Feds Imperil Central Subway Funding, Demand Proof it’s No Boondoggle

Posted By Matt Smith on Mon, Feb 22, 2010 at 4:57 PM

Mayor Gavin Newsom and his public transit chief Nat Ford had the chance to hold an elaborate groundbreaking earlier this month for the $1.6 billion Central Subway light rail project.

But a letter from a top federal transportation bureaucrat suggests the festivities may have been premature. In order to obtain $942 million essential to the project’s completion, the Federal Transportation Administration has demanded that Ford prove he can come up with an extra $164 million in local and state funds for the project, and -- harder still -- prove that the future subway operation won’t screw up the rest of San Francisco’s bus and light-rail network:

FTA Ltr to Nat Ford Jan 0710.pdf

That's a tall order given the fact that a Muni consultant already wrote a report claiming that the Central Subway project, a 1.7-mile rail line from SOMA to Chinatown, will not significantly improve our ability to get from one place to another, and it will make the city’s public transportation system more expensive to run and maintain.
Muni spokesman Judson True, however, said the requirements shouldn't pose much of an obstacle.

"I think that what the FTA is talking about in terms of financial capacity assessment is typical for any large transportation project," said True. "We're confident we can meet the requirements."

The 2007 consultant’s report also said that the Central Subway’s rationale was based on bogus financing and ridership numbers.

San Francisco presumably took care of that detail by getting Rep. Nancy Pelosi to secure exemptions in "cost effectiveness” requirements for federally funded transit projects, thus securing U.S. funding. Soon after the report appeared, Bill Lieberman, the bureaucrat who naively commissioned the cost-effectiveness report, was quietly dismissed.

The Central Subway had been conceived less as an actual transportation solution than a sop to long-ago mayoral candidate Willie Brown’s Chinatown political supporters. So this seemed at the time the best way to resolve its gross money-wasting problem.

However, there seems to be a boondoggle-unfriendly wind blowing through the Obama Administration’s FTA. On Jan. 15, the agency wrote a letter to BART and Metropolitan Transportation Commission brass suggesting they might be better off scrapping plans for an Oakland Airport spur the feds withheld $70 million in stimulus funds (which they did).

A week earlier, on Jan. 7, FTA regional administrator Leslie Rogers warned Ford that before receiving a penny of federal funds, San Francisco transit bureaucrats must analyze the city’s entire transit system with the goal of proving that the Central Subway won’t financially drain the system into disrepair.

Interestingly, Rogers’ letter made a point of insisting the federal agency won’t tolerate accounting flimflam such as that hilighted in the 2007 consultant’s report.

"The plan should use realistic assumptions on growth in revenues and costs that are in line with historical experience," the letter said.

So what was that big ground-breaking all about if federal funding is still a long way down the track? The feds approved city plans to move public utility conduits and other infrastructure in preparation for the possibility of the project. But these measures are proceeding at city cost, with no guarantee of federal funds.

Could it be that San Francisco’s train to nowhere will go, well, nowhere?

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