit, perpetual tax-and-spend bonanza for the agency.

Those lacking imagination think Sound Transit suffers from cost overruns and deficient performance. Not at all, it suffers from "under-funding." Poor Sound Transit, so short of money. But it's not because Sounder is running 90 percent over its proffered capital budget, and Central Link is much worse. Cost overruns would be the fault of Sound Transit--for misrepresenting costs, and poor management. That would demand that the agency be honest, and competent.

No, the problem is "under-funding." The remedy is MORE MONEY. Hence this latest Orwellian initiative to redefine perceptions.

Sound Transit reflects a national trend. The capital development costs for DC Metro rail went far over budget, and its operating costs greatly exceed the original projections. The system was supposed to generate a large annual subsidy, so it could accumulate reserves for capital improvements. But fares and tax subsidies scarcely meet annual operating costs, at best. Now that the system is in its fourth decade of service it needs an enormous infusion of capital to rehabilitate and improve its infrastructure, \$6 - \$12 billion. Also it needs larger annual subsidies for ongoing operations. So DC Metro and its friends propose huge government capital bailouts, plus additional, dedicated funding for operations.

DC Metro is under-funded. Send money.

Atlanta, got "our" money, for MARTA rail, and in consequence is an analogous pickle. Now past age 30, with equipment and facilities wearing out, MARTA is accumulating acute needs for major capital investments, but there's no money. Indeed, the annual tax subsidy is no longer sufficient even to cover operating costs, so there is an annual operating deficit, too, accompanied by declining patronage. A proposal to give MARTA to the State of Atlanta was declared dead-on-arrival by the Governor.

MARTA's under-funded, too. Send money.

In the last four years Bay Area voters approved 11 ballot measures to raise taxes or tolls to pay for transit improvements.

They enacted billions of transit dollars in 2004 alone.

"[According to] Randy Rentschler, spokesman for the Metropolitan Transportation Commission, the regional transportation planning agency, 'there is a lot of commitment to increase transit in the Bay Area, as evidenced by the votes in 2004. They raised more than \$8 billion -- most of it for transit -- and that's substantial. That's real people putting real money into real projects.'"

Transit ought to be thriving--but, instead, it suffers from under-funding.

"Transit's financial troubles point to the need for another source of money to pay for operating costs,' Rentschler said...." (San Francisco Chronicle, "Bay transit headed wrong way," June 3, 2005)

With the introduction of more-costly rail systems, such as San Jose light rail, the massive revenue increases are accompanied by service cutbacks that fall disproportionately on more-efficient bus transit.

"David Schonbrunn, president of the Transportation Solutions Defense and Education Fund, a Mill Valley group that has fought to increase spending on public transportation [said], 'This [service cutbacks, falling ridership] is a tragedy'...."

"An increase in the gas tax could be one source -- and the Metropolitan Transportation Commission has state approval to ask voters to approve a regional gas tax that could be used for transit." (San Francisco Chronicle, June 3, 2005)

Since the many recent, successful ballot measures increasing taxes and tolls for transit in the Bay Area have been followed by service cutbacks and falling transit market share, the problem must be under-funding. More money needed.

When Los Angeles started the most ambitious package of light rail projects in America, its ridership and market share plummeted--because rail-caused fiscal crises prompted service cut-backs and fare-increases for its more-efficient buses. Debt payments burgeoned, along with escalating operating costs. Ironically, what is most helping Los Angeles Metropolitan Transit Authority now is that it lost a federal civil rights case. Represented by the Los Angeles NAACP, plaintiffs argued that less-affluent, largely Black and Hispanic bus transit customers were being victimized in order to lavish a more highly subsidized rail technology on upscale, largely White transit patrons. The federal court found for the plaintiffs, and compelled LAMTA to pump more money into bus transit, restore service, and moderate its bus fare increases. That has helped regain substantial transit patronage--though it's still not close to that of 1985, before the rail projects were started. Also, there has been substantial population growth in the past two decades, hence transit market share has declined to an even greater degree.

Last month Minneapolis celebrated the first birthday of its new, over-budget 14-mile light rail line, Hiawatha, with an agency declaration (which may or may not be true) that Hiawatha is meeting its ridership projections. A few days later a front-page story announced massive cutbacks in bus service, due to revenue deficiencies, which surely will adversely affect transit patronage. Hiawatha has helped generate an acute fiscal crisis in Minneapolis transit. The agency's remedy is not efficient service--if efficiency was valued, Hiawatha light rail would not have been constructed. The problem will be defined as under-funding, and the declared remedy will be more money.

Minnesota plans to institute Northstar commuter rail service, modeled on Sounder. Sound Transit's Paul Price testified before a Minnesota legislative committee that Sounder was doing great (Star-Tribune, April 12, 2001). Scarcely two weeks later a Seattle Times investigative story by Susan Kelleher revealed that Sound Transit was madly seeking to off-load 47 of the 75 coaches it had ordered for Sounder, and four of the 11 locomotives, because of a paucity of demand. (Seattle Times, "Sound Transit soon to get dozens of cars it doesn't need," May 1, 2001). More than four years later, there still is no need for those coaches and locomotives.

Starting in 1997, Sound Transit added nearly 50 percent (\$100 per person per year) to the region's already-high transit tax. That enormous increase has been accompanied by falling transit market share. Since the huge jump in annual revenue flowing to Sound Transit is accompanied by declining transit market share, the problem must be "under-funding," and the remedy is MORE MONEY.

The distinguished British journal, The Economist, recently declared that Seattle "probably has the worst transport planning in North America" (June 30, 2005). If the "under-funded" line Larry Phillips is peddling prevails, local transportation planning will go downhill from there.

Footnote(*): It is my surmise that Larry Phillips' Op-Ed was instigated by Sound Transit. It certainly reflects the company line. The agency has a history of conveying its messages by commissioning Op-eds to Cocker-Fennessy (billings to Sound Transit: \$1.28 million), with directions to solicit various board members and other functionaries in its orbit to lend their names. Over time, Cocker-Fennessy appears to have become more discreet in its invoices--presumably since the point of the Op-Eds is to convey an impression that they are initiated not by Sound Transit's mouthpiece, but by the authors.

Here are some examples selected from past Cocker-Fennessy invoices:

Draft Op-Ed for Seattle times, get Dick Ford (Preston Gates & Ellis) to sign
Draft Op-Ed for The News Tribune, coordinate with Herb Simon to sign
Draft Op-Ed for Eastside Journal, request Mayor Creighton to sign
Develop Op-Ed for PI to have Sims et al to sign
Work with Bellevue Mayor on Op-Ed
Develop Op-Ed for Ford (Preston Gates), Darr (Building Trades Council), and Ostrom (1000 Friends of Washington--now Futurewise)
Draft two Op-Eds (no names specified)
Draft and coordinate approvals for a Seattle Times Op-Ed (an Op-Ed ran on the designated date, over the names of Ron Sims, Bob Drewel, John Laudenberg, and Dave Earling)