The *Transportation 2040 Update* includes several changes from the 2010 plan. First, updated forecasts and analysis tools were used to ensure that the plan analysis is based upon the most current information. Second, a number of ongoing and statutorily required updates were made – including a new Active Transportation Plan, an updated Coordinated Transit-Human Services Transportation Plan, and an updated Regional Transportation Demand Management Action Plan. Most significantly, the Transportation 2040 financial strategy has been updated to reflect the effects of the economic downturn and corresponding reduction of transportation revenues.

To balance the updated Transportation 2040 financial strategy, a number of cost and revenue changes were incorporated. On the revenue side, the estimated current law revenue projections for the region were reduced by $14 billion. In addition, targeted new law revenues were adjusted to account for the recession, delayed implementation, and reality checks.

On the cost side, maintaining, operating and preserving the existing system remains the highest priority in Transportation 2040. Based on a rigorous review and improved estimation methodologies, the investment in “state of good repair” in the *Transportation 2040 Update* has been improved to better align with future needs.

Local transit operators, finding themselves on the front line of these revenue reductions, responded to these new realities with cost reduction measures and service efficiency adjustments. Accordingly, the *Transportation 2040 Update* maintains the assumption that local transit service will double by 2040 through a catch-up and grow service delivery approach, but those service hours will be delivered at a lower overall cost. Similarly, the Sound Transit Board made difficult decisions as part of the Sound Transit 2 Program Realignment for delivery of Sound Transit 2 investments over a slightly longer timeframe, and an assumption that allows the planned build-out of Link Light Rail to Tacoma, Everett and Redmond.

The *Transportation 2040 Update* continues the existing assumptions for the state ferry program to preserve and maintain existing service, and replace some boats and terminals according to the Washington State Ferries long-range plan.

The *Transportation 2040 Update* also reflects adjustments to regional investments in city streets, county roads, bicycle and pedestrian investments, and state highways. Utilizing the Transportation 2040 Prioritization framework, some low-scoring or later date projects have been moved out of the financially constrained plan to help balance program costs and revenues.

Analysis results reflect a reduction in drive-alone trips along with an increase in transit and non-motorized trips. Regional network measures such as Vehicle Miles of Travel (VMT), Vehicle Hours of Travel, and Delay are all down as compared to the adopted plan from 2012. All regional air quality conformity requirements continue to be met with the update, and regional greenhouse gas emissions are lower than the previously adopted plan due to the impact of new fuel economy and greenhouse gas standards adopted since 2010, as well as lower regional VMT.

The bottom line is that the cost of the constrained portion of the Transportation 2040 has been reduced by over $15.5 billion to a total investment level of $173.6 billion, which is supported by the updated financial strategy. In addition, the plan contains illustrative projects, which are un-programmed and go beyond the financial strategy. The total plan, including the unprogrammed projects, totals $211 billion.