

Freedom Matters

A Weekly Newsletter

Dane County, Wisconsin

Vol. 3, No. 9

Friday, February 28, 2003

We are a free people in a republic, under a constitution which limits the powers of government to those necessary to secure the unalienable rights of each person to their life, liberty and property. Yet, when a legislature is in session, no one's life, liberty or property is safe. It's the curse of a democracy. That's why we have a republic instead. *Freedom Matters* dedicates itself to the fight to restore our republic. Most of the press and courts fail to do so. They've forgotten that freedom matters.

Rail Fever: Cost Overruns on Your Tax Bill

by Michael Byrne

Seattle, and the Washington-Washington Connection

Madison, before putting its foot in the commuter rail booby trap, needs to look at the history of Parsons Brinckerhoff, its paid consultants for Transport 2020. These consultant names were also involved in Boston's "Big Dig," in San Francisco's "Red Line" project, and in Seattle's "Sound Transit" project. Those projects had very serious defects in cost estimates, hiding of data, and/or oversight.

Example: The Seattle hang-up was cost overruns and the hiding of them by not updating the grant application

1) Sound Transit in Seattle applied for federal money and did not update the application when cost overruns emerged.

* The original estimate on the light rail project was \$2.5 billion in costs and a completion date of 2007. Three months later, Sound Transit announced overruns of \$1.1 billion and two years more time. Yet, Congress was not told until after they reviewed the application.

Madison plans to pass the hat to D.C. to pay for its commuter rail, but so far is silent about known cost overruns. Do they plan to omit announcing those overruns until the project is approved?

2) In Seattle, the later project completion date could result in more cost overruns.

* An additional \$60 million may be added to the cost of the project because an agreement with King County government for use of the downtown Seattle bus tunnel will have to be revised.

* Designs and refinements of rail stations, tunnels, etc. have not been finalized and could result in increased projects costs.

* Sound Transit is considering changing its tunnel contract from design-build to design-bid-build. Design-build reduces the time and costs to build a project, and if Sound Transit switches to a less efficient building process that would increase costs.

Once again, is anyone paying attention to the costs being left out of the project here in Madison? What guarantees can be built in that plan for or head-off increases that come after the project is approved at lower costs?

3) Project changes can result in increased local opposition.

* The Seattle cost overruns caused the feds to suspend Seattle's grant until the locals amended their application to handle the cost overruns. Seattle had to go to a voter referendum to get approval for more taxes to cover these overruns before they could get the federal grant started again.

Let the buyer beware! Federal guidelines specifically indicate that cost overruns are not the responsibility of the federal government, nor are they accepted as reasons to terminate a project. So, if Madison's rail costs more than estimated, local taxpayers will have to cover it. If, instead, Madison terminates the project, they must repay the grant.

So who is pumping up Madison's rail fever?

In order to estimate the ACTUAL cost of a public works project, governments often turn to "consultants." In too many cases, the term "consultant" is roughly synonymous with "salesman."

A salesman wants to paint as bright a picture as he can, lest the truth scare off the client before the sale is closed. When the clients include the City of Madison, renowned as America's Fairyland for its disconnect with reality, the consultant starts out knowing that the locals are already in fantasy land concerning commuter rail.

Oh, what a salesman's paradise! Transport 2020 admits that ridership is not there for rail, **and Madison does not care**. It admits that rail will not lessen traffic congestion, **and Madison does not care**.

If Transport 2020 admits that the names Parsons and Brinckerhoff have been linked to deceptive estimates, **will nobody care?** Consider what a Charlotte Tennessee newspaper said of it:

"The last time two of the consultants overseeing Mecklenburg County's light rail and mass transit plan worked on a large-scale project together, they were responsible for an 80-foot sinkhole, thousands of lawsuits totaling over \$1 billion, and a trail of fraud and corruption so long that even the FBI couldn't untangle it. Now they're advising Charlotte Area Transit Officials on our transit plan and helping to design it.

"The two design, construction and engineering firms, Parsons Brinckerhoff Quade & Douglas, Parsons Transportation Corp., and their smaller business units are directly responsible for projects widely regarded as the biggest transit debacles in the nation's history. Both have stark histories of deceiving the public and government officials about the true costs of transit projects, and then benefiting directly from project cost overruns.

"These histories are alarming enough to call into question every figure, fact and cost estimate ever given to the voters and elected officials of Charlotte-Mecklenburg by these companies. And it's enough to make one wonder why the Metropolitan Transit Commission and Charlotte City Council approved consultant contracts with them in the first place."

More on Parsons Brinckerhoff in our next issue...

Erratum: In issue #8, change reference to issue #5 to #6.

Readers' Bulletin Board. e-mail us your comments. Include your name, for publication by *Freedom Matters*

*** Published by Freedom Matters, Inc., Cross Plains, WI. 53528, Michael Byrne, Editor ***
To subscribe or unsubscribe, e-mail to rebshar@chorus.net, or call Bob at (608) 831-6653.
Our e-mail subscriber list is confidential. We will not sell it or reveal it.

Back Issues of Freedom Matters are available, as e-mail.