

Honolulu Has Alternatives to Costly Rail System  
Open letter to Mayor Hannemann  
By Daniel Brackins, 4/16/2008

In the recent times I was able to hear you speak, you continuously mention that no one has offered you an alternative to the rail. There are many alternatives, most of which you refuse to accept. I must advise you that you cannot control the free market by introducing a rail to somehow reduce traffic. Any government intervention (even if you make driving "illegal") will fail to reduce traffic, as it always has. There is no solution like the free market, and this is why I want to offer a solution that has not yet been discussed. The solution is a sustainable market driven alternative to subsidized mass transit.

Many people are under the assumption that mass transit should be considered a public utility. The truth of the matter is that there are many viable and privately run mass transit systems throughout the world. Even TheBus was once privately owned and made a profit before the city took over operation of it. Presently the TheBus is subsidized to the tune of over \$120 million per year of tax payer money.

With the city now proposing a rail that would be subsidized at the same cost, taxpayers can expect to see even higher taxes to support the cost of operating the rail. Many people also forget that the federal money the city may receive for the project, around \$700 million to \$1 billion, isn't free money. This money has to come from somewhere, and once again it will come out of the pockets of taxpayers.

I would at this point like to introduce an alternative solution. This idea is a car sharing program that was first introduced in Philadelphia in November of 2002 called PhillyCarShare. PhillyCarShare is a non-profit organization whose mission is to maximize the economic, environmental, and social benefits of reduced automobile dependence in the Philadelphia region through community-based car sharing. The organization has been very successful thus far.

Automobiles, while necessary in our society, are abundantly overused because they are priced inappropriately. By rearranging the costs, we can reduce automobile use. Also, if the solution saves people money and feels equally convenient to owning a car, it will be driven by the free market.

Economics is a powerful force driving automobiles. Once a car is owned, for example, 90% of its costs are unrelated to miles driven. A 5-mile trip, for example, costs \$2.00 with TheBus but only about \$1.00 in gas. Driving is therefore much cheaper in the margin. This is why car owners rationally choose to drive most of the time. Not to mention that everyone riding TheBus pays about \$10 per ride if you include the subsidized cost they pay in taxes.

Alternatively, what if cars were virtually free to access but expensive to drive? What if owning costs \$0, while gas costs \$15 per gallon? We would expect massive changes in travel behavior. People probably would drive much less, choosing more often to walk,

bike, and use other modes of transportation. Five local Philadelphians, all volunteers, set out to prove this concept in November 2002. With nine members, two cars, (a hybrid Prius and Matrix wagon) and a modest \$25,000 they personally contributed, they set out to reduce automobile dependence citywide. They envisioned competing with automobile ownership: low-emission vehicles on every block, available by the hour, to members with personal electronic keys and 24-hour access.

During the first year, the volunteer founders washed the cars, executed the outreach, developed the technology, and balanced the books. After 12 months, the results seemed astounding: 535 members, sharing 13 environmentally-friendly cars, had given up 270 personal vehicles; each shared car had replaced an average of 23 occasionally-driven vehicles. Philadelphia was the first U.S. city to establish these dramatic car ownership impacts, proving the concept could work.

Each subsequent year brought car sharing innovation to a new level in Philadelphia. In April 2004, the City of Philadelphia itself opted in, becoming the first government worldwide to share cars with local residents in a major fleet reduction effort. The pioneering project helped replace 330 municipal vehicles, saving taxpayers \$5 million. Berkeley, Portland (Oregon), and Minneapolis would also follow Philadelphia's lead.

That same year, PhillyCarShare achieved financial sustainability, meaning revenues from the car sharing system covered 100% of operating costs.

Because in a market-driven solution, commitment to the customer is very important to achieving success, PhillyCarShare focused on service innovations during 2005-2006. They became either first in the U.S. or first in the world to offer totally free memberships, eligibility to all 18-year-olds, child seats for urban families, and a debit billing system that enabled even the lowest-income households to join. They also deployed the densest car sharing network in North America, with car-sharing pods on literally every block or two of central Philadelphia, closer to car owners than they could park their own vehicles on the street. Finally, PhillyCarShare also deployed the lowest emission fleet of any large car sharing system in North America, with 60% of its vehicles comprising hybrids.

Philadelphia quickly became the fastest-growing car sharing city on the planet. A member survey, revealed the following impacts:

- 12,810 fewer cars. Members say they would have owned 23,610 cars without PhillyCarShare. Now they own just 10,800.
- 42% fewer miles driven. That translates to 26 million fewer miles since inception.
- 4 million miles driven in hybrids that pollute 90% less than conventional vehicles.
- 1.6 million gallons of gas saved, from driving hybrids and driving less.

- Former car owners say they're choosing more earth friendly modes: 40% walk more, 18% bike more, 13% take taxis more, etc.
- \$90 million annual economic boost for Philadelphia's local economy, as the savings accrued by former car owners are spent locally rather than flowing into the global auto industry.

Philadelphia and PhillyCarShare are demonstrating how a free market driven solution can benefit the environment, the economy, and personal utility. To learn more about the organization you can visit <http://www.phillycarshare.org>

I would personally like to see a similar model introduced here in Honolulu, and I believe it will be highly successful. As such, there is no longer an excuse that there is no alternative solution. I urge you to look into this as a benefit to the City and County of Honolulu. Remember government intervention in the market will never produce a viable outcome, only a free market solution can work to reduce traffic.