From: Ossi, Joseph <FTA>
To: Fisher, Ronald <FTA>
Sent: 1/31/2008 10:16:21 AM
Subject: FW: 12 companies bid for Honolulu's LRT contract

FYI

From: Sukys, Raymond <FTA>
Sent: Thursday, January 31, 2008 12:53 PM
To: Ossi, Joseph <FTA>; Weeks, Dwayne <FTA>
Subject: RE: FTA article: 12 companies bid for Honolulu's LRT contract

Honolulu is conducting a Request for Information to be better informed about its technology decision. It is non-binding. I see nothing wrong with it and releasing names of responders is not a problem either. Releasing respondent's cost data is usually closely held and often separated from the general review of the response.

I think the big issue is that they don't have enough funding. The excise tax has a 15 year duration and is expected to produce about $150M per year. A quick calculation does not get them close. The total excise tax brings about $2.250B. Add the $1.2B federal share and they have only $3.45B without considering interest and O&M. This doesn't look good. They need a smaller project.

Ray

From: Ossi, Joseph <FTA>
Sent: Thursday, January 31, 2008 8:45 AM
To: Weeks, Dwayne <FTA>
Cc: Sukys, Raymond <FTA>
Subject: RE: FTA article: 12 companies bid for Honolulu's LRT contract

Thanks, Dwayne. I share your sentiments upon seeing this article.

Joe Ossi
FTA Office of Planning and Environment
(202) 366-1613

From: Weeks, Dwayne <FTA>
Sent: Thursday, January 31, 2008 10:07 AM
To: Fisher, Ronald <FTA>; Ossi, Joseph <FTA>; Biehl, Scott <FTA>; Rogers, Leslie <FTA>
Cc: Borinsky, Susan <FTA>
Subject: FW: FTA article: 12 companies bid for Honlullu's LRT contract

I don't know how accurate the article below is, but isn't it a bit pre-mature to solicit proposals? The project has not completed (began?) NEPA, nor been approved into PE, or given any other approval by FTA. It also seems awkward that the City would release the names of the firms that submitted proposals.

Dwayne

From: Luden, Hymie <FTA>
Sent: Wednesday, January 30, 2008 4:40 PM
Subject: FTA article: 12 companies bid for Honlullu's LRT contract

Hawaii transit bids in

By Peter Boylan

Advertiser

1/30/08

Here are the companies vying to provide O'ahu with mass-transit vehicles and, in the case of trains, the technology their trains use. Thales submitted a bid to provide specialized train control systems.

Major Japanese, European, Canadian and U.S. transit companies are vying for the job of building Honolulu's $5 billion system.

The city released the names of a dozen bidders yesterday, including several Japanese companies, a Canadian maker of business jets, an Italian rail company with a 150-year history and the French builder of the high-speed TGV trains.

The proposals include all four technology options being considered by the City Council: steel wheels on a steel rail, rubber tires on concrete, monorail technology and a magnetic levitation system.

Some of the vehicles look like buses, while some resemble commuter trains seen in many Mainland cities. Others are much less familiar, using technology that's more common in Europe and Japan.

A panel of five experts will review the proposals and make a recommendation to the City Council by the end of February.

Those bidding include:

Mitsubishi-Itochu, a major Japanese trading company, which proposes a magnetic levitation system in which vehicles would ride on a thin cushion of air propelled by magnets.

ALSTOM Transport, the French maker of the first TGV high-speed train.

Bombadier Transportation, which is part of Bombadier Inc., a Canadian-based maker of regional aircraft, business jets and rail transportation equipment.

Siemens Transportation Systems Inc., with headquarters in Sacramento, Calif., which made two bids. It says it has the only permanent light-rail manufacturing facility on U.S. soil.

AnsaldoBreda, an Italian company that has been involved in rail for more than 150 years.

Mayor Mufi Hannemann has said he hopes to break ground by 2009 on the project.

EXPERT OPINIONS

A compromise on how to choose the vehicle was reached when the council agreed to appoint a five-member panel to review the vehicle technologies and pick one.

The panel is made up of three Mainland experts, a University of Hawai'i professor, and a fifth expert to be named later.

The resolution creating the panel, which passed last week by a 6-3 vote, also stated that "the transit vehicle technology will be selected within 30 days of receipt of the (bids)." The bids were due Jan. 24. The panel's decision is expected by the end of February.

"I'm very pleased by the tremendous response we've received," Hannemann said in a written statement. "The interest being expressed by a wide variety of vehicle manufacturers ensures that this will result in a rigorous, competitive procurement process in the future. I'm confident that Honolulu is going to get the technology that best meets our needs at an extremely competitive price."

City Council member Ann H. Kobayashi said she is happy the process is moving forward, citing the pressing need to alleviate the city's traffic snarl.

"We need to move this forward," said Kobayashi.

O'ahu's elevated mass transit system — with an estimated cost of $5 billion — would likely run about 34 miles from Kapolei to Ala Moana and could later extend to Waikiki and Manoa.

Three years ago the state gave all four counties the option of adding a 0.5 percentage-point surcharge on top of the 4 percent general excise tax to help finance transportation projects.

The Honolulu City Council agreed to add the tax to help pay for a fixed-guideway system, and the state began collecting the tax last year. The tax component was called a critical commitment by state and city officials who say the tax makes Honolulu eligible to receive federal grant money.

SKEPTICAL SENATORS

The release of the bids comes a week after two state senators proposed legislation to stop funding the project unless the city settled on a vehicle technology by June 30.

State Sen. Shan Tsutsui, D-4th (Kahului), who proposed a bill to suspend the tax surcharge, was unavailable for comment yesterday. Senate Majority Leader Gary Hooser, D-7th (Kaua'i, Ni'ihau), when reached yesterday said he could not comment because he had not seen the vehicle bids.

Tsutsui has said the $148.5 million the state has collected from the tax surcharge through December could be used for other state road projects on O'ahu if the city stalls on mass transit.

The transit project, expected to be the largest public-works project in state history, has been talked about in one form or another for more than a decade.

The city aborted a previous transit plan in 1992 after the council opted against a tax increase to help pay for the project.

Some council members reached yesterday said the process for selecting technology has been too secretive while others wanted to stress that the panel created to review the technologies is advisory and the council has the final say on the mass transit vehicles.

That was a point made by Councilman Todd K. Apo.

"There is a need to make sure this process keeps moving forward," said Apo. "Hopefully people understand this is an advisory panel and we will make the final decision. We need this type of technical advice in order to make an informed decision."

LEVEL OF SECRECY

Councilman Donovan M. Dela Cruz, a transit proponent, said that while he is happy the process is moving forward, he said it lacks transparency and openness.

"This whole process is just a validation of decisions already made (by the administration)," said Dela Cruz. "How many times have we had hearings, we had a vote last week, and no mention of this (RFI submittal) previously? A week after they get the vote on this panel they get the RFI out?"

Kobayashi said she, too, felt the process lacked transparency. She said she was among the three council members who voted against the panel because its meetings are closed to the public and are not covered by state Sunshine Laws.

"They are just going to come here from the Mainland and tell us how to spend $5 billion then go back," said Kobayashi. "There is no accountability or openness."