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Pressure from Mayor to Build Honolulu Rail Reaching a Fever Pitch

By Cynthia Frith, 12/6/2006 9:06:36 AM

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Over the past several months the "push" to build a Honolulu Transit System has reached a fever pitch with Mayor Mufi Hannemann continuously promoting his personal favorite, the "light" rail system. He insists that this system will appreciably reduce both traffic congestion and air pollution -- concerns he deems "critical" to all those residing on Oahu -- and has vigorously marketed his chosen option until this approach almost sounds believable even with its exorbitant price tag.(1).

After spending considerable time perusing numerous articles by independent sources, the inevitable conclusion must be reached that rail transit has *not* and is *not* by its very nature, capable of reducing traffic congestion or air pollution.(2). As James V. DeLong, lawyer and consultant specializing in urban transport issues, states, "faith in light rail transit is based on a series of myths. The truth is that these systems drain off astonishing amounts of tax dollars, exacerbate auto congestion, harm bus transportation and undermine desirable development plans." (3).

Is Mr. DeLong alone in his criticism of this antiquated trolley-like technology? -- not by a long shot. Jonathan Richmond of Harvard University, writing in the Transit Review states that "in no case has new rail service been shown to have a noticeable impact upon highway congestion or air quality."(4). Harry E. Teasdale, Jr. of The Reason Foundation in Los Angeles, CA states, "Since 1981, two dozen communities across this country have created light rail systems. Not one of these systems has validated the rationales or lived up to the rosy projections used by planners and advocates to justify investment in rail. All systems have been abject failures in reducing congestion. Not even one of these rail systems carries 1 percent of all travel or even 1 percent of work trips."(5). San Diego, San Antonio, St. Louis, Baltimore, San Jose and yes -- even Portland, the poster child for light rail -- have systems that have failed to achieve promised results. The list just continues to grow.

Numerous local voices have spoken out against the cost and purported benefits of the light rail system. Rep. Colleen Rose Meyer from the 47th District questioned the mayor's interpretation of results from a recent poll conducted by *The Honolulu Advertiser*. Although "24 percent of the respondents said traffic congestion was the number one need requiring attention, only 2-3

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percent saw public transport or mass transit/rail as a need."(6). Noting a recent panel discussion held at the State Capital to discuss transport options and hosted by the Hawaii Highway Users Alliance, Rep. Meyer relates that panelist Brian D. Taylor, professor and director of UCLA Institute of Transportation Studies, gave a presentation titled " How Do We Get The Most Bang For Our Transit Dollar Buck". Professor Taylor stated that "advocates of rail transit define the problem by using the most preferred solution. Hence, the problem of traffic congestion is because Honolulu does not have rail transit. This frames the question to arrive at a predetermined answer. Investigate the most cost-effective options to address your traffic problems."(7).

What do people really want when it comes to life style choices? Before the advent of the motorized vehicle, most people lived in densely populated cities with few mobility options -- you walked or used horse power in some fashion. Around 1880 the electric streetcar (trolley) and heavy rail (subways and elevated rail) were invented, adding more mobility and sanitation to city life. The radial city developed with dense population allowing for a downtown central core for employment and major retail with residential suburbs concentrated around the trolley line.(8).

By the early 1900s the automobile and bus development offered Americans unparalleled mobility. A personal vehicle gave the driver and passengers flexibility, scheduling convenience, comfort, carrying capacity and speed-options highly valued by today's society and not easily relinquished. Cities also began to change in form toward decentralization due to this increased mobility, with commercial and employment centers spaced out around the periphery. The majority of all commuting trips are now suburb to suburb, not suburb to city. The automobile has also permitted lower-density residential development which agrees with the majority of peoples life-style goal: a home with a yard.(9).

What possible motivation could our local politicians have for promoting a transit rail system that has proven itself to be the most costly of any transit project option and will *not* reduce unwanted road congestion as promised? State Sen. Gordon Trimble of the 12th District suggests that "good public policy is the antithesis of old-boy politics. Frequently, our elected officials seek to undertake expensive multi-year construction projects to repay debts (to special interest groups). They might say that these projects are for you, but they do *not* fully respect you with the ultimate test -- a referendum vote" (here the public chooses whether the largest transit project in the history of the state of Hawaii should move forward with its present fixed rail system format as the *only* option).(10).

"SMART GROWTH" -- a term used to describe city planners' lust to revitalize cities by bringing business, services and residents back to the core city format -- feeds on high urban density and can only hope to pay for multi billion dollar fixed transit projects by promoting even more expensive and congesting development along the line. Who wins in this scenario? The developer, as usual, who can walk away fatter than before; the city tax base with officials who have the power to tax no matter who doesn't use the system, the planners, the builders, etc. Only the lowly tax payer is left to continue to subsidize and maintain this "white elephant." And we will hemorrhage money.(11).

"If we build a mass transit system for 600,000 people, will the next set of politicians attempt to increase our

urban density to accommodate 4 million - 6 million people so the mass transit system will pay for itself? Does the rail transit system make sense for our community of 600,000 when the cities like Hong Kong, Tokyo, Paris, London and New York have systems that service well over 6 million people?" queries Sen. Trimble. "Down what road is such a system taking us? How many people, tourists, concrete and noise is too much?"(12).

The Independence Institute in Colorado published an article which describes The Regional Transportation District planners in Denver as being well aware from their own research that light rail will not decrease traffic congestion or air pollution. However, if their "current system expands, this agency's budget will grow from \$300 million per year to almost \$1 billion per year."(13). Only the state of Colorado would have a larger budget than the RTD.

Even the city of Honolulu consulting firm, Parsons Brinckerhoff, concedes that rail will do little to reduce traffic congestion. This engineering firm, founded in 1885 and employing over 9,000 people, has a well entrenched foothold on large transit projects. They are responsible for the New York Subway, Hoover Dam and Alaskan Pipeline to name a few. Of late, the Big Dig fiasco in Boston is one of their projects. Being one of only a few engineering firms capable of handling these larger transit projects, they have garnered tremendous power over the years with real political pull to help secure federal monies needed to finance these billion plus dollar transit projects.(14).

According to Danish Professor Bent Flyvbjerg and colleagues who conducted a worldwide study of the cost of estimating on 258 transit projects," In 9 out of 10 transportation infrastructure projects, cost are underestimated and for rail projects *actual* costs are on average 45 percent *higher* than estimated costs. This underestimated percentage of true cost has not varied in 30 years."(15). So while costs could easily mushroom to the \$6 billion range, the artificially inflated potential rider estimates will not materialize.

Fiscal responsibility and accountability are easily overlooked, as noted by the Federal Reserve Bank of St. Louis, when highly concentrated benefits of light rail projects can be quite large for a relatively small group of people (such as elected officials, environmental groups, labor organizations, engineering and architectural firms, developers and regional businesses who campaign vigorously to obtain federal funding). Costs are dispersed over a large group of people (the taxpayers) over time, which *appears* to be acceptable, as costs and benefits are "shaped" to suit the interests of the concentrated/smaller group.(16). In this scenario, appearances are terribly deceiving.

As a society, we pay taxes to all levels of government -- federal, state and local municipalities. In order to fund the transit rail project on Oahu over a 15-year period, the city of Honolulu and the state of Hawaii have agreed to increase the general excise tax -- or GET -- by 0.5 percent from 4 percent to 4.5 percent on all goods and services. This works out to increase the present tax by 12.5 percent. For purposes of clarity for this example we will ignore the fact that this pyramiding GET tax, if converted to a conventional sales tax would average about 15 percent for the taxing agency's pot. While relevant, it is a discussion for another day. Moving forward, the expectation of our city government is to raise about \$150 million from the GET increase for this

15 year period, which would produce \$2.25 billion.

If the federal government is generous enough to donate another \$1 billion (only New York City got close to that amount for rail transit), there would be enough money for the shorter version of the rail system -- \$3.25 billion. By the way, the state of Hawaii will make a nice piece of change from this process as they oversee the collection of the tax increase. Although Gov. Linda Lingle says the cost to set up the new collection system is \$5 million, the state will receive 10 percent of each years \$150 million -- a mere \$15 million for each of the 15 years collected. That amounts to \$225 million collection fee to the state for this GET tax increase.(17). --a stealth tax on many levels.

What could go wrong with this rosy equation? First, the feds could fail to respond to our request for \$1 billion even though Mayor Hannemann insists on showing the city's ability to raise money for the rail project by raising the GET as of Jan. 1, 2007, and restricting it for the rail option *only*. Second, our planners, Parsons Brinckerhoff could have underestimated the cost by 30 percent to 40 percent, a predicament they have frequently encountered over the last 30 years. Suddenly, the city of Honolulu finds the transit project has ballooned upwards of \$1 billion with no white knight in sight. "What will the city government do?" you ask. It will tax the citizens to cover the shortfall, because it can. It can extend and/or raise the GET tax, or both. It can raise property taxes as the Hannemann Administration has seen fit to do over the last 2 years by about 37 percent. Incidentally, the latest figure to build the shorter 20 mile version of the rail between Kapolei and Ala Moana is now quoted as costing \$3.6 billion, not the \$3.25 billion price tag projected during the Spring of 2006.

There is probably no single option to permanently ease traffic congestion, but many have been suggested by ordinary citizens who live the daily commuting problems and seasoned experts from around the country who have shared their experiences with the Honolulu City Council members. At the very bottom of the list sits the light rail transit scheme -- a project that will not do what Mayor Hannemann espouses and will financially prohibit the development of options that can not only offer traffic congestion relief but help maintain the quality of life that Oahu citizens desire.

The elevated Reversible Express Lanes toll road option developed in Tampa, Florida, was recently visited by three city council members. Councilman Charles Djou wrote a thoughtful and straight forward account of this meeting, suggesting that "this system deserves serious attention in Honolulu."(18). Honolulu City Planner, Toru Hamayasu blasted this report as an outright lie.(19). Perhaps the City Council and general public would be interested in reading the rebuttal of Dr. Martin Stone, the Director of Planning for the Tampa-Hillsborough County Expressway Authority, in the *Hawaii Reporter*. Dr. Stone clearly identifies all points of contention, and his main focus is relieving traffic congestion for years to come with the most cost-effective method not based on an increase of any burdensome tax to the public.

Tampa had considered and rejected a rail transit system.(20). Toll roads are routinely mentioned in economists' writings as being the only true method of calculating the actual cost of using the highway, otherwise the "external" cost is left out of the equation for the driver(driver's own cost + externalities). Use of the toll road is a cost value issue -- some people will pay and some will choose the old highway. In either

case, congestion eases on both roadways -- the desired result.(21).

Richard Sullivan, a St. Louis Heights resident and construction administrator advocates developing TheBus into a rapid transit for Honolulu. His ideas are worth hearing because he understands that light rail is not an appropriate option for Honolulu. Using dedicated busways is just one idea -- he has a lot of other cost effective thoughts and experience in the field. Other options such as carpooling incentives from private business and the city, jitneys, express lanes and rolling shift employment are just a few of the pool of options that could be implemented. Foremost is the reconfiguration of identifiable points of congestion by commuters themselves on H-1 and a serious look at the manner in which heavily populated areas have been allowed to develop without adequate outlets to major arteries of transport. Just getting to the H-1 freeway is a battle for many.(22).

Perhaps the most contentious point of this rail project is not only the institution of the increased GET for *only* one possible option to ease traffic congestion, but also the collection of this tax beginning Jan. 1, 2007 -- well before the federal money approval; years before the approval. Former Governor Ben Cayetano contends "the feds do not require collecting taxes in advance. I spent half of my 12 years in the Legislature chairing the transportation committee in the House and Senate. I know there is no requirement to collect monies in advance. It is foolish to take hundreds of millions of dollars out of Oahu's economy before the feds commit to backing a Honolulu Transit System." Gov. Cayetano expresses grave concerns, stating "I've never seen a project rammed through like this one. The Legislature, Gov. Lingle and the City Council owed the public due diligence and they failed miserably."(23).

If the public -- the taxpayer -- is to be served, "doesn't an issue this big and expensive, one that will affect everyone on Oahu for decades, deserves serious debate and real public participation. Rather than letting ourselves be sold this project by political stakeholders who already have their minds made up, it seems we should demand that the rail issue be decided by the voters of Honolulu, through referendum. Put it on the ballot and make our elected officials convince the electorate why the rail is the right thing to do."(24).

Cynthia Frith is a resident of Kailua.

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