From: Ryan, James <FTA>
To: Sukys, Raymond <FTA>
CC: Libberton, Sean <FTA>; Fisher, Ronald <FTA>; Rogers, Leslie <FTA>; Turchie, Donna <FTA>; Marler, Renee <FTA>; Ossi, Joseph <FTA>; Barr, James <FTA>
Sent: 10/17/2006 11:31:52 AM
Subject: RE: Honolulu's AA

Ray:

Well, we always knew that this would be "interesting."

- I don't know what to say about the truthfulness of the public meetings.

- As you know from my summary of last week's visit by Toru and Mark Scheibe, that was the first we've seen of any technical results (ridership, costs, finance, etc.). My impression is that most of it has come together recently (and some of it still isn't completely together), driven by the November 1 deadline for submitting the AA report to the City Council. As you will recall, we agreed during their visit that we'd get a copy of the submitted report and review it in terms of the readiness of the material to support a PE application. So while we saw early materials (initiation package, definitions of alternatives, and some methodologies), we surely have not seen – to this day – and technical results ready for our review.

- Can you elaborate on the nature of Cliff's concerns on purpose and need? And any specifics on other comments he's made that didn't get a response he thought satisfactory?

- We've been aware of Cliff's scrutiny of the No-Build forecasts from previous AAs in the corridor. Early on, I got the City to include a subtask in the ridership forecasting work to examine the No-Build ridership forecast compared to current trends and either build an analytical case for its reasonableness or revise it to something they can defend. I asked about that subtask last week and the reply was that they haven't gotten to it yet. I reminded Toru and Mark that the No-Build forecast is a known item on Cliff's list of concerns and that proceeding on the basis of an unsupportable No-Build forecast is equivalent to a batting-practice pitch: Cliff may hit it over the fence because he's already had several swings at similar pitches.

The reality of the situation is that the City is on its own to defend the AA and try to get to an LPA decision. We don't have any statutory or regulatory authority to intervene if we're not asked by the project sponsor. That will change if/when they apply for PE entry and hold another round of scoping activities – this one specific to the LPA that they propose to take into an EIS. The one hopeful sign is that Toru acknowledged last week that there are probably lots of technical results that need to be refined so that they provide a solid basis for a PE application, and that the City understands that much of the first half of next year might be needed for that work before FTA can approve a PE application. The sustainability of the LPA decision with respect to NEPA is, of course, yet another matter.

Jim

From: Sukys, Raymond <FTA>
Sent: Tuesday, October 17, 2006 4:12 PM
To: Ryan, James <FTA>
Cc: Libberton, Sean <FTA>; Fisher, Ronald <FTA>; Rogers, Leslie <FTA>; Turchie, Donna <FTA>; Marler, Renee <FTA>; Ossi, Joseph <FTA>; Barr, James <FTA>
Subject: RE: Honolulu's AA

Hi Jim,

Cliff Slater called me and said:

- The City and County's public meetings are not based on accuracy or truthfulness.
- The project staff has maintained that the FTA has worked very closely with them on the AA implying that we are in agreement with it.
- He remains concerned that the City and County will not respond to his comments and he is especially concerned with the purpose and need for the project.
- He finds it ridiculous to assume that the "no-build" could show a 30% growth in ridership when ridership at best could be

described as flat since 1984.

Ray

From: Sukys, Raymond <FTA>
Sent: Thursday, October 12, 2006 9:46 AM
To: Ryan, James <FTA>
Cc: Libberton, Sean <FTA>; Fisher, Ronald <FTA>; Rogers, Leslie <FTA>; Turchie, Donna <FTA>; Eagle, Lucinda <FTA>; Marler, Renee <FTA>
Subject: RE: Honolulu's AA

Hi Jim,

This is a useful summary and I would add that they will need to factor in the time that it takes to develop and issue the new NOI before we start NEPA. We don't want to have the crunch like we did before where we were scrambling to meet their scoping dates. I would suggest a minimum of 6 to 8 weeks before the scheduling of any scoping meeting.

On other AAs, we have been trying to schedule periodic conference calls between Dwayne, the Region and the sponsor to try to mitigate issues however, we not had great success.

Thank you,

Ray

From: Ryan, James <FTA>
Sent: Thursday, October 12, 2006 8:42 AM
To: Sukys, Raymond <FTA>
Cc: Libberton, Sean <FTA>; Fisher, Ronald <FTA>
Subject: RE: Honolulu's AA

Ray:

We seem to be proceeding in the hallowed tradition of Honolulu rapid transit studies: never enough time to do it right, but lots of time to do it over.

Toru and Mark Scheibe were here yesterday to deliver the draft AA report. This is the first material they've given us since spring, so we haven't seen anything on the alternatives, costs, ridership, etc., etc. Toru had marked up a somewhat earlier version of the draft report while he was traveling here (by way of Colorado Springs to visit his Air Force cadet daughter). And a FedEx box with graphics pages to be inserted into the draft didn't arrive at the PB-Washington office – so no graphics.

We spent five hours walking through the "highlights" of the document and it's clear that both the document and the underlying work are in rough condition. Discussions on the financial analysis, for example, stumbled into some perverseness in the approach that they've used. They have considered a range of possible revenue generation from the excise tax, and estimated the New Starts funding that would be needed to cover the shortfall in local funding: the lower the proceeds from the excise tax, the higher the New Starts request. The large problem with that approach is that they will not know what the revenue stream from the excise tax will be (because most of its duration will still be in the future and it depends on the future state of the Hawaii economy and the still-uncertain fraction of statewide tax revenues that are generated on Oahu) when they have make the request for New Starts funding. Ooops! And the chapter on transportation benefits has a few tables with island-wide totals followed by many tables of incredibly detailed (and not very useful) numbers like station-to-station rail volumes. It's missing all the really useful information on the key ridership markets and how the alternatives make transit travel better for those markets.

One thing that seems clear is the rail alternative preferred by the city administration: a "shorter" rapid transit project that drops the last four miles through Kapolei on the western end and terminates at Ala Moana Center on the eastern end. That's what they think is affordable without an extension of the increment in the excise tax. (And the goofy Kapolei-to-Mililani "local funded segment" seems to have disappeared, so we won't have to deal with the potential segmentation issues that loomed with that idea.)

After more than four hours of muddling through the document, I asked what they wanted from us given that they intend to hand a cleaned-up version of the draft report to the City Council in two weeks. Toru said that he wanted his edits incorporated into the report (and the financial analysis revised) before we review the report, and that it might be another week before we got a real

review copy. And that obviously leaves no time for a meaningful FTA review.

So we agreed that they are on their own with the information they're giving to the City Council and the public to support a decision on an LPA. They are not sure how that's going to proceed because the Council chair and the mayor are already disagreeing on how quickly the Council can/should act on the decision. And Toru expects that the Council members will be generating lots of questions that they and PB will be responding to for a month or two. And who knows what Cliff Slater will toss into the mix.

We also agreed that lots of work is probably needed to provide solid grounding (numbers) to support a PE request to FTA and that we will cooperate on that work once an LPA has been identified. Ideally, that work would get started before the LPA so that we don't lose 2, 3, or 4 months or more waiting for the LPA decision. But they have funding and contractual issues that may prevent any such head start.

I subsequently talked with Sean about the status of FTA's role in AA reviews. We've been saying publicly for the past two years that we'd like to see AA materials as they are produced so that we can head off any obvious problems that will become barriers to PE approvals of LPAs that emerge from the studies. But the reality is that we have not really been involved in many AAs, so Honolulu has lots of company in the way things have gone: local agencies do AAs without any FTA contacts and then submit a PE application with information that may or may not be useful in evaluating their project.

So the Honolulu situation is unfortunate (as is the situation in most AAs) and not amenable to remedy in the next few weeks. Fortunately, DTS says they recognize that lots of additional work is necessary to get solid numbers needed for a PE application. Assuming that's what happens, we'll be able to make them cover the bases on costs, ridership, the managed-lanes alternatives, and other key topics germane to either New Starts requirements, or NEPA requirements, or both – before we take on any responsibility by OKing them into PE and NEPA. That work will occur between January and June, assuming that the LPA decision happens by the end of this year.

As they say in Hawaii, oy!
Jim

From: Sukys, Raymond <FTA>
Sent: Tuesday, October 10, 2006 7:15 PM
To: Ryan, James <FTA>
Subject: Honolulu's AA

Hi Jim,

It seems that we are about two weeks away from the release of the AA to Honolulu's city council. Shortly after that the city council will select an LPA. I am wondering about your involvement in this, whether you are okay with the document, the alternatives, the modeling, etc.?

Cliff Slater is concerned that his comments are being ignored especially those associated with the project's purpose and need.

Ray

From: Cliff Slater [mailto:cslater@lava.net]
Sent: Monday, October 09, 2006 11:50 AM
To: cliff@lava.net
Subject: Today's column

Other cities have shown rail does not work. October 9, 2006.

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