



Testimony of Peter M. Rogoff
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Sound Transit
Challenges and Opportunities for Commuter Railroads
Subcommittee on Railroads, Pipelines, and Hazardous Materials
Committee on Transportation and Infrastructure
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Chairman Lipinski, Ranking Member Crawford, Members of the Subcommittee, my name is Peter Rogoff. I have the privilege of serving as Chief Executive Officer of Sound Transit, the regional transit agency in Washington state's Puget Sound region.

Sound Transit provides commuter rail, light rail, and express bus service throughout our three-county region, which includes some 51 cities including Seattle, Tacoma and Everett. Our region is undergoing unprecedented population growth causing highway congestion to more than double in just the last six years. As such, our voters in 2016 approved and funded a \$54 billion ballot measure which, when combined with our prior ballot measures, has launched us into the largest transit expansion program in the United States.

While commuter rail from a ridership perspective is the smallest of the three services Sound Transit provides, it is also one of our fastest growing and we are currently in the planning stage to expand it. So I want to thank the subcommittee for holding this hearing on the unique challenges and opportunities for commuter rail. The issues and potential solutions certainly merit the Committee's attention.

Our Sounder commuter rail consists of two lines on an 83-mile, 12-station system. Sounder North runs between Everett and Seattle, and Sounder South runs between Lakewood, through Tacoma, and onto Seattle. Today, Sounder South is the most popular route and runs 13 round trips per weekday, along with occasional extra trains for weekend events. At the busiest times, trains carry as many as 1,000 riders each. The Sounder system has average weekday ridership of 16,000, up more than 30% since 2014. Sound South is an extraordinary great value, especially for the riders of Pierce County in cities like Tacoma, Sumner, Puyallup and Auburn who can bypass the punishing congestion that is a daily occurrence on State Route 167, I-405, and I-5.

We are currently in the early planning stages for a mix of investments to expand this service, both by expanding the capacity of the trains themselves and exploring the opportunity to operate a greater frequency of service during more hours of the day. In 2025, we will begin planning to expand Sounder South by 8 miles, with two new stations, including one near Joint Base Lewis-McChord – a major Pierce County employer with surrounding roadway congestion that is worsening each year

The challenges we face in expanding Sounder commuter rail directly relate to the many unique challenges that the commuter rail industry faces.

Unlike the 116-mile light rail system we are building – where we construct new right of way that we own, control, and manage as sole operators – on Sounder we own less than 10% of the tracks, with the majority owned by BNSF and shared with other operators such as Amtrak. We run along BNSF's



mainline which also serves the critical employment centers of the Ports of Seattle and Tacoma. Together, they represent the nation's second largest gateway to Asia and fourth largest container port. As partners, we at Sound Transit are invested in the ports' continued growth just as we are invested in minimizing area highway congestion so their truck traffic can move. We have one mainline that must serve these busy Ports, Sound Transit commuter trains, state-funded Amtrak trains, federally funded Amtrak trains, and military rail deliveries to Joint Base Lewis-McChord. We are trying to accomplish a lot with one very busy but constrained segment of track. That is not a unique challenge for commuter railroads but it may be especially acute in our region. It certainly presents challenges when we, the commuter railroad, are trying to maintain the on-time performance for our current trains as well as introduce additional trains into service to meet growing passenger demand.

Commuter rail is an expensive enterprise because of the operating and capital costs inherent in putting the service out each day. On a per-rider basis, our taxpayer subsidy per Sounder passenger is 50% higher than express buses and nearly triple the per-rider subsidy for our light rail passengers. Unlike our light rail system, where we construct new right-of-way we control, with commuter rail we must negotiate for track access with host railroads such as BNSF, paying millions for each track easement. Other factors driving up operating costs include the strong one-way peak demand from regional cities to central cities, which makes labor shifts inefficient to schedule and requires lots of mid-day storage space for trains as they wait for the next rush hour.

That said, the ROI for commuter rail is tremendous for the working families that ride it. Unlike the late 20th-century paradigm where cities were poorer due to divestment and suburbs were wealthy due to urban flight, our region has joined many others in seeing the reverse: the suburbanization of working class families and the renaissance of wealthy metropolitan cities. Our central cities such as Seattle and Bellevue are booming job centers attracting global talent at companies such as Amazon, Microsoft, Boeing, Facebook, Google, Starbucks and REI. Even though our region has done better than some of our peer regions when it comes to housing production, we still are facing an affordable housing crisis. The average home price is more than \$700,000 in Seattle and is nearly \$1 million in Bellevue. To the extent that there is affordable housing to be found anywhere in our region, it is to be found in cities like Everett and Tacoma and the cities in East Pierce County that are served by Sounder Commuter Rail. These are outstanding communities in which to raise families. That suburban lifestyle in combination with more affordable housing is why residential growth has been particularly strong in Pierce and Snohomish counties, with growth rates that in recent years have outpaced that of neighboring King County, home to Seattle. That pattern is expected to continue in the future where households are expected to grow in Seattle 27% by 2040, 58% in Everett and 56% in Puyallup.

Without Sounder South, there would be no way a worker in a city such as Puyallup could get to Seattle in under an hour. The State Route 167 corridor Sounder South serves has seen its traffic congestion increase by a staggering 27% recently. Traveling up to 79mph, Sounder South trains reach communities such as Puyallup and Sumner in half the time it takes a car or bus.

The story is similar in Snohomish County to the north. The Everett-Seattle corridor has some of the worst traffic in the country, and Sounder North provides traffic-free access to Seattle from Edmonds, Mukilteo and Everett.

In 2016 our voters committed more than \$1 billion to expand Sounder service, lengthen trains, and improve parking, walking and biking access. It is important to note that our region's voters are financing 84% of our overall system expansion, but we rely on federal partnerships to finance the remainder.



As such, we strongly support the expansion of Federal programs that help us meet the demands of our passengers. We serve as project sponsors in the Federal Transit Administration's Capital Investment Grants (CIG) program. We are currently constructing a light rail expansion to Lynnwood in Snohomish County, with 38 percent of the project cost coming from the CIG program. By the end of this year, we are hoping to receive a Full Funding Grant Agreement to extend our light rail network south to the City of Federal Way with 25 percent of the project cost coming from the CIG program. We also look forward to applying in the next few weeks under the Federal Railroad Administration's Consolidated Rail Infrastructure and Safety Improvements (CRISI) program. Our application will seek funds to double track sections of rail in Tacoma to remove chokepoints for Amtrak, Sounder and freight trains including military trains serving Joint Base Lewis-McChord. Going forward, as we expand our Sounder commuter rail service, we are very interested in investigating federal partnership with the FTA's Core Capacity program, perhaps combining our own investments with a combination of FTA Core Capacity funds and an FRA RRIF loan.

Sound Transit has made extensive use of the TIFIA program as we have expanded our transit services throughout the region. We have a sizeable TIFIA loan but no CIG grant funding in our East Link project – a 10-station light rail expansion across Lake Washington connecting the cities of Seattle, Bellevue, and Redmond that opens in 2023. We are also the only recipient to date of a TIFIA Master Credit Agreement (MCA) with the USDOT's Build America Bureau. By grouping four separate TIFIA loans together under this MCA, we have collectively saved our region's taxpayers between \$200 and \$300 million in borrowing costs. We have closed three of the four loans to date with the final closing expected this December. Two of these loans have been paired with FTA CIG funding to help us meet project costs. We look forward to the day where we might be able to combine FTA Core Capacity funding with either TIFIA or RRIF borrowings to expand Sounder commuter rail services.

The remainder of my testimony goes into further detail about reforms we would recommend as you consider your authorization and funding decisions in the upcoming reauthorization cycle.

One area I would encourage the Committee to pursue is the opportunity for further environmental streamlining to speed the delivery of Federally funded or permitted projects. In the Pacific Northwest, we are intensely focused on the environment, believing it is elemental to both our quality of life and our commercial success. It is, however, a frustration when the federal environmental and permitting process actually slows our ability to get projects delivered that are inherently beneficial to the environment. The sooner we can deliver viable high-capacity transit services to new communities, the sooner we can reduce greenhouse gas emissions along with other pollutants.

I would encourage the Committee to consider approaches that would provide preferences and incentives to expedite approvals for projects that provide such substantial environmental benefits.

Implement One Federal Decision when using two or more funding programs: When commuter railroads seek to combine FTA funds with RRIF loans, the Department of Transportation should create one process that streamlines the approval processes for the two federal decisions. This would be an extension of the "One Federal Decision" policy the Administration is implementing relative to environmental clearance. While separate approvals would still be required for the grant and the loan, the FTA and the Build America Bureau could jointly conduct much of the evaluation of the project in question. This would streamline the process and provide better coordination on the timing of decisions.



Ensure adequate federal agency staffing to reduce processing times: Adequately staffed Federal agencies are essential to the prompt processing of permits, grant or loan funding, and environmental clearances. Having served as the Federal Transit Administrator during the Obama Administration, I am acutely aware of the challenges faced by a very thin staff as they process a very daunting workload. Sound Transit currently pays for additional staff at FTA Region X – who are prohibited from working on Sound Transit projects – as well as additional consultants to the FTA so that the agency has additional capacity to deal with our expanding capital program. While we are proud to partner with the FTA in this way, it is not the kind of solution that can be replicated nationwide. I would strongly encourage the committee to review the staffing levels of the FTA and FRA and authorize funding for increased staffing commensurate with what we find in other grant-making modal Administrations. It is also essential that attention be paid to the staffing levels at the natural resource agencies that are charged with conducting environmental clearances and permits, including the EPA, NOAA, the Army Corps, the Fish and Wildlife Service, the Coast Guard, the National Marine Fisheries Service, the National Parks and the Forest Service. It is not reasonable to think that these agencies can engage in project reviews early and process permits more quickly if their staffing is continually shrinking.

Though costing federal agencies more up front, ensuring adequate staffing will result in net taxpayer savings due to faster project delivery, lower borrowing costs and a shorter inflation time window.

Harmonize RRIF and TIFIA procedures: We believe the FRA’s RRIF loan should work more like the DOT’s TIFIA loan program. Under TIFIA, the Treasury pays the Credit Risk Premium out of funds appropriated by Congress, so that the borrower does not have to draw on loan proceeds to pay it. The RRIF program, on the other hand, does not have a similar mechanism and borrowers are required to pay the premium up front.

Extend RRIF TOD authority expiring December 4, 2019: RRIF is available to support Transit Oriented Development loans so that transit agencies can support the development of commercial and residential buildings that support the transportation network. That authority will expire on December 4, 2019, before the rest of the FAST Act programs expire. Extending the TOD authority so that it aligns with the rest of the programs in the FAST Act, or eliminating the expiration date altogether, would ensure this authority remains available.

Streamline TIFIA loan compliance procedures: Sound Transit has combined TIFIA loans with CIG funding for light rail extensions included in Sound Transit’s TIFIA Master Credit Agreement (MCA). Despite the fact that TIFIA is a loan fully repaid with interest, some TIFIA requirements are more onerous than for CIG grants. For example, TIFIA requires FTA or PMOC review for *all* physical invoices – on \$3+ billion projects – which creates substantial workload for the grantee, FTA, and/or PMOC. For TIFIA recipients with low credit risk such as Sound Transit, we ask that drawdowns be able to occur with oversight provided by the annual single audit, FTA triennial review or other existing grant oversight reviews.

Improve CIG Core Capacity definitions: Under current core capacity requirements, commuter rail projects need to show that they will be “at capacity” today or in five years to be eligible. But since the CIG process itself can take five or more years, qualifying projects will be over capacity before beginning construction. Expanding the timeframe from five years to ten years, for example, could streamline the process and get core capacity projects approved and built faster.

Provide more clarity on FRA’s System Safety Rule: FRA’s System Safety Rule is an opportunity for commuter railroads to take a holistic safety approach that considers local conditions and takes



advantage of the benefits of various engineering, technical, and system management approaches. Commuter rail agencies would benefit from having clearer FRA direction on approval standards for System Safety plans. The absence of clear standards for plans creates a more interactive role for the FRA in plan development, and exposes agencies to risk by creating an iterative approval process where conditions may change unpredictably. Sound Transit welcomes the implementation of the new System Safety rule, but we would ask for more clarity up front on what the FRA will require for approval. Though we are pleased to have met the FRA's deadline for implementation of Positive Train Control (PTC), we have not forgotten the PTC-avoidable Amtrak derailment in 2017 that claimed three lives on tracks owned by Sound Transit. We believe it is more important than ever that we work closely together on shared safety standards.

Expand the use of Categorical Exclusions (CEs) for work on existing transit projects: We believe transit agencies should be able to accelerate project delivery by being empowered to assume the responsibility and risk for approving routine projects under NEPA. State DOTs currently have programmatic CE agreements with FHWA and Section 1318 of MAP-21 sought to expand their application. Unlike state DOTs, local and regional transit agencies have not enjoyed this same flexibility. We believe Congress should authorize a pilot program enabling qualifying transit agencies to enter into programmatic CE agreements with FTA. We also believe that projects that can show an inherent environmental *benefit*, such as reducing greenhouse gases, should benefit from streamlined environmental procedures.

Modernize historic preservation laws: We believe it is time to reconsider how to better harmonize the multiple environmental laws governing similar resources. A prime example is the treatment of historic resources protected by Section 4(f) of the 1966 Transportation Act and Section 106 of the 1966 National Historic Preservation Act. We need not diminish the requirements to consider and mitigate the impacts to our historic resources, but it is worth exploring how we can better harmonize the processes.

Align level boarding standards across agencies: Sound Transit is fully committed to ensuring equal access for our riders with disabilities. We have been endeavoring to implement level boarding at station platforms to comply with regulations. However, BNSF, Amtrak Cascades, long-distance Amtrak trains and Sounder each have distinct rolling stock with a variety of track clearances, precluding a single "level boarding" platform. Although federal guidance suggests ways to accommodate these complexities, there are inherent challenges faced by commuter rail agencies that make achieving true level boarding nearly impossible. Sound Transit requests that regulators work together with us to identify and provide practical options that would help us achieve true level boarding.

Thank you for the opportunity to share our insights as both a commuter rail operating agency and as federal grantee making use of several financing programs. We appreciate the attention you are devoting to these issues and we look forward to working with you to provide the efficient transportation system the American people rightly expect.

Thank you.