



November 13, 2003

Mr. Ron Sims, Chair
Board of Directors
Sound Transit
401 South Jackson Street
Seattle, WA 98104-2826

Dear Mr. Sims:

The Citizen Oversight Panel is pleased to congratulate the Board, Joni Earl and the staff of Sound Transit on the recent award of the full funding grant agreement for the Link Initial Segment. This milestone for public transit in our region has been long awaited and is testament to a great deal of hard work, skill and persistence on the part of the agency. Having been present during the dismal days when COP could offer only warnings and concerns, COP members are now delighted to offer kudos and cheers.

The string of favorable announcements in recent months has been impressive: Tacoma Link, the permanent Sounder platform at Tacoma's Freighthouse Square, the Lynnwood Transit Center, significant progress along I-405 in Bellevue, and the agreement in principle with BNSF are among the highly visible accomplishments. We sincerely hope that the public will take note of the many pieces of evidence that Sound Transit is renewed, restored and fully engaged in delivering on the promises made to the voters in 1996.

Having acknowledged the successes, COP does have a serious concern to draw to your attention today. The Supreme Court decision on Initiative 776 is fraught with potential dangers for Sound Transit. First of all, the agency must still prove with an updated long-term finance plan that building Central Link is still feasible as financial parameters evolve. In the Board's October 2, 2003 letter to FTA Administrator Dorn, you describe a "worst case" scenario in which the agency's MVET revenues might be reduced from 0.3% to 0.1%, a net loss of \$700 million. Understanding that the Supreme Court decision is subject to further legal interpretation, that scenario may, in fact, now become the new reality. Additionally, the 2004 draft Financial Plan indicates that the unprogrammed Phase I financial capacity in the North King subarea is down \$50 million since last year's forecast. That financial capacity is a moving target that changes year to year based on current economic conditions and on the planning assumptions

CHAIR

Larry Shannon

VICE CHAIR

Steve Wamback

Arlington (Art) Carter, Jr.

Dick Chapin

Marcus Courtney

Bertha Eades

Ray Gould

Virginia Gunby

Rea Hagan

Miriam Helgeland

Bill LaBorde

Karen Miller

Don Russell

Al Stipe

Phillip TK Yin

Mr. Ron Sims
November 13, 2003
Page 2

used. We encourage you to insist on updated financial planning using the most conservative possible assumptions.

Secondly, while the Supreme Court did not rule whether or at what level Sound Transit may continue to collect the MVET, and referred that decision back to the lower court, Sound Transit's reputation and trust with the public may be at stake. We encourage you to keep public confidence in mind as you determine your course of action on this matter in the coming weeks and months.

In closing, we would like to remind you of the COP feedback survey you were sent a few weeks ago. If you haven't returned it yet, please do so. COP members seek to be as effective as possible in our oversight role and we sincerely welcome any suggestions you may have for us.

Sincerely,
CITIZEN OVERSIGHT PANEL



Larry Shannon
Chair

Cc: Sound Transit Board
Joni Earl, Executive Director