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Bus operating cost trends:

According to the City bus ridership will be 64.5 million boardings for FY 2005.¹ This is lower than at any time since 1976.²

Bus ridership was at a historical low in 1972 when the City took over the operation of city buses from then profitable³ Honolulu Rapid Transit Company, Ltd. With the infusion of federal and city funds and no need for profitability, TheBus increased ridership from the 30 million level to 66 million in 1977 and up to 75 million in 1984. Bus operating expenses were \$24.8 million and \$49.5 million respectively.

Ridership then languished around that level until 1994 when it started declining to the 63-64 million level it is at this current fiscal year 2005. Operating expenses were \$95.5 million in 1994 and are project at \$140.8 million this year.

Allowing for inflation,⁴ operating costs per passenger have risen from \$1.18 in 1977, to \$1.46 in 1994, to \$2.18 in 2005.

It is obvious that operating costs are spiraling up despite declining ridership and that TheBus is one of the better-managed bus companies in the U.S. The rising costs would appear to come from the political decisions, not those of the bus management. The City needs the equivalent of what Congress set up for the politically difficult matter of base closings, the Base Closing Commission, or, in our case the Bus Closing Commission.

City Forecasts

An interesting sidelight is the City's forecasting capabilities. For example, in 1980 when bus ridership was 77.5 million, the City forecast that 1995 ridership would be 100 million; it was 72.7 million. In 1984, when ridership was 76.5 million, for 2000 they forecast 85 million riders; it was 66.6 million. In 1992, when ridership was 73 million, for 2005 they forecast ridership of 88 million; it is going to be 64 million.

¹ City Budget, page B-280. According to [recent statements from the city](#) that is likely to be about one million less by the time we get to the end of July.

² Source for passenger and bus data: Hawaii Historical Statistics. 1900-1976; 1999 Hawaii State Data Book, Table 18.26, 1989-1999. Hawaii State Data Book for 1991, 1980-1989. Short Range Transit Plan Update, Technical Report July 1984, 1977-1979.

³ 1971 Annual Financial Statement for HRT Co. Ltd. available from the author.

⁴ [Inflation tables in State Data Book.](#)

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