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# Rail will cripple Oahu's business environment

Needed improvements will stall as rail creates 'giant sucking sound'



Ben Cayetano, In My Opinion

Proponents for the \$5.3 billion heavy-rail project have portrayed it as a panacea for business. I beg to differ.

The current incarnation of rail will be a crushing liability that will cripple the city's business environment for decades.

That said, some businesses will benefit, short term. Ansaldo (which teeters near bankruptcy) will profit as will a few of local and Mainland contractors. Land speculators will profit as will Hawaiian Electric Co., which will have a new \$20 million-plus-a-year customer. A handful of PR and marketing firms with City of HART contracts will also no doubt continue to benefit.

The upshot: When you've got a mountain of cash spilling from the largest public works project in the history of our state, there will be a small universe of people who will make big money.

While this is good news for some entities, it's not beneficial for the vast majority of Oahu businesses. My concern is that rail will create a "giant sucking sound" that will tie up capital in Hawaii for years. If we're anywhere close to the average overrun for a rail transit project (pegged by experts at 40 percent) the realistic sticker price is in the neighborhood of \$7 billion-plus. If the Feds don't come up with the \$1.5 billion that my two opponents insist is guaranteed, this will create an even bigger liability.

The City and County of Honolulu is not exempt from the law of averages and nothing in this life is guaranteed.

If rail cost projections are wrong, city fathers will have no choice but to raise taxes. Putting a greater tax burden on our citizens or sticking it to visitors in the form of the Transient Accommodations Tax is not a recipe for success.

As governor, I got to know a number of prominent businessmen whom I admire for their steely-eyed practicality. Unlike politicians, they do not spend money that they do not have, nor do they borrow more than they can pay back.

If rail goes over budget we will not have resources to repair our ailing infrastructure, not to mention keeping vital services such as the police and fire departments adequately funded.

Maintaining and building sewers, roads and water systems is not sexy, but without it business cannot function. Businesses need a resilient, dependable infrastructure, but this does not come cheap. The city will need \$5 billion for a sewer system, \$4 billion to \$5 billion for a water system and another \$1.6 billion for roads, which are presently among the worst of any large city in the nation.

We ignore repairing our infrastructure at our own peril.

Who can forget back in 2006 when the sewers burst and the Ala Wai Canal became a cesspool? Our beaches were off limits and our No. 1 cash machine, the tourism industry, was put in jeopardy. "Ugly" is also not good for tourism. It's not just my opinion. The American Institute of Architects Hawaii opposes heavy rail.

Visitors come to Hawaii to revel in Oahu's natural beauty. Waikiki business leaders have told me in no uncertain terms that they don't want rail in their backyard. A rail system of dubious aesthetic value is an anathema to Waikiki.

Moving trucks and vans around is crucial and congestion from rail construction will put Nimitz, Dillingham and Halekauwila out of commission for a long, long time. Retailers will suffer. What's more, when roads are full of potholes and our cars and delivery trucks must be replaced prematurely, we all pay for it. Traffic congestion does impact business but the problem will not be eliminated with a gold-plated heavy-rail system of questionable efficacy. Simple fixes like coordinating traffic lights and instituting telecommuting for some city workers are low-hanging fruit that can be implemented immediately. The inconvenient truth is that debt incurred by rail will hamstring businesses, citizens and visitors. It will also wreak havoc on our business climate for years to come. Rail must be stopped so that we can tackle traffic congestion and the rest of what ails Honolulu without breaking the bank.

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