Failing Infrastructure Hurts Tourism Too

Earlier this month, we were all shocked and horrified by the collapse of a busy highway bridge in Minneapolis. While we still do not know the exact cause of the tragedy, it appears to be one more indication that the infrastructure of the U.S., among other countries, is wearing out, becoming obsolete and crying out for repair. While this should be of major interest to everyone, it should receive particular attention by anyone who works in and/or enjoys Travel & Tourism.

A recent experience in Los Angeles has caused me to focus on this issue. My wife Linda and I arrived at the airport early in the evening to catch a connecting international flight. We had three hours to make the connection and needed almost every minute to transfer between terminals, check in, and clear security. Every inch of the terminals and connecting roads and sidewalks was jammed with travelers, carts, and luggage. The Tom Bradley International Terminal was particularly bad. It is only 23 years old, but it is barely handling the current level of passengers from all over the world. And while from the traveler's perspective, Los Angeles International Airport is certainly no picnic, for those who work there day after day, it has to be a nightmare.

An excellent summary of the state of our nation's infrastructure can be found on the Web site of the American Society of Civil Engineers (ASCE) www.asce.org/reportcard/2005/index.cfm.

The ASCE examined the issue and gave grades to the various components of America’s infrastructure, much like the grades a student receives in school. (See chart right.) On this basis, the U.S. has a Grade Point Average of D and ought to be on strict probation.

The ASCE estimates that $1.6 trillion – that's $1.6 million a million times over! – needs to be spent in the next five years alone to correct these issues.

Examining the condition of the infrastructure in Hawaii and most of the areas where Outrigger and OHANA operate, it is not hard to find examples of the need for significant reinvestment in many of the items on the report card. Problems with Hawaii’s airports, bridges, dams, water supply, public parks, roads, schools, solid waste disposal/landfills, transit, and sewers have all been in the news throughout the year.

There are many reasons why infrastructure is so often and so widely neglected. One of the basic causes is that most of our infrastructure is owned and managed by government – federal, state, and local. Government, of course, is run by politicians whose built-in view, with rare exceptions, is necessarily short-term. Most infrastructure items have a life far longer than the term of office of the average elected official. Thus, it is more tempting for politicians to build a new bridge, which voters see as an accomplishment, than to maintain an old one, which is all but invisible (except to drivers stuck in traffic whenever a lane is coned off for pothole repair or other upkeep). Moreover, government does not typically set aside adequate funds to handle infrastructure repairs. That problem is left to the next mayor, governor, or president and Congress to solve when repairs become so urgent they can no longer be put off. And even when adequate reserve funds are established, they are often raided later on for other uses.

Neglected infrastructure is generally the culprit when bridges fall, crushing and drowning innocent people, or when sewage pipes burst, sending millions of gallons of disease-generating muck into our streets and waterways.

Nor is private enterprise free of sin when it comes to infrastructure. Particularly in publicly-owned companies, the focus is on quarterly earnings, which makes it tempting to neglect long-term needs such as upkeep of facilities.

That can be a fatal mistake, particularly for companies in the Travel & Tourism industry. Customers are becoming more and more demanding every day, and unlike the users of government-operated infrastructure, who have no alternative, the customers of hotels, airlines, and rental car companies, to name only a few examples, have choices galore. Today, when information on hotels and their service, décor, and facilities moves at the speed of light on Web sites such as TripAdvisor.com, LonelyPlanet.com, TravelAdvice.com, etc., companies neglect infrastructure at their peril.

That, of course, is why Outrigger and OHANA Hotels & Resorts has consistently reinvested in its facilities year after year and will continue to do so in the future.

And, by the way, the city of Los Angeles recently announced it is beginning a $576 million renovation, upgrade, and expansion of Tom Bradley International Terminal at Los Angeles International Airport. Included in the program is the addition of two new gates capable of handling the new, double-decked, 550-passenger Airbus A380, which enters service later this year. The work on the Bradley Terminal will be completed in 2010 – at least three years too late.

Nevertheless, I look forward to that day. In the meantime, as documented by the ASCE, there is lots of catch-up infrastructure work to do everywhere you look.
2005 Report Card
for America’s Infrastructure
(Grading: C = Mediocre, D = Poor, I = Incomplete)

Aviation        D+
Bridges         C
Dams            D
Drinking Water  D
Energy          D
Hazardous Waste D
Navigable Waterways  D
Public Parks & Recreation  C-
Rail            C-
Roads           D
Schools         D
Security        I
Solid Waste     C+
Transit         D+
Wastewater      D

America’s Infrastructure G.P.A. = D