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A COMMUNITY WIDE EFFORT TO KEEP ELEVATED RAIL OUT OF OUR CITY

Would our rail project result in a Tren Urbano?

By Cliff Slater

We have written about San Juan, Puerto Rico's *Tren Urbano* elevated heavy rail transit before. We detailed its cost overruns and ridership shortfalls but we have now taken a closer look and find it is has been much worse than we originally thought.

The cost overrun was 74 percent higher than the cost projection made at the time of the Full Funding Grant Agreement.ⁱ The ridership projection in its Final EIS was three times higher than what they actually achieved.ⁱⁱ

However, the worst outcome from San Juan's elevated rail line is that it has resulted in 30 percent fewer riders from bus and rail combined today than they had from their buses alone in 2004, before the rail line opened.

That is so shocking that we need to restate it:

In 2004, before they built the rail line, San Juan's bus ridership was 32.7 million annually. Their rail line opened the following year. Today's annual bus ridership is 12.1 million and rail ridership 10.8 million, for a total transit ridership of 22.9 million, or 30 percent less than bus alone before they built rail.ⁱⁱⁱ

That has caused San Juan's annual transit subsidy to balloon to 2½ times its former level, which in turn led to a downgrading of Puerto Rico's bond ratings.^{iv}

One cannot imagine a worse outcome for the planners of this transit project — let alone the San Juan taxpayers. Yet, to the best of our knowledge, none of the planners were penalized, or even gave up any of the additional planning fees they had charged.

In July 2007, I wrote an op/ed for the Star Bulletin, "*Innocents abroad when Hawaii legislator goes to Puerto Rico,*" pointing out the cost overruns and ridership shortfall in response to an op/ed by Rep. Marilyn Lee lauding the "success" of Tren Urbano.^v

At this point one would think that those politicians responsible for the Honolulu rail project would have been scrambling for plane tickets to go find out what caused this disaster and to determine what we should do to ensure it did not happen to us.

But no one went then — and to the best of our knowledge no one has ever gone.

For those of us in business, such irresponsibility is bewildering. An appropriate comparison would be as though there had been a major airline crash with a significant loss of life and no one went to find out what went wrong. Imagine that such a disaster happened and no Boeing executives, no airline safety officials, and no airline maintenance officials went near the place.

But the more important question we taxpayers have to ask ourselves is this: What is to stop the same fiasco from happening here?

Remember we have no one in HART or the City who has built a new rail line. Our new HART CEO, Dan Grabauskas, while running Boston's MBTA, had installed a new train control system on the Red Line that permitted more frequent service and he had also had installed an electronic fare system — but he has never built a rail line from scratch.

We have Parsons Brinckerhoff advising us, but they have a huge carrot of nearly one billion dollars awaiting only the finished rail line. That would taint anyone's thinking. With such financial incentives, it is virtually impossible for them to give the City dispassionate counsel.

You may think that we taxpayers can rely on the Federal Transit Administration. However, the Tren Urbano went through the same FTA scrutiny as ours has. They had the independent Project Management Oversight Contractor (PMOC) reviewing it and issuing the same type of monthly reports as the PMOC for our project has done.

The FTA scrutinized all the details of Tren Urbano at every stage from Alternatives Analysis, Draft EIS, Final EIS, Record of Decision, Preliminary Engineering and Final Design, through to a Full Funding Grant Agreement. Yet with all that oversight, the outcome was a 74 percent cost overrun and few riders. The FTA was still forecasting the bloated ridership forecast up to the time they began service.^{vi}

Why can't such a fiasco happen here? Does this report begin to sound familiar?

“[San Juan's HART equivalent] executed and/or paid change orders that were not properly supported. Of the 759 contract change orders that were executed from calendar years (CY) 1997 through 2004, we found 377 were irregular, which suggests that overpayments to contractors may have occurred.”

This is the problem with government projects; the politicians tend to make political decisions not economic ones. After all, they typically have no skin in the game.

If their pensions were at risk, they would have been all over the Tren Urbano problem until they knew what went wrong. Then they would have put safeguards in place to ensure that those problems did not happen here.

The only people with skin in the Honolulu rail game are taxpayers and we are just elbowed aside as mere nuisances obstructing completion of their political vision.

Endnotes:

ⁱ http://www.honolulutraffic.com/NSPA_2008_Final.pdf Table 3.

ⁱⁱ http://www.honolulutraffic.com/NSPA_2008_Final.pdf Table 7.

ⁱⁱⁱ <http://www.ntdprogram.gov/ntdprogram/data.htm> Scroll down to “Annual Transit Profiles” and find “Individual Profiles for All Transit Agencies” and the “Enter search criteria” box. Enter the following numbers into the box and download for the years 2004 and 2010 the resulting pages: 4086 for MBA buses, 4094 for PRHTA buses and rail, 4105 for DTPW Publicos (jitney buses). (While you are at it check Honolulu DTS at #9002). Add the two bus riders (“unlinked trips”) together for 2004 and the two bus riders plus heavy rail riders for 2010 and compare them.

^{iv} Use the NTD Program reports in the footnote above for operating expense and fare revenue.

v <http://www.honolulutraffic.com/TrenUrbano.pdf>

vi AUDIT OF THE TREN URBANO RAIL TRANSIT PROJECT. Federal Transit Administration Report Number: MH-2004-098 Date Issued: September 29, 2004. <http://www.oig.dot.gov/sites/dot/files/pdfdocs/mh2004098.pdf>