

SCR 140 / SR 76

**URGING THE HONOLULU AUTHORITY FOR RAPID
TRANSPORTATION TO DETERMINE COST-
EFFECTIVE AND REVENUE-GENERATING
RIDERSHIP LEVELS FOR THE RAIL TRANSIT
SYSTEM.**



IN REPLY REFER TO:
CMS-APOO-00174

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Kenneth Toru Hamayasu, P.E.
INTERIM EXECUTIVE DIRECTOR AND CEO

April 2, 2012

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VIA EMAIL PGMtestimony@Capitol.hawaii.gov
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The Honorable Will Espero, Chair
The Honorable J. Kalani English, Chair
and Members of the Committees on Public Safety, Government Operations,
and Military Affairs and Transportation and International Affairs
State Senate
Hawaii State Capitol
Honolulu, Hawaii 96813

Dear Chair Espero, Chair English, and Senators:

Subject: SCR 140/SR 76 Urging the Honolulu Authority for Rapid Transportation to
Determine Cost-Effective and Revenue-Generating Ridership Levels for the Rail Transit System
Committees on Public Safety, Government Operations, and Military Affairs and
Transportation and International Affairs
Tuesday, April 3, 2012, at 2:45 PM

The Honolulu Authority for Rapid Transportation (HART) appreciates your Committees' effort to review legislation that supports the building and planning of the construction, location, and financing of the rail transit system. HART submits the following comments:

Senate Concurrent Resolution 140 and Senate Resolution 76 request the estimated number of riders per day required to make the rail project "cost-effective". We assume the requested information on the "cost-effective" as the amount of riders needed to break even with the cost of operating and maintaining the system. Determining the level of ridership that makes the system "cost-effective" is no easy task. However, the federal requirement in determining the cost effectiveness is measured in terms of the cost to reduce traffic delay and the Honolulu rail project is determined to be cost-effective by the Federal Transit Administration.

The maximum capacity of the rail system as it is proposed for 2030 is about 8,000 passengers per hour per direction (400 passengers per train at a 3 minute interval). The design capacity was to match the forecasted number of riders near the middle of the alignment. This means the town bound trains during the morning peak hour are full as they pass the Aloha Stadium and Pearl Harbor stations. Therefore, the system needs to be expanded in its passenger carrying capacity in order to accommodate additional riders that are sufficient to recover the estimated operating and maintenance cost in 2030.

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Additionally, the system is designed for the additional capacity by adding more cars to each train (from 2 car train to 4 car train) and also by shortening the service frequency (from 3 minutes to 90 seconds). Both methods of the system capacity expansion will result in additional operating and maintenance costs, thus it would require additional ridership to be "cost-effective" based on the new cost. We believe such analysis of determining the breakeven ridership will be cyclical and difficult to reach the desired conclusion.

Thank you for this opportunity to comment.

Sincerely,



Kenneth Toru Hamayasu
Interim Executive Director and CEO

cc: HART Board

RE: SCR140/SR76 HART; Ridership Levels Data

I am pleased to have my Senator Michelle Kidani on this committee, and I hope she will be the sensible person I voted for. This resolution urging HART to determine ridership levels is irrelevant. If HART cannot come up with numbers supporting sustainability of the rail transit system, will the State then resolve to halt the rail project? And if HART does come up with nice numbers, who will be fact-checking HART?

FOR EXAMPLE, I can't imagine that during each year of rail construction, according to HART, 10,000 jobs will be created in construction, engineering, and other areas;

WHEREAS, I would like to see a listing of exactly what those 10,000 jobs are, and I would like to know how those jobs are counted. I read somewhere that the way construction works, about 350 workers will be needed in the first phase, and then those same 350 workers will work in the next phase; whereas, I would consider that only 350 jobs, I think HART would count that as 700 jobs; correct me if I am wrong.

I was also told by someone in construction that the way construction works, the concrete workers only do the concrete work. When that's done, the steelworkers (or whoever is needed next) have jobs for a while. All the construction workers are not working every day throughout the project; the figure of 10,000 is probably pretty misleading about the amount of full-time employment created; correct me if I am wrong.

Whereas it is a foregone conclusion that HART would readily come up with "ridership levels" that justify its ends, in the same way that HART came up with these "10,000 jobs" in each year of construction to show enormous economic benefits;

Whereas our present bus system, often touted as best in the nation, does not generate enough revenue to be self-sustaining; whereas, the regular bus fare is currently \$2.50 and \$60 for a monthly pass; and

Whereas, the number of riders per day is not the limiting factor that would make rail transit cost-effective and revenue-generating; it is simply a matter of raising the fares until enough revenue is generated, in the same way that HMSA or the Electric Company does it -- keep raising rates until there is a profit;

THEREFORE, I think it is useless to pass a resolution to "urge" HART to "determine cost-effective and revenue-generating ridership levels for the rail transit system." One way or another, We the Public will bear the cost.

Whereas it would be more useful to urge Ben Cayetano to "determine cost-effective and revenue-generating ridership levels...", " and then average his figures with whatever HART comes up with to arrive at a more realistic number.

Senators, please don't waste any more time on this irrelevant resolution.

Thank you,
Wynnie Hee
95-1523 Ainamakua Dr. #93
Mililani, HI 96789-4420
808-782-0745