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Ministry of Transportation and Road
Safety

Promotion and Development of Public Transportation in the Haifa Metropolitan Area – Follow-up Audit



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Background

A widespread, efficient, and advanced public transportation system (PTS) is an essential component of economic growth, and it is expected to provide social, environmental, and safety benefits as well as an appropriate solution to transportation problems in metropolitan areas.

The State of Israel lags significantly behind developed countries in terms of developing infrastructure for PTS, which leads to a widening of the gaps between the periphery and the center of the country.

The Ministry of Transportation and Road Safety (hereinafter: 'the Ministry of Transportation') divided the Haifa metropolitan area into three rings:

- The inner ring ("the core") includes the city of Haifa, the Krayot urban bloc, the city of Nesher, and the city of Tirat Carmel.
- The middle ring surrounds the core and includes scattered settlements in the area, among them large open spaces. The city of Acre (Akko) is the largest urban settlement in this ring.
- The outer ring includes several urban settlements that serve as centers for surrounding Jewish and Arab villages. Nazareth, Nof HaGalil, Nahariya, Karmiel, and Migdal HaEmek are among the prominent cities in this ring. It should be noted that the settlements of the outer ring are larger than those included in the middle ring.

According to the strategic plan of the Ministry of Transportation and the Ministry of Finance from 2015 (hereinafter: 'the 2015 Strategic Plan'), in the years 2016–2045 – over three decades – transportation projects are planned in the Haifa metropolitan area with a total budget of approximately NIS 23.06 billion, including: (a) The heavy rail (doubling of the coastal tracks); (b) The Haifa–Nazareth light rail (LRT); (c) Expansion of the Metronit BRT lines in Haifa and the Krayot, a Metronit line to Tirat Carmel, a Metronit line to Acre, and more (see also the chapter "The Strategic Plan for the Development of Public Transportation in the Haifa Metropolitan Area").



Key Figures

**NIS
23.06
billion**

Budgetary scope of the Ministry of Transportation for transportation projects in the Haifa metropolitan area for the years 2016–2045, according to the 2015 Strategic Plan

**2.8
million**

Projected number of daily trips by public transportation and other means of transport in the Haifa metropolitan area, forecast for the year 2040

**6 active
lines¹
and 4
additional
planned lines**

Six Metronit BRT lines are operating in the Haifa metropolitan area as of the end of the follow-up audit (March 2025). These lines run between Haifa and the Krayot cities (Kiryat Ata, Kiryat Motzkin, and Kiryat Bialik). An additional four Metronit lines are planned for the Haifa metropolitan area

**18–28
years**

Estimated time span from the beginning of planning to the completion of the two transportation projects in the Haifa metropolitan area² examined during the follow-up audit

78

Number of intersections (65% of total) in which priority is given at traffic lights to the Metronit in the Haifa metropolitan area (including the city of Haifa), compared to the planned figure for 2020 (Approx.120 intersections)

**NIS 300
million**

Estimated annual loss to the state budget due to fare evasion for all public transportation journeys, which the Ministry of Finance had already estimated at Approx.NIS 300 million in 2021

**Additional
cost of 19%
(NIS 1.3
billion)**

The additional cost of the Haifa–Nazareth LRT project as of the end of 2024, compared to the cost estimate approved by a 2016 government resolution (8.2 NIS billion versus 6.9 NIS billion, in real terms at the end of 2024)


0

Number of meetings convened by the Ministerial Committee for National Infrastructure since its establishment in July 2023 (as of the end of the follow-up audit, March 2025)

- 1 As of the end of the follow-up audit (March 2025), the active Metronit BRT lines in the Haifa metropolitan area are: 1, 2, 3, 4, 5, and 5A – six Metronit lines in total.
- 2 The projects examined were the Haifa–Nazareth Light Rail Transit (LRT) project and the Tel Aviv–Haifa railway track-doubling project.



Audit Actions

 In March 2019, the State Comptroller published a special report: "The Public Transportation Crisis", which included a chapter on "Promotion and Development of Public Transportation in the Haifa Metropolitan Area" (hereinafter: 'the previous audit report' or 'the previous audit')³. From August 2024 to March 2025, the State Comptroller's Office carried out a follow-up audit (hereinafter: 'the follow-up audit' or 'the audit') regarding the correction of the main deficiencies that had been raised in the previous audit report. The main examination was conducted at the Ministry of Transportation, and supplementary examinations were carried out at: The National Infrastructure Committee (VATAL) within the Planning Administration of the Ministry of the Interior; the Haifa Municipality; Israel Railways Ltd. (hereinafter: Israel Railways); Netivei Israel – National Transport Infrastructure Company Ltd. (hereinafter: Netivei Israel); and Cross Israel Highway Ltd. (hereinafter: Cross Israel).

Key Findings

 **Signing of a Long-Term Agreement between the Ministry of Transportation and Yefe Nof Ltd.** – In the previous audit it was found that, since the expiration of the framework agreement between Yefe Nof Ltd. and the Ministry of Transportation in 2015 and until the conclusion of the previous audit (February 2018), no long-term agreement had been signed between them, regulating their engagement for the execution of projects. Instead, the existing agreement was extended from time to time for fixed periods of several months with each extension. In the follow-up audit it was found that the deficiency had been **rectified only partially**. It was found that, pursuant to Government Resolution 421 of October 2020, the engagement with Yefe Nof Ltd. was terminated, and all projects in the metropolitan area that it had been in charge of were transferred to other government infrastructure companies. This new situation, in which several government companies entered the project field that a single company had previously been in charge of, created certain difficulties in coordination between the Ministry of Transportation, the Haifa Municipality, and those government companies. The follow-up audit also found that Cross Israel operates without a signed long-term framework agreement with the State, and that the framework agreement of Netivei Israel expired at the end of 2024 and was extended until June 2025, with the possibility of extending it until the end of that year, pending the signing of a new long-term framework

³ State Comptroller, **Special Audit Report on the Public Transportation Crisis** (2019), "Promotion and Development of Public Transportation in the Haifa Metropolitan Area," pp. 385–475.



agreement with the State. In addition, Netivei Israel was, as of the end of the follow-up audit (March 2025), in advanced negotiations with the Ministry of Finance and the Ministry of Transportation for the purpose of signing a new long-term framework agreement with the State.



The Strategic Plan for the Development of Public Transportation in the Haifa Metropolitan Area

– In the previous audit it was found that the strategic plan for the Haifa metropolitan area did not stipulate that reducing 'door-to-door' travel time was one of its central objectives, and consequently, no indicator was set in the plan for door-to-door travel time. This was despite the fact that door-to-door travel time is one of the most important aspects of the service provided to the public and one of the main factors influencing passengers' decisions regarding the use of public transportation. In the follow-up audit it was found that the deficiency had been rectified **only to a minor extent**: it was found that in the projects presented in the 2015 strategic plan, one of the variables according to which the projects for 2016–2045 were ranked and selected was the "reduction of travel time in public transportation" indicator. However, this indicator received a weighted variable weight of only 5% in the selection of these projects, and it still was not a central objective according to which they were chosen in the plan. The follow-up audit also found that the most recent strategic plan prepared for the Haifa metropolitan area dates from 2015, and although by the conclusion of the follow-up audit (March 2025) approximately ten years had already passed since its preparation, it had not yet been updated.



Planning of the Metronit Lines

– In the previous audit it was found that, within the framework of the 2015 strategic plan for the Haifa metropolitan area, no systematic, reasoned, and documented comparison had been carried out between different technological alternatives. Nor had a cost-benefit analysis been conducted between the option of establishing additional Metronit lines and alternative modes of transport, such as a significant expansion of existing bus services, the establishment of a light rail or a subway, and the installation of escalators as a complementary means of transport in certain cases. In the follow-up audit it was found that the deficiency had been rectified **only to a minor extent**: it was found that as of the conclusion of the follow-up audit (March 2025), six Metronit lines were operating during most hours of the day, one of which (Line 1) operated throughout the entire day. It should be noted that these lines run between the city of Haifa and the various Krayot cities (Kiryat Ata, Kiryat Motzkin, and Kiryat Bialik). It should further be noted that the frequency of these Metronit lines is relatively high compared to other means of transport, such as bus lines. It should also be noted that four additional projects related to new Metronit lines are planned, designed to promote and develop public transportation in the Haifa metropolitan area and to provide the general public with further alternatives to the existing ones, thereby encouraging the use of public transportation. However, the follow-up audit found that



no updated feasibility studies had been carried out in accordance with PRAT Procedure⁴ with regard to the four future projects of Metronit lines planned to operate in the Haifa metropolitan area. Furthermore, no cost-benefit analysis had been conducted between the option of establishing these lines and alternative means of transport, such as increasing the frequency of existing bus services, establishing a light rail or a subway, and the installation of escalators as a complementary means of transport in certain cases.

Supervision of Passengers in Public Transportation – In the previous audit, it was found that the operating agreement stipulated that the former operator was required to carry out fare inspections. However, in practice, inspectors were not provided with the means that would enable them to monitor the payment of fares. During a field visit conducted by representatives of the State Comptroller's Office in October 2018, inspectors of the former operator noted that they had no enforcement powers and that passengers who had not paid simply ignored their requests to present identification. It was only at the beginning of 2017 that the National Authority for Public Transportation approached the Legal Adviser of the Ministry of Transportation to regulate, through legislation, the granting of effective supervisory powers to the operator's inspectors. In March 2018, a draft bill regarding supervisory powers in public transportation was published, and at the end of November 2018, the Knesset held a first discussion on the proposed law. In the follow-up audit, it was found that the deficiency **had been rectified only to a minor extent**: the audit found that the Transport Commissioner had issued guidelines concerning supervision of fare payment on bus service routes. These guidelines, in force since June 2025, are intended, inter alia, to establish rules for the certification of inspectors by the Transport Commissioner, and to set out the policy of the Transport Commissioner regarding the manner of supervision. However, as of the conclusion of the follow-up audit (March 2025), the legislative regulation of supervisory and enforcement powers in public transportation with respect to non-payment of fares or ticket validation had not yet been completed. Such regulation is of particular importance in light of the estimated loss to the state budget each year resulting from fare evasion on public transportation (estimated at approximately 20% of all journeys on public transportation). The loss to the state budget was estimated by the Ministry of Finance in 2021 at approximately NIS 300 million⁵. It should be noted that a government bill to amend the Traffic Ordinance (No. 126) (Supervision of Fare Payment on Buses), 2018, was first published as early as October 2018, but its legislative process was not completed.

Doubling of the Railway Tracks on the Tel Aviv–Haifa Line

- **Promotion of the Project** – In the previous audit it was found that, according to documents of Israel Railways Ltd., in 2012 it began to promote the track-doubling

⁴ The PRAT Procedure constitutes a binding framework for conducting feasibility studies of transportation projects, prepared jointly by the Ministry of Transportation and the Ministry of Finance.

⁵ See also State Comptroller, **Annual Report 72a – Part Two** (2021), "Public Transportation – Use of the Rav-Kav Card (Follow-up) and Payment Applications," pp. 858–859.




project, intended to increase rail capacity and raise travel speed. The plan was declared a National Infrastructure Plan (NIP 65) in July 2014. This project is a long-term undertaking of great importance for the development and advancement of public transportation in the Haifa metropolitan area and in the city of Haifa, as well as for the development of the national railway network. Accordingly, its promotion should have been carried out expeditiously. Nevertheless, it was only in March 2018 – six years after planning began and four years after its declaration as a national infrastructure plan – that the National Infrastructure Committee decided to publish a notice in the press regarding preparation of the plan. The delays in this project, intended to resolve failures in Israel's transport system, imposed a heavy cost in addition to the loss of utility for public transportation users. In the follow-up audit it was found that the deficiency had been **rectified only partially**: the statutory planning of NIP 65A had been fully completed in the planning institutions, and the plan was even approved by the government in December 2023. As for NIP 65B, its statutory planning had been completed only partially in the planning institutions. In October 2023 the National Infrastructure Committee approved the publication of the notice of preparation of the plan, and set conditions for granting building permits pursuant to sections 77 and 78 of the Planning and Building Law, 1965. As of the conclusion of the audit (March 2025), the expected completion date for NIP 65A was 2034, whereas NIP 65B had no projected completion date at all. The follow-up audit also found that Government Resolution 1231 of March 2022 determined that a condition for promoting and executing NIP 65B was the completion of the rail electrification project in the Haifa metropolitan area up to HaMifrats Central Station. The resolution further stipulated that the electrification project should be completed, following approval of the detailed documents, by the end of 2024. However, the audit found that the expected completion date for the electrification project in the Haifa metropolitan area was the end of March 2027, with an estimated cost of approximately NIS 4.7 billion. It also emerged that, as of the conclusion of the follow-up audit (March 2025), the Haifa Municipality opposed the execution of track sinking and tunneling within its jurisdiction, as well as overhead electrification of existing tracks, without the simultaneous promotion and execution of NIP 65B. It should be noted that, concurrently with the planning procedures of NIP 65B still underway in the planning institutions, the Haifa Municipality filed a lawsuit⁶ in 2024 with the Haifa District Court against Israel Railways Ltd. and other parties. In its claim, the municipality sought a mandatory injunction instructing Israel Railways to sink certain segments of the tracks within Haifa's boundaries, and a permanent injunction prohibiting electrification works on those segments. In the decision of the Haifa District Court in March 2025, the parties were referred to mediation. It should further be noted that the continuation of the track-doubling project on the Tel Aviv–Haifa line beyond 2030 could impair Israel Railways Ltd.'s ability to meet the targets of its strategic development plan for 2040. Moreover, the delay could also increase

6 Tel Aviv (Haifa) 59047-10-24 **Haifa Municipality v. Israel Railways Ltd. et al.**



the risk of deviation from the project's cost estimate, which had been set already at the planning stage, and could undermine compliance with the project's targets and the attainment of its objectives, which include, inter alia, increasing rail capacity and raising travel speed⁷.

- **Conducting Economic Feasibility Studies for the Proposed Alternatives –** In the previous audit it was found that, in the track-doubling project, no economic feasibility studies had been conducted for the alternatives that were examined. The data on the basis of which the decision was made whether to approve or reject the alternatives had been assessed only from an engineering, environmental, and urban perspective of the track alignment, without an in-depth economic examination of the costs and benefits inherent in the alternatives. In the follow-up audit it was found that the deficiency had been **rectified only partially**. The audit found that in April 2022 and in May 2024 the Ministry of Transportation conducted an economic feasibility study in accordance with the PRAT Procedure only for NIP 65B (the northern section of NIP 65). For NIP 65A (the southern section of NIP 65), however, no economic feasibility study had been conducted by any competent authority in accordance with the PRAT Procedure, nor had any feasibility study been conducted under any other procedure or agreed economic model.

 **Promotion of Transportation Projects in the Haifa Metropolitan Area –** In the previous audit it was found that although transportation projects such as the cable car, the LRT, and the doubling of the railway tracks had been defined by the Ministry of Transportation as means to resolve transportation problems in the Haifa metropolitan area, and although these projects had been defined by the government as National Infrastructure Plans (NIPs) – and therefore their promotion was supposed to proceed through an expedited process – their advancement was delayed both in the National Infrastructure Committee and in the bodies responsible for promoting them, including the Ministry of Transportation itself. The previous audit also found that there was no single integrative entity for all NIP projects that could have advanced and accelerated the decision-making processes related to them. In the follow-up audit it was found that the deficiency **had been rectified only to a minor extent**. The audit found that the Prime Minister, as chair of the committee, had not convened the Ministerial Committee for National Infrastructure, which had been established by Government Resolution 851 of July 2023. The committee's non-convening prevents the determination of policy on national infrastructure matters, the removal of obstacles to the advancement of infrastructure projects, and the exercise of oversight, monitoring, and follow-up. It was also found that no timetables or milestones had been set for NIP 56 (in all its components) and for NIP 65 after its division. This was despite the fact that these plans had been defined in advance as National Infrastructure Plans, had been deliberated in the National Infrastructure Committee due to their status, and had received its approval (NIP 65A and NIP 56). The follow-up audit further found that for the two projects

⁷ After the doubling of the railway tracks, the trains will be able to travel on the new tracks at speeds of up to 250 km/h.



examined in the previous audit, and again during the follow-up audit – the Haifa–Nazareth LRT project and the doubling of the railway tracks on the Tel Aviv–Haifa line – the estimated time expected to elapse from the beginning of their planning until the completion of their execution would range from 18 to 28 years. However, it should be noted that the planning stage in the planning institutions for NIP 56 (in all its components) and for NIP 65A (the southern section of NIP 65) had already been completed.



Establishment of Metropolitan Transportation Authorities – In the previous audit it was found that the engagement between the Haifa Municipality and Yefe Nof Ltd. did not resolve the difficulty arising from the fact that Yefe Nof, a municipal corporation of the Haifa Municipality, lacked the powers and tools that would enable it to promote transportation projects vis-à-vis other local authorities in the metropolitan area. In the absence of such powers, the company could not act in conjunction with the planning authorities or with local authorities in the metropolitan area without the approval of the Ministry of Transportation. This impeded the project's advancement and caused adverse impacts for public transportation users and for the potential economic development that could have resulted from the existence of an efficient public transportation system. In addition, the previous audit determined that the establishment of a metropolitan authority with extensive powers in the field of transportation could streamline processes in promoting transportation projects; and the State Comptroller recommended in the previous audit report that the Ministry of Transportation implement the government decisions regarding the establishment of a metropolitan authority. In the follow-up audit it was found that the deficiency **had not been rectified**: as of the conclusion of the follow-up audit (March 2025), the Ministry of Transportation and the Minister of Transportation had not established metropolitan transportation authorities (or, alternatively, regional transportation authorities) in any of the existing metropolitan areas (Tel Aviv, Jerusalem, Haifa, and Be'er Sheva), and in the Haifa metropolitan area in particular. The State Comptroller notes to the Minister of Transportation and to the Ministry of Transportation that approximately 14 years have passed since the government decision (in 2011) regarding the preparation of a draft bill for the establishment of metropolitan transportation authorities and the granting of the powers necessary for their operation, but as of the conclusion of the follow-up audit (March 2025) this draft bill had not been completed.



Operation of the Metronit Lines – In the previous audit it was found that, from the fourth quarter of 2013 until the second quarter of 2016, the average afternoon peak-hour travel time exceeded the standard travel time set in the agreement with the former operator. It should be emphasized that the agreement stipulated a deviation allowance only for the morning peak hours. In the follow-up audit it was found that the deficiency **had been rectified to a large extent**. The follow-up audit found that the "non-



performance" index⁸ of the current Metronit operator ranged from 0.45% to 1.58% in the years 2022–2024, and remained below the 2.1% threshold; a higher rate is defined in the operating agreement as the "minimum service level".

Traffic Light Priority for the Metronit – In the previous audit it was found that, contrary to the agreement with Yefe Nof Ltd., which stipulated that priority mechanisms would be installed at about 140 intersections prior to the commencement of Metronit operations, the Ministry of Transportation did not ensure the planning of priority mechanisms at all the required traffic lights, except for 19 intersections that were included in the Metronit's planning and construction budget. The previous audit also found that, as of its conclusion (February 2018), the traffic light priority project had not been completed. In the follow-up audit it was found that the deficiency had been **rectified to a large extent**: the follow-up audit found that by 2020 it had been planned for the Metronit to have right-of-way at about 120 intersections, thereby allowing continuous travel on service lines 1, 2, and 3, with detectors to be installed in the first stage at approximately 60 signalized intersections. The follow-up audit also found that, in practice, the Metronit had priority at approximately 78 intersections in the Haifa metropolitan area (including the city of Haifa), constituting approximately 65% of the number of intersections that had been planned by 2020 (120 in total).

Execution of the Light Rail (LRT) Project on the Haifa–Nazareth Line – In the previous audit, it was found that planning of the Haifa–Nazareth LRT project began in 2005. The project was declared a National Infrastructure Plan in 2011, and its budget was approved by the government only in August 2016 and by the National Infrastructure Committee in April 2017. Only a year later, in April 2018, was the project plan submitted for government approval. As of the conclusion of the previous audit, approximately 13 years after planning had begun, it had not yet been finally approved by the government, and consequently its execution had not commenced. The previous audit further found that disputes between the Kiryat Ata Municipality and the Ministry of Transportation regarding the characteristics of the LRT alignment in the Kiryat Ata area delayed the project for approximately six years – from the public and stakeholder presentation of the plan in 2012 until the plan was transmitted for government comments in April 2018. In the follow-up audit it was found that the deficiency **had been rectified to a large extent**. It was found that the plans related to the LRT project (NIP 56⁹, in all its various stages) were approved by the government in the years 2018–2023 (inclusive). The follow-up audit also found that execution of the LRT project had begun in its various sections, and that completion was expected by 2029. However, the follow-up audit also

8 The "non-performance" index in the Ministry of Transportation's semiannual monitoring reports is defined as "a trip that appears in the technological system as a departure from the origin station, or a trip that appears in the technological system as a departure from the origin station with a delay of more than 20 minutes, or a trip that appears in the electronic system as a departure from the origin station with an advance of 10 minutes or more, or a trip that appears in the electronic system as a departure when the departure time of the subsequent licensed trip [of the line] has already arrived" (emphasis in the original).

9 In July 2011 the project was declared a "Nationally Significant Infrastructure Project" (National Infrastructure Plan, or NIP). In the planning institutions, the LRT project was designated as NIP 56.



found that the estimated cost of the project (as of the end of 2024) was approximately NIS 8.2 billion, i.e., approximately 19% higher in real terms than the figure presented in the government decision of 2016.






Selection of the Optimal Alternative for the Track-Doubling Project on the Tel Aviv–Haifa Railway Line (NIP 65) – In the previous audit it was found that in 2012 Israel Railways Ltd. began promoting the selection of alternatives for the railway alignment in the Haifa area, as part of the track-doubling project that was declared a National Infrastructure Plan in 2014. As of the conclusion of the previous audit (February 2018), an optimal alternative for the project had not yet been selected. In the follow-up audit it was found that the deficiency **had been rectified to a large extent**. In April 2023 the Subcommittee for Appeals of the National Council for Planning and Building (with the approval of the National Infrastructure Committee in December 2022) approved the preferred alternative (Alternative 102) for the track-doubling project on the Tel Aviv–Haifa railway line (also known as the doubling of the Coastal Tracks). In the summary of the comparison of alternatives it was noted, inter alia, that Alternative 102 (or Alternative 102A) was the preferred alternative compared with the others, and that it had advantages in the following aspects, among others: priority in the operation of the intercity and suburban railway system; greater train frequency; operational simplicity; advantages in phasing construction works and minimal conflicts with existing infrastructure; conformity with statutory planning at the national and district levels; provision of fast rail service to the heart of the Haifa metropolitan area and maximum connectivity and accessibility for rail users within and beyond the Haifa metropolitan area; and lower potential for noise and air quality impacts compared with the other alternatives.

Division of the National Planning Process for the Track-Doubling Project on the Tel Aviv–Haifa Railway Line (NIP 65) – In the previous audit, it was found that the track-doubling project is important to the central artery of the national railway network. In practice, agreements had been reached on most of the section, and the substantive disagreements revolved only around the alignment of the tracks in the Haifa area. A statutory division of the project at an early stage of planning could have advanced the execution of some of its parts, thereby increasing the likelihood of meeting the interim targets of the strategic plan for 2030. Given that infrastructure projects of this kind extend over many years and entail the potential for delays, in cases of disagreement over certain segments, it is both possible and desirable to advance other segments without impairing the overall plan, particularly where there is a direct benefit independent of the project's full completion. In the follow-up audit, it was found that the deficiency **had been fully rectified**: It was also found that in June 2019 the National Infrastructure Committee decided to split NIP 65 into two plans, and to advance first NIP 65A, which was more mature from the planning perspective. NIP 65 was therefore divided into two plans: (a) NIP 65A (upgrade and expansion of the Coastal Railway between Hof HaCarmel Station and Shfayim, i.e., the southern section of NIP 65); and



(b) NIP 65B (the Coastal Railway between the Efraim Workshops and Hof HaCarmel, i.e., the northern section of NIP 65).

Key Recommendations

-  The Prime Minister, as chair of the committee, should act to convene the Ministerial Committee for National Infrastructure, which was established precisely to promote national infrastructure projects, in accordance with timetables and key milestones to be set for each project. Convening the committee will also contribute to carrying out oversight, monitoring, and follow-up with respect to the government ministries in charge of these projects.
-  It is recommended that the Ministry of Transportation update the 2015 strategic plan for the Haifa metropolitan area and include within it a "door-to-door" service index, together with its value (at different time intervals) according to the various service areas, since this index is of great importance in the eyes of the public when choosing between public transportation options and the use of private vehicles. It is further recommended that the Ministry of Transportation assign the "door-to-door" service index (or, alternatively, the "public transportation travel time reduction" index) a weighted value greater than 5% already at the stage of selecting transportation projects for execution.
-  It is recommended that the Ministry of Transportation conduct all the required examinations, in accordance with its procedures, before choosing infrastructure transportation projects, since by their nature these projects are very costly and their execution takes many years, sometimes even decades. Needless to say, such examinations are required in order to allocate the state's limited resources appropriately and to invest them in projects with positive benefits, bearing in mind that once they are established, it is extremely difficult to reverse the situation.
-  It is recommended that the Ministry of Transportation and the Haifa Municipality continue to advance the implementation of traffic light priority for the Metronit at all existing intersections in the metropolitan area (approximately 120 in total), in order to shorten the "door-to-door" travel time of public transportation users and thereby improve the reliability of the service. In addition, this measure will encourage more passengers who still do not use public transportation to switch from the use of private vehicles to the use of public transportation.
-  As the State Comptroller has previously recommended, the Ministry of Transportation and the Ministry of Finance should complete the regulation of the supervisory and enforcement powers of inspectors in public transportation. This is especially important given the current situation, in which all public transportation users may board through any door, and in light of the estimated annual loss to the state budget from fare evasion across the system, which



the Ministry of Finance had already assessed at approximately NIS 300 million in 2021¹⁰. The State Comptroller further recommends that the Ministry of Transportation implement the Transport Commissioner's directives on fare supervision in bus service lines, which will come into effect in June 2025.



The Ministry of Transportation and the Ministry of Finance should continue to advance the track-doubling project on the Tel Aviv–Haifa railway line. Its purpose is to promote long-term transportation infrastructure projects that are vital to the development of public transportation in the Haifa metropolitan area and the city of Haifa, and to the strengthening of the national railway network. In addition, this development is also intended to enable northern residents to reach the central region from their homes within optimal travel times.



It is recommended that the Ministry of Transportation establish timetables and milestones for transportation projects in the Haifa metropolitan area, insofar as possible, so as to advance them promptly and effectively. These are also required to carry out oversight and monitoring of projects whose execution periods, from the planning stage to the completion stage, take many years. It should be noted that these projects are of decisive importance for the advancement of public transportation in the Haifa metropolitan area. They are intended to significantly improve public transportation services in the metropolitan area and to provide a viable alternative to private car use.

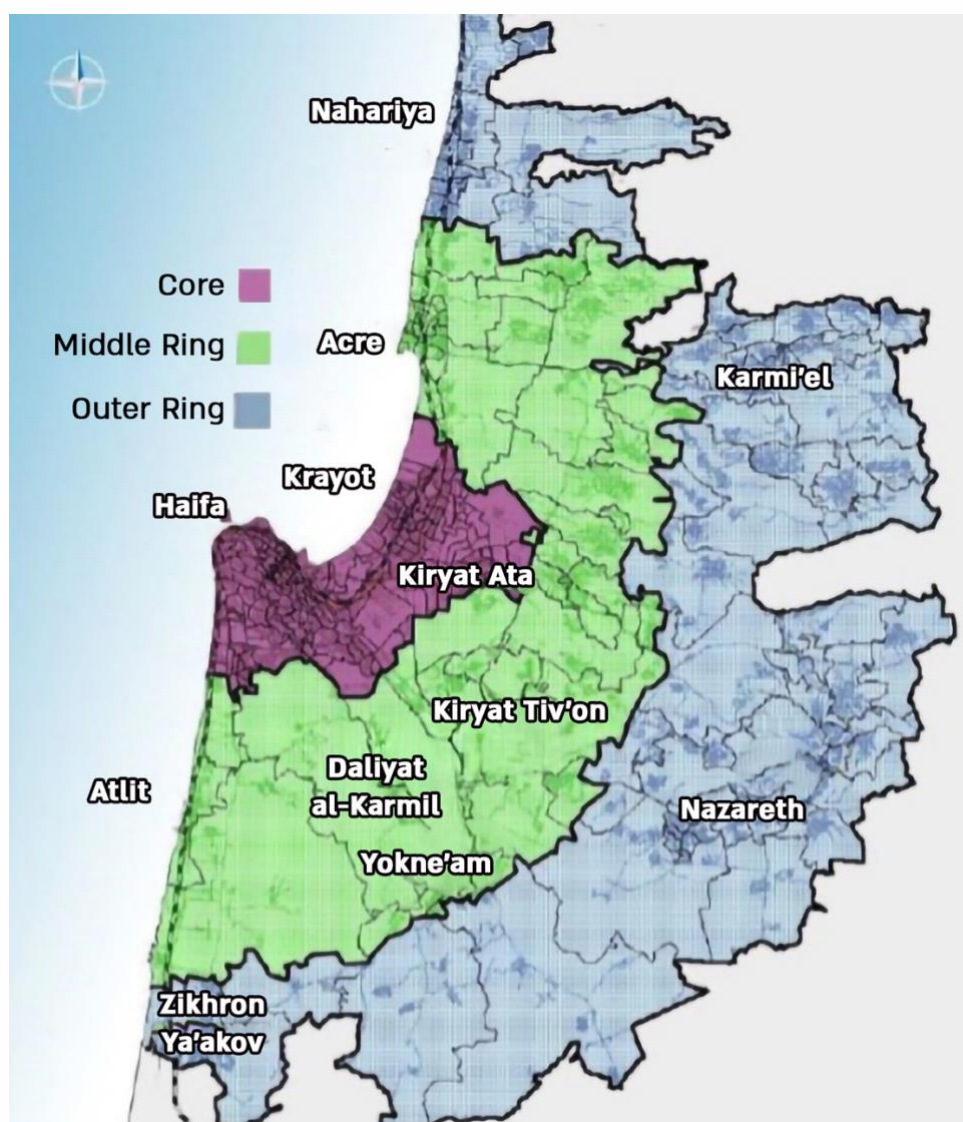


The Ministry of Transportation and the Minister of Transportation should complete without delay their efforts to establish metropolitan transportation authorities (or alternatively regional transportation authorities), as determined in various government decisions between 2011 and 2024. It should be noted that on numerous occasions in past reports, the State Comptroller has remarked on the importance of establishing such transportation authorities.

¹⁰ See also State Comptroller, **Annual Report 72a – Part Two** (2021), "Public Transportation – Use of the Rav-Kav Card (Follow-up) and Payment Applications," pp. 858–859.



Some of the Areas and Localities Included in the Three Rings of the Haifa Metropolitan Area



Source: The 2015 Strategic Plan, and State Comptroller, **Special Audit Report on the Public Transportation Crisis** (2019), "Promotion and Development of Public Transportation in the Haifa Metropolitan Area," p. 399.



Summary

The public transportation projects being advanced in the Haifa metropolitan area are of national importance and aim to improve the quality of life of the residents of the metropolitan area. As part of the programs to promote the periphery, the state is investing considerable resources in these projects. Infrastructure transportation projects require in-depth planning, oversight, and monitoring to ensure that the needs of the transportation system are met effectively, as well as efficient allocation of resources.

The follow-up audit in this report focused on the extent to which 13 deficiencies raised in the previous audit report were rectified. One deficiency was not rectified at all – the failure to establish a metropolitan authority in the Haifa metropolitan area; four additional deficiencies were rectified to a minor extent – the development of public transportation in the Haifa metropolitan area, the planning of Metronit lines, passenger supervision, and the advancement of transportation projects in the Haifa metropolitan area; four additional deficiencies were rectified to a large extent – the operation of Metronit lines in the Haifa metropolitan area, the failure to grant the Metronit right of way at all intersections along its routes, the implementation of NIP 56 (the Haifa–Nazareth LRT), and the selection of the preferred alternative for NIP 65A (the southern section of the Coastal Railway track-doubling project from Hof HaCarmel Station to Shfayim); three additional deficiencies were rectified to a partial extent – the advancement of metropolitan public transportation projects by a municipal company (currently by government companies), the advancement of NIP 65A and NIP 65B together (the doubling of the Coastal Railway line on the Tel Aviv–Haifa route), and the conducting of economic feasibility studies for transportation projects; and one additional deficiency was fully rectified – the splitting of NIP 65 (the doubling of the Coastal Railway line on the Tel Aviv–Haifa route).

The Ministry of Transportation should continue to rectify the deficiencies identified in the follow-up audit that were not rectified at all, rectified to a minor extent, or rectified to a partial extent.

The Ministry of Transportation and the Ministry of Finance should continue to advance NIP 65B (the northern section of NIP 65), which lies within the Haifa municipal area, so that the track-doubling project on the Tel Aviv–Haifa railway line (NIP 65) can be completed. Completion of this project will also reduce the travel time for passengers on the Tel Aviv–Haifa line by nearly half of the current travel time (as of the conclusion of the follow-up audit in March 2025).

In addition, the Minister of Transportation, the Ministry of Transportation, and the Ministry of Finance should promote the establishment of the metropolitan transportation authority or the regional transportation authority in the Haifa metropolitan area, as well as in other metropolitan areas (Gush Dan, Jerusalem, and Be'er Sheva). These authorities will enable the optimal promotion and development of public transportation and the advancement of



transportation projects within optimal timeframes in the Haifa metropolitan area. Such measures are also required in view of the Ministry of Transportation's policy of transporting public transportation users from the northern region (the periphery) to the center through the Haifa metropolitan area – all within shorter travel times, thereby improving public transportation services for the residents of the north and of the Haifa metropolitan area.

The follow-up audit found that the construction of some transportation projects in the Haifa metropolitan area, such as the Haifa–Nazareth light rail line (NIP 56) and the track-doubling on the Tel Aviv–Haifa railway line (NIP 65), will take decades; the estimated time from the beginning of their planning to their completion ranges from 18 to 28 years. Despite the lengthy durations of these two projects and the considerable resources invested in them, it was found that the Ministerial Committee for National Infrastructure, established by Government Decision 851 of July 2023, has not been convened.

The Prime Minister, as chair of the committee, should act to convene the Ministerial Committee for National Infrastructure, which was established precisely to promote national infrastructure projects, in accordance with timetables and key milestones to be set for each project. Convening the committee will also contribute to carrying out oversight, monitoring, and follow-up with respect to the government ministries in charge of these projects. The failure to convene the committee hampers effective oversight and monitoring of these projects, despite the substantial financial investment – amounting to billions, and even tens of billions, of shekels. The prolongation of these projects over such an extended period may also result in financial harm (such as deviation from the original project cost estimate) and other adverse impact, since additional projects in development depend on the completion of parts of these projects, including urban renewal initiatives and the addition of housing units along the coastal route of the Haifa Municipality.



Extent of Rectification of the Main Deficiencies Raised in the Previous Report

Audit Chapter	Audited Body	Deficiency in Previous Audit Report	Main Deficiencies Raised in the Previous Report, by Extent of Rectification				
			Not Rectified	Rectified to a Minor Extent	Rectified to a Partial Extent	Rectified to a Large Extent	Fully Rectified
Signing of Long-Term Agreement bet. Ministry of Transportation and Yefe Nof Ltd	Ministry of Transportation	In the previous audit it was found that, since the expiration of the framework agreement between Yefe Nof Ltd. and the Ministry of Transportation in 2015 and until the conclusion of the previous audit (February 2018), no long-term agreement had been signed between them, regulating their engagement for the execution of projects. Instead, the existing agreement was extended from time to time for fixed periods of several months with each extension.					



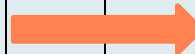


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Strategic Plan for Development of Public Transportation in Haifa Metropolitan Area	Ministry of Transportation	In the previous audit it was found that the strategic plan for the Haifa metropolitan area did not stipulate that reducing 'door-to-door' travel time was one of its central objectives, and consequently, no indicator was set in the plan for door-to-door travel time. This was despite the fact that door-to-door travel time is one of the most important aspects of the service provided to the public and one of the main factors influencing passengers' decisions regarding the use of public transportation.					



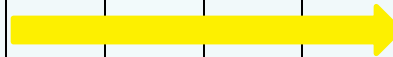


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Planning of Metronit Lines	Ministry of Transportation	In the previous audit it was found that, within the framework of the 2015 strategic plan for the Haifa metropolitan area, no systematic, reasoned, and documented comparison had been carried out between different technological alternatives. Nor had a cost-benefit analysis been conducted between the option of establishing additional Metronit lines and alternative modes of transport, such as a significant expansion of existing bus services, the establishment of a light rail or a subway, and the installation of escalators as a complementary means of transport in certain cases.					



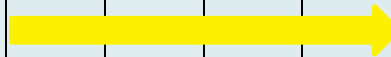


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Operation of Metronit Lines	Ministry of Transportation	In the previous audit it was found that, from the fourth quarter of 2013 until the second quarter of 2016, the average afternoon peak-hour travel time exceeded the standard travel time set in the agreement with the former operator. It should be emphasized that the agreement stipulated a deviation allowance only for the morning peak hours.					





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Traffic Light Priority	Ministry of Transportation	In the previous audit it was found that, contrary to the agreement with Yefe Nof Ltd., which stipulated that priority mechanisms would be installed at about 140 intersections prior to the commencement of Metronit operations, the Ministry of Transportation did not ensure the planning of priority mechanisms at all the required traffic lights, except for 19 intersections that were included in the Metronit's planning and construction budget. The previous audit also found that, as of its conclusion (February 2018), the traffic light priority project had not been completed.					



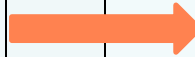


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Supervision of Passengers	Ministry of Transportation, Ministry of Finance	In the previous audit it was found that the operating agreement stipulated that the former operator was required to carry out fare inspections. However, in practice, inspectors were not provided with the means that would enable them to monitor the payment of fares. During a field visit conducted by representatives of the State Comptroller's Office in October 2018, inspectors of the former operator noted that they had no enforcement powers and that passengers who had not paid simply ignored their requests to present identification.					



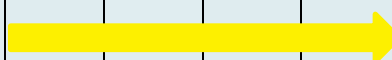


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		It was only at the beginning of 2017 that the Public Transportation Authority turned to the legal adviser of the Ministry of Transportation to regulate, through legislation, the granting of effective supervisory powers to the operator's inspectors. In March 2018, a draft bill regarding supervisory powers in public transportation was published, and only at the end of November 2018 the Knesset held a first discussion on the proposed law.					





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Execution of the Haifa–Nazareth Light Rail Line Project (NIP 56)	Ministry of Transportation	The previous audit found that planning for the Haifa–Nazareth light rail project began in 2005. The project was declared a National Infrastructure Plan in 2011, and its budget was approved by the government only in August 2016 and by the National Infrastructure Committee in April 2017. Only a year later, in April 2018, was the project plan submitted for government approval. As of the conclusion of the previous audit, approximately 13 years after planning had begun, it had not yet been finally approved by the government,					





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		and consequently its execution had not commenced. The previous audit further found that disputes between the Kiryat Ata Municipality and the Ministry of Transportation regarding the characteristics of the LRT alignment in the Kiryat Ata area delayed the project for approximately six years – from the public and stakeholder presentation of the plan in 2012 until the plan was transmitted for government comments in April 2018.					






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Splitting of the Track-Doubling Project on the Tel Aviv-Haifa Railway Line (NIP 65)	Ministry of Transportation, National Infrastructure Committee	The previous audit found that the track-doubling project was important for the central artery of the national rail traffic. In practice, agreements had been reached on most of the section, and the substantive disagreements revolved only around the alignment of the tracks in the Haifa area. A statutory division of the project at an early stage of planning could have advanced the execution of some of its parts, thereby increasing the likelihood of meeting the interim targets of the strategic plan for 2030.					





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		Given that infrastructure projects of this kind extend over many years and entail the potential for delays, in cases of disagreement over certain segments, it is both possible and desirable to advance other segments without impairing the overall plan, particularly where there is a direct benefit independent of the project's full completion.					





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Promotion of the Track-Doubling Project on the Tel Aviv-Haifa Railway Line (NIP 65)	Ministry of Transportation, Ministry of Finance, National Infrastructure Committee	In the previous audit it was found that, according to documents of Israel Railways Ltd., in 2012 it began to promote the track-doubling project, intended to increase rail capacity and raise travel speed. The plan was declared a National Infrastructure Plan (NIP 65) in July 2014. This project is a long-term undertaking of great importance for the development and advancement of public transportation in the Haifa metropolitan area and in the city of Haifa, as well as for the development of the national railway network. Accordingly, its promotion should have been carried out expeditiously.					



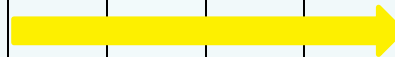


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		Nevertheless, it was only in March 2018 – six years after planning began and four years after its declaration as a national infrastructure plan – that the National Infrastructure Committee decided to publish a notice in the press regarding preparation of the plan. The delays in this project, intended to resolve failures in Israel's transport system, imposed a heavy cost in addition to the loss of utility for public transportation users.					





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Selection of the Optimal Alternative for the Track-Doubling Project on the Tel Aviv-Haifa Railway Line (NIP 65)	Ministry of Transportation, National Infrastructure Committee	In the previous audit it was found that in 2012 Israel Railways Ltd. began promoting the selection of alternatives for the railway alignment in the Haifa area, as part of the track-doubling project that was declared a National Infrastructure Plan in 2014. As of the conclusion of the previous audit (February 2018), an optimal alternative for the project had not yet been selected.					



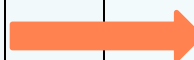


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Conducting Economic Feasibility Studies for the Proposed Alternatives in the Track-Doubling Project on the Tel Aviv-Haifa Railway Line (NIP 65)	Ministry of Transportation, Ministry of Finance	In the previous audit it was found that, in the track-doubling project, no economic feasibility studies had been conducted for the alternatives that were examined. The data on the basis of which the decision was made whether to approve or reject the alternatives had been assessed only from an engineering, environmental, and urban perspective of the track alignment, without an in-depth economic examination of the costs and benefits inherent in the alternatives.					







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Promotion of Transportation Projects in the Haifa Metropolitan Area	Ministry of Transportation	In the previous audit it was found that although transportation projects such as the cable car, the LRT, and the doubling of the railway tracks had been defined by the Ministry of Transportation as means to resolve transportation problems in the Haifa metropolitan area, and although these projects had been defined by the government as National Infrastructure Plans (NIPs) – and therefore their promotion was supposed to proceed through an expedited process – their advancement was delayed both in the National Infrastructure Committee and in the bodies responsible for promoting them,					






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		including the Ministry of Transportation itself. The previous audit also found that there was no single integrative entity for all NIP projects that could have advanced and accelerated the decision-making processes related to them.					



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Establishment of Metropolitan Transportation Authorities	Ministry of Transportation	In the previous audit it was found that the engagement between the Haifa Municipality and Yefe Nof Ltd. did not resolve the difficulty arising from the fact that Yefe Nof, a municipal corporation of the Haifa Municipality, lacked the powers and tools that would enable it to promote transportation projects vis-à-vis other local authorities in the metropolitan area. In the absence of such powers, the company could not act in conjunction with the planning authorities or with local authorities in the metropolitan area without the approval of the Ministry of Transportation.					



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		This impeded the project's advancement and caused adverse impacts for public transportation users and for the potential economic development that could have resulted from the existence of an efficient public transportation system. In addition, the previous audit determined that the establishment of a metropolitan authority with extensive powers in the field of transportation could streamline processes in promoting transportation projects; and the State Comptroller recommended in the previous audit report that the Ministry of Transportation implement the government decisions regarding the establishment of a metropolitan authority.					



Main Deficiencies Raised in the Previous Report, by Extent of Rectification

