



Counting on rail transit jobs? The numbers just don't add up

By Walter Heen, Benjamin Cayetano, Cliff Slater and Randall Roth

The Star-Advertiser has reported that construction of the proposed elevated heavy-rail system would increase the number of jobs ("Rail jobs plentiful regardless of who's counting," Oct. 17). The job-projection numbers varied from an average of 5,000 during each year of construction to a high of 17,270 in the so-called peak year.

This brings to mind Mark Twain's description of the three kinds of lies: "lies, damned lies, and statistics."

First, the city's new-jobs forecasts are based on a modeling program that does not attempt to identify the location of each new job. It ignores, for example, that \$1.4 billion paid to Ansaldo would probably create far more jobs in Italy than in Hawaii.

Billions more would be paid to other companies headquartered outside Hawaii. A British company, Parsons Brinckerhoff, already has contracts totaling \$486 million. That company has a great deal of experience with rail projects outside Hawaii, and none in Hawaii. How much of its \$486 million do you suppose will be paid to construction workers and others in Hawaii?

Second, Nebraska-based Kiewit describes itself as "one of the largest employee-owned firms in the nation." The city has already given it \$483 million in construction contracts, with more likely to follow. Kiewit will presumably look to its own employees first for key positions here, especially those who require experience building a rail system.

The city has stated that Kiewit would hire 350 workers in Hawaii, "just for the first phase of the construction of the guideway." But the rail project would be built in phases. That means the same 350 workers would presumably build the remaining phases.

Third, the city's forecasting does not take into consideration the jobs that would be lost if \$4 billion is taken out of the private sector in the form of higher taxes to pay for the rail project, as is currently planned.

When the Obama administration announced that the number of jobs created across the nation this past August was roughly equal to the number of jobs lost, it properly faced the fact that the net number of new jobs had been zero.

In contrast to that, the city simply ignores the negative side of the jobs equation.

According to University of Hawaii economics professor Sumner La Croix, "The rail tax will lead to job losses in other sectors of Hawaii's economy for the next 11 years, and those losses will at least partially offset any gains generated by the rail project."

Fourth, the projected number of new jobs also ignores the jobs that would be lost because of construction disruption. Many businesses along the proposed route would be virtually unreachable, or parking would be significantly reduced, for months at a time.

Fifth, the federal government has not yet decided to provide \$1.5 billion that the city seems to take for granted. Given federal budget shortfalls and the political stalemate in Washington, the federal funding is doubtful, at best.

University of Hawaii economics professor Jim Roumasset has written that rail construction would probably have a negative overall impact on Hawaii's economy if the federal government provides less than the requested funds and an adjustment is made for traffic conditions during the eight years of construction.

We would love to engage Mayor Peter Carlisle and his rail consultants in public conversation on these points, and more. Two TV stations have invited Carlisle and his consultants to debate the merits of elevated, heavy rail with us. We said yes; Carlisle said no.

It's perfectly understandable that the city would prefer not to draw additional attention to us and our message. But this project would be the largest in the state's history, and it would impact the environment dramatically and permanently. If the project makes nearly as much sense as Carlisle and his consultants contend, exactly what are they afraid of?

Walter Heen was a judge, city councilman, legislator, Office of Hawaiian Affairs trustee and state Democratic Party chairman; Benjamin Cayetano was Hawaii's governor and former transportation chairman in the state House and Senate; Randall Roth is a professor at the William S. Richardson School of Law; Cliff Slater is a businessman who founded Maui Divers. They are plaintiffs in a lawsuit against the city over this rail project.