

Rail costs low-balled, consultant says

A former Los Angeles transit official also warns that ridership forecasts are too high

By Kevin Dayton

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A former member of the Los Angeles County Transportation Commission says the cost for the city's rail project isn't realistic and that the number of riders estimated is too high. Above, an artist's rendering of the proposed rail station at Leeward Community College.

Honolulu's rail project is showing "warning signs" that its costs have been underestimated and ridership overestimated, according to a former member of the Los Angeles County Transportation Commission and the Amtrak Reform Council.



Wendell Cox, now a consultant and a visiting fellow at the Heritage Foundation, told an audience Thursday at the 36th annual SmartBusiness Hawaii Conference that he believes the ridership projections for the Oahu rail project will turn out to be 40 percent too high.

As for the costs, "you will not know the costs until it is too late," Cox told about 100 people at the conference.

Cox cited a study by a research team led by University of Oxford scholar Bent Flyvbjerg that found a pattern of cost

overruns in major public works projects, including rail.

The Honolulu Authority for Rapid Transportation predicts the city's 20-mile project will cost \$5.27 billion. The system will run from East Kapolei to Ala Moana Center, and planners expect it will have a weekday average of 116,300 passenger trips by 2030.

Toru Hamayasu, interim executive director of HART, defended the city's ridership and cost projections.

"The Federal Transit Administration over the last several years has worked closely with the city on the Honolulu rail project in making sure our finances and ridership projections are sound," Hamayasu said in an emailed statement.

"Because of FTA's stringent oversight and continued confidence in our project, the project was just approved to enter into the final design phase. The entry into Final Design is a significant step toward the final agreement and commitment by the federal authority to contribute \$1.55 billion for the project," he said.

Cox, who served on the Los Angeles commission from 1977 to 1985, cited his own predictions in 2000 in connection with the Las Vegas monorail project, which was supposed to have a ridership

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of 55,000. Cox said he predicted about 21,000 riders, which turned out to be almost exactly correct.

"The basic point is this is not unusual, this is what happens all the time," Cox said.

Cox also said the state and the FTA have warned that the city cannot afford the debt from the project and that the half-percent excise tax surcharge will not generate enough money to support the project.

Cox cited a letter last month from the FTA that approved the rail system for final design but also warned that the city must strengthen the financial plan for the project before the federal government will commit funding.

In fact, the Dec. 29 letter approving the project for final design included an assessment of the city's financial plan, and the FTA found the city plan was "sufficient" to advance the project to the final design stage.

However, the FTA instructed the city to demonstrate that other sources of money are available in the event there are unexpected cost increases or funding shortfalls.