Martin O'Malley, *Governor*
Anthony G. Brown, *Lt. Governor*

SHA State Highway Administration
Maryland Department of Transportation

Beverley K. Swaim-Staley, *Secretary*
Neil J. Pedersen, *Administrator*

October 19, 2009

The Honorable Phil Andrews
President, Montgomery County Council
100 Maryland Avenue
Rockville MD 20850

Dear Council President Andrews:

Thank you for your letter to Transportation Secretary Beverley K. Swaim-Staley regarding the I-270 Multi-Modal Corridor Study. The Secretary has received your letter and asked our two agencies to respond on her behalf.

The study, jointly lead by SHA and MTA, is investigating the widening of I-270 and US 15, combined with a transit alternative named the Corridor Cities Transitway (CCT) through Gaithersburg and Germantown in Montgomery County that would tie in with the existing Metrorail Red Line at Shady Grove. The Secretary's letter to you addressed the policy questions regarding toll operations and funding. As requested by the Secretary, we offer the attached point-by-point responses to your questions regarding tolling operations, rates, revenues and cost; funding; and alternatives and impacts.

Thank you again for your letter. The Secretary appreciates hearing from you and, on her behalf; we also thank you for your interest in this very important project. If we may be of further assistance, please do not hesitate to contact either of us or Mr. Russell Anderson, Project Manager for SHA at 410-545-8839, toll-free 800-548-5026 or via email at randerson2@sha.state.md.us. You can also contact Mr. Rick Keigel, Project Manager for MTA at 410-767-1380, toll-free 866-743-3682 or via email rkiegel@mtamaryland.com.

Sincerely,

Mr. Gregory I. Slater
Director of Planning
and Preliminary Engineering

Ms. Diane Ratcliff
Director of Planning

cc: Mr. Neil J. Pedersen, Administrator, SHA
Mr. Paul J. Wiedefeld, Administrator, MTA

My telephone number/toll-free number is **410-545-0412 or 1-888-204-4828**
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FUNDING	
The Alternative Analysis/Environmental Assessment stipulates that the funding strategy for the I-270 widening would be a combination of Federal highway funds, State transportation funds, and toll revenue. What are the anticipated funding amounts from each of these revenue sources? (An estimated range for each would suffice.)	There are insufficient future federal allocations to the State of Maryland to accommodate a project of the magnitude of the entire I-270 improvements. As the CCT is funded through the next phase and the highway portion is not, the highway portion will be slightly different and proceed at a different pace. The highway portion of this multi-modal study will progress as several breakout projects once we are in a position to look at allocating funding for future phases of the project. At that time, MDOT will assess the appropriate funding sources (Federal, State, bonds, etc.) that are available to fund the various types of breakout projects, including the transit portion
What percentage of the total project funding is anticipated to be discretionary, versus restricted for highway use?	Because of the insufficient future of funding allocations, it would be premature for MDOT to specify the percentages of the project funding that would be discretionary or restricted for highway use.
Are Federal-aid highway funds fungible and/or usable for transit projects, especially? Does this answer change if funding is solely for a transit project that runs on a highway?	Federal-aid highway funds are fungible for transit projects, depending on the source of the funds. Interstate maintenance (IM) funds, for example, could be used to construct HOV lanes along the interstate or to provide improved interstate access to park and ride or rail facilities. Other funding sources that could be flexed from highway use to transit use are described below. Transfers can also be made on the federal level, that is, from the FHWA to the Federal Transit Administration (FTA), upon approval by the Secretary of the United States Department of Transportation (USDOT).
Please identify the Federal aid programs from which funding the I-270 widening is anticipated. Which of these programs currently allow funding to be "flexed" from highways to transit and which do not?	The majority of federal highway funds can be flexed either between specific highway programs or from highway to transit. To provide one example, up to 50 percent of the National Highway System (NHS) funds can be transferred to the Surface Transportation Program (STP) category. Up to 100 percent can be transferred to the STP category if approved by the Secretary of USDOT to be in the public interest. NHS funds cannot be flexed directly to transit; however, any amount of STP funds can be flexed from highways to transit. Because of the insufficient future of funding allocations, it would be premature for MDOT to specify the programs from which funding for the project is anticipated.
Is MDOT currently funding any highway project with Federal funds that are eligible to be flexed to transit, which are eligible for funding from programs that do not allow flexing? Can Federal funding be reallocated among projects so as to move flex-eligible funding to the I-270 corridor?	Yes. Please see the explanation in the question above for more detail. Current MDOT practice is to flex funding only when necessary; priority is given to ensure that system preservation and safety needs are completed first.
The American Public Transportation Association reports that under the new transportation bill proposed in the U.S House of Representatives, "the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Surface Transportation Program (STP) remain largely intact as states and local governments will continue to be able to flex these funds for transit projects at the local level." Does MDOT agree, or do you expect the new Federal transportation law to impose new restrictions on flexing highway funds to transit?	At this time, it would be premature for MDOT to speculate the outcome of the new Federal Transportation Law. Once a final bill is signed MDOT will then assess the impacts to our program appropriately.

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Are these statements about the Transportation Trust Fund, from MDOT web site, still true? "All funds dedicated to the Department are deposited in the Trust Fund and disbursements for all programs and projects are made from the Trust Fund. Revenues are not earmarked for specific programs…" …"The Transportation Trust Fund permits the State tremendous flexibility to meet the needs of a diverse transportation system."	This comment is true for the State funds. Federal funds, however, are disbursed through the FHWA and FTA, independently. On the State level, while the flexibility is there, there is a limit to the funds available for highway and transit projects and how they will be distributed throughout the state. FHWA funds can be used for bus/HOV lanes where they are feasible, or for creating park and ride lots, or other Transportation System Management/Transportation Demand Management (TSM/TDM) measures. FHWA funds cannot be directly used for transit-only capital improvements on new alignments; they come under the purview of the FTA, and funds would need to be shifted at the federal level.
If toll-backed bonds (i.e. GARVEE bonds) are used for this project, what is the anticipated debt service/interest obligation that the State will incur (expressed either as a range or absolute dollars or as a % of the total principal financed)? Will bond-financing for this project limit the ability of the State to bond-finance transit projects, and if not, what would be the impact on its bond-rating?	GARVEE bonds are backed by future federal-aid allocations to the State. State law currently caps the amount of GARVEE bonds that can be issued in Maryland to the $750 million committed to the ICC project. Because of the insufficient future of funding allocations, it would be premature for MDOT to specify the financing from which funding for the project is anticipated.
ALTERNATIVES AND IMPACTS	
What is your initial analysis of the cost and benefits of the all-transit alternative offered by the Action Committee for Transit (attached)?	The proposal set forth by Action Committee for Transit (ACT) is of such a magnitude as to require considerable time and effort to fully analyze costs and benefits. Our initial preliminary analysis of the all-transit alternative proposed by ACT is that it would not benefit the full range of transportation-system users within the I-270 Multi-Modal Study project area, such as freight carriers and through route long distance travelers. It also appears that the Vision 270 plan has not been analyzed using a recent transportation and land use model that reflects future conditions, whereas the corridor alternatives in the I-270 study were analyzed using the Metropolitan Washington Council of Governments' (MWCOG) land use and transportation models which do take into consideration future conditions.
What would be the time-delay and cost of studying this or other all-transit alternatives, in comparison to the I-270 widening options?	The study team already performed a preliminary study of an all-transit alternative, prior to the issuance of the DEIS. Based on capital costs and proposed ridership, none of the all-transit alternatives, other than the use of express bus on an improved I-270 linked with the Corridor Cities Transitway, provided user benefits that would meet both the cost effectiveness criteria established by the FTA and the purpose and need for the Multi-Modal Study. The results of the all-transit alternatives that were dropped from further study prior to the DEIS only provided a modest decrease in vehicle miles of travel (VMT) on I-270. Essentially, this would re-start the NEPA process for each project, including the CCT. These projects would need to go through NEPA and each be independently developed using the FTA New Starts project planning and development process in order to receive federal transit funds. The process is time consuming to complete and can require well over a decade to get a project through planning and design, construction and initiation of operation, and would cost several millions of dollars.

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What would be the time-delay and cost of studying the impact of proposed Gaithersburg West and Germantown Master Plans on I-270 congestion, travel times, and other related projections?	SHA's Regional and Intermodal Planning Division prepared a cursory analysis of the generated trips that would be added to I-270 and I-370 as a result of the Gaithersburg West development, which showed additional traffic on I-270 and I-370 with an internal trip-capture rate of 40 percent. The analysis of the impacts of the Gaithersburg West development on the corridor will be studied in greater detail once the MWCOG land use and transportation models are updated to reflect the new adopted land use plan. This will be done as part of the Tier 1 FEIS support, after the updated sector plans are approved and incorporated into the MWCOG model.
Are additional lanes contemplated on I-270 south of Shady Grove?	A preliminary feasibility study, known as the Westside Mobility Study, is complete for the section from Shady Grove Road to the American Legion Bridge. The study would need to undergo a full NEPA study, prior to implementation. The study would also need to be prioritized on the local level and have funding made available to become a new planning start. This study looked at both general-purpose and managed lanes.
What is the cost of the express bus service on the managed lanes-such as express buses from Frederick to Shady Grove-and is it included in the cost of the build alternatives? How much bus service is assumed and how much is its ridership? How does the ridership and cost of this express bus service compare to ridership and cost of a direct transitway and implementing the Governor's plans for improving Brunswick Line MARC service?	The CCT includes three new premium bus services, including a peak hour operating bus service that operates every 15 minutes from the City of Frederick to Shady Grove using the managed lanes on I-270. This service generates between 2,900-3,400 daily boardings. Two additional express service routes are intended to feed the CCT. In the LRT alternatives, this service begins in Frederick or Kemptown and terminates at the COMSAT station, where all passengers who wish to continue transfer to the CCT. In the BRT alternatives, these services enter the BRT guideway at Metropolitan Grove and continue on to Shady Grove, providing a "one-seat ride" for those passengers from Frederick. They operate all day at 20- to 30-minute frequencies and generate an additional 1,800-2,800 daily boardings. The CCT transitway (the "direct transitway" we assume is being referred to in the question) generates many more thousands of daily riders at a much higher cost than the premium bus services do. The annual operating costs of the bus services range from between approximately $6.0 million for the LRT alternatives to just under $9.0 million for the BRT alternatives and are accounted for in the O&M costs reported for the CCT alternatives. The capital cost of the rolling stock needed to support these routes is also integrated into the total capital cost of each alternative. A total of 22 to 29 buses will be required to support these routes. However, the number of buses actually purchased to support these routes will depend on the total rolling stock requirements of the entire feeder bus network. The MARC Growth and Investment Plan includes improvements that would be implemented incrementally with a goal of increasing the capacity and quality of the service. The total costs of the improvements scheduled through 2035 to the MARC Brunswick Line would be $531 million (in 2007 dollars), providing almost a four-fold increase in seating capacity to 26,000 seats. A preliminary estimate of 2030 ridership for the Brunswick Line that accounts for planned increases in service shows growth in total boardings along the alignment of almost 7,800 trips for a total daily ridership of just over 15,500 daily trips. In contrast, there were, on average, 7,600 daily trips on the Brunswick Line in 2007. It is important to keep in mind that the Brunswick Line serves a different market than the proposed CCT or the premium bus services from Frederick. The alignment goes as far west as Martinsburg, West Virginia.

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In evaluating ridership on the Corridor Cities Transitway, which I-270 alternative was assumed?	In the recently published Alternatives Analysis/Draft Environmental Assessment, MTA evaluated ridership for light rail and bus rapid transit for Alternatives 6 and 7.
SHA staff noted that the I-270 build alternatives produce less air pollution than the No-Build Option. Does this take into account the increase in vehicle miles of travel (VMT) generated by the build alternatives? Is increased VMT taken into account in the air pollution calculations? What is the increase in greenhouse gas emission?	It is anticipated that the build alternatives would produce varying degrees of "induced demand" on I-270, and thus varying degrees of air quality improvement or degradation over the no-build condition. A portion of the induced demand on I-270 is actually the removal of traffic on congested local streets (such as MD 355) to I-270. In 2030, for example, the No-Build corridor VMT is 40,558,000 and the VMT for Alternative 6 is 40,951,000, or an increase of 0.97%. For Alternative 7, the VMT is 41,020,000, which is an increase of 1.14%. The comparative pollutant loads between the No-Build, Alternative 6, and Alternative 7 are similar (between a 0.3% decrease or 1.1% increase, depending on pollutant measured) due to the decreased vehicle hours traveled (VHT) resulting from shortened travel times. Reference Table IV-29 in the AA/EA. While not mentioned in detail in the DEIS or AA/EA, it is also likely that, as vehicle miles-per-gallon standards increase and more people purchase hybrid and zero-emission electric-powered vehicles, it is anticipated that pollutant loads will decrease even further.
What would be the capital cost of the two-reversible lane scenario supported by Planning Board?	The reversible-lane scenario would need to be studied for feasibility, and would be initiated after the preferred alternative decision as part of the Tier 1 FEIS. The team would need to also address what would happen at the northern terminus of the reversible lanes, which would need to occur south of Monocacy National Battlefield. The capital cost of this scenario would have to be further investigated once a preferred alternative is selected.
Examining Table III-8 of the AA/EA, the volume-to-capacity ratio on I-270 in the off-peak direction under Alternative 1 (the no-build) in Year 2030 will be no worse than 0.89 (a good LOS E). Therefore an option that would have two reversible managed lanes north of Shady Grove should provide a more than adequate level of service at a much lower cost and with far fewer impacts than Alternative 7, which has four managed lanes between Shady Grove and Clarksburg. Do you concur? If not, why not?	SHA concurs that Table III-8 does show that the off-peak No-Build would only result in LOS "E" between MD 80 and MD 85, and would appear to support a reversible lane system. When the DEIS was prepared using 2025 traffic numbers, however, the same segment was LOS "E" in the AM peak direction, but in the PM peak the entire corridor from New Cut Road to MD 85 resulted in either LOS "E" or "F" conditions. The team will be using the new 2035 forecast numbers and updated land use and transportation models to determine the feasibility of a reversible system during the next stage of the study.