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# Rio Faces Olympic Hurdles as It Girds for Games

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RIO DE JANEIRO -- There are 2,496 days until the opening of the 2016 Olympics. Rio de Janeiro, the first South American Olympic host, will need every last one of them to complete an epic urban makeover.

For all of its natural beauty, Rio has been in a state of decline since the national capital was transferred from here to the newly created city of Brasilia in 1960. As part of a \$14 billion Olympic overhaul, Rio will have to add subway lines and a new bus system, attract investors to double the city's hotel space and clean up a polluted bay and lakes. It must build four arenas, overhaul two stadiums and construct facilities for sports like tennis and mountain biking. And, somehow, authorities must deal with drug-related violence in a city where statisticians routinely publish data on killings by stray bullets.

Rio residents are hoping that the international spotlight on the city cast by the Olympics will introduce some accountability into the local political system, which has been prone to inefficiency and corruption. Rio Mayor Eduardo Paes said the city this week will launch a Web site, Olympic Transparency, where all spending on the games will be posted.

But amid the euphoria over how the Olympics could give Brazil an international visibility it has always craved, there were voices of caution.

"I feel there might be a little bit of naiveté that an event is going to be able to transform patterns of politics that have been in place many, many years," said Jose Antonio Cheibub, a political scientist at the University of Illinois.

On Friday, the day the Olympic committee awarded the games to Rio, Dilma Rousseff, cabinet chief and right-hand aide of President Luiz Inácio Lula da Silva, lead a committee of politicians visiting some poor neighborhoods in northern Rio where the government is spending heavily on public works. But before it dared to venture into the violence-ridden neighborhood, the group needed an escort of 80 military policemen.

Cities in circumstances more favorable than Rio's, such as Montreal, have had trouble making a go of the Olympics economically, experts say. "Evidence overwhelmingly suggests it's very difficult for the Games to be an economic positive," says Andrew Zimbalist, a sports economist at Smith College in Northampton, Mass.

The experience Rio gained hosting the 2007 Pan Am Games counted in its favor in winning the Olympics. But while Pan Am visitors were enchanted by the city's beauty and hospitality, outlays were four times higher than originally budgeted, by some calculations. Some projects were never started and others never finished. Government auditors are still investigating the Pan Am Games' financials.

The business community is bullish, however. The games will help tourism and "the infrastructure investments for the Games will stay to benefit the population," said Alvaro Bandeira, chief economist of Agora Corretora, a brokerage house in Rio. One thinly traded hotel stock, Hoteis Othon, leapt 78% on Friday amid huge volume, on Brazil's rallying bourse.

But ahead for Rio lie huge bureaucratic battles over new Olympic related projects, such as a Bus Rapid Transit system, consisting of dedicated lanes and modern buses to make travel more fluid. The Brazilian city of Curitiba actually did pioneering work on Bus Rapid Transit many years ago, and the system has since been adopted by Bogota, Colombia, and 40 Chinese cities, among others, says Joseph Ryan, managing director for Latin America for the William and Flora Hewlett Foundation, a private foundation in Menlo Park, Calif., that funds projects aimed at solving social and environmental problems. He says the Olympics are a golden opportunity for Rio to break political gridlock and adopt the system.

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