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City's rush to build rail unrealistic, unnecessary

By David Shapiro

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City transit officials make it sound like natural inflationary forces are the reason rail costs would go up by \$10 million a month if they wait for approval of \$1.55 billion in federal funds before starting heavy construction of the \$5.27 billion Oahu commuter train.

Actually, it's the result of their unrealistic and politically driven timetable that ignored the advice of the Federal Transit Administration and set an earlier construction start than federal reviewers thought possible.

In 2009 the city awarded Kiewit Infrastructure West Co. a \$483 million contract to build the 6.5-mile first phase of the elevated railway from East Kapolei to Pearl City.

FTA project managers questioned the March 2011 construction start date that Kiewit was given.

Timothy Mantych, who works with the FTA on the Honolulu project, told the agency in an October 2010 internal memo that the city had put itself in a "pickle" by setting "unrealistic dates" for receiving required federal notices to proceed.

"We have warned them several times in the last couple of months that these dates are improbable, but they have not listened," Mantych wrote. "We strongly feel that giving the contractor dates that are known to be impossible may magnify their delay claim."

The city has already agreed to pay Kiewit a \$15 million delay claim and says the cost would further increase by \$10 million a month if construction isn't started soon, instead of waiting for final approval of the requested \$1.55 billion in federal funding.

The city transit authority asserts that it's cheaper to start building now with local money even if the work has to be torn down later if the project is stopped by a denial of federal funds, an adverse court ruling or a political change.

At a City Council hearing in May 2011, Council Transportation Chairman Breene Harimoto indicated the city was aware of federal concerns about rushing the project.

Harimoto said he was led to believe by the city administration that it was necessary to set aggressive deadlines "to show progress to get the federal funding."

"When I visited the FTA several months ago in Washington, they corrected me and said, 'I'm sorry that's not what really is an accurate statement,'" Harimoto said. "All they really monitor is our progress according to our financial plan."

The pressure to "show progress" has been more about local politics than federal requirements.

Former Mayor Mufi Hannemann pushed to make rail the cornerstone of his 2010 run for governor, and current Mayor Peter Carlisle sees the project as his ticket to winning two more terms to carry him to retirement.

The "pickle" in which they've put Oahu taxpayers is the result of politically motivated planning, not the laws of inflation.

——— Reach David Shapiro at volcanicash@gmail.com or blog.volcanicash.net.