U.S. Department
of Transportation
**Federal Transit
Administration**

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FEB 6 2012

Mr. Kenneth Toru Hamayasu
Interim Executive Director and CEO
Honolulu Authority for Rapid Transportation
Alii Place, Suite 1700
1099 Alakea Street
Honolulu, HI 96813

Re: Honolulu High-Capacity Transit Corridor Project
Request for a Letter of No Prejudice to Commence Limited Construction Activities

Dear Mr. Hamayasu: Toru

The Federal Transit Administration (FTA) has completed its review of the letter from the Honolulu Authority for Rapid Transportation (HART), dated December 27, 2011, requesting a Letter of No Prejudice to commence limited construction activities for the Honolulu High-Capacity Transit Corridor Project.

FTA approves HART's request for a Letter of No Prejudice (LONP) in the amount of $184.7 million. This LONP allows HART to incur costs up to $184.7 million for limited construction activities associated with the West Oahu/Farrington Highway Guideway design-build contract, the Kamehameha Highway Guideway design-build contract, the Maintenance and Storage Facility design-build contract, and the Farrington Highway Stations Group construction contract. This LONP approval precludes activities associated with the precast yard, which are estimated to cost $21.8 million.

As with all pre-award authority, all Federal requirements must be met prior to incurring costs in order to retain eligibility of the costs for future FTA grant assistance. In accordance with the Disadvantaged Business Enterprise regulation and its requirements, HART should establish a specific program to ensure that small and minority owned businesses are included in the contracting opportunities presented in these pre-FFGA award activities for which HART would seek future reimbursement from FTA. While not an exhaustive list, FTA recommends that HART consider activities such as professional services, engineering, project management, design and construction opportunities. FTA expects that HART will provide an update on the commitments and awards of contracts, and that in acceptance of these funds HART agrees to carry out United States Department of Transportation policy to assist in creating a level playing field for small and minority business participation in Federally-assisted capital projects.

The authority to incur costs provided in this letter does not constitute an FTA commitment that future Federal dollars will be approved for this project. This LONP will expire five years from the date of this letter, or when FTA approves a Full Funding Grant Agreement for the Honolulu High-Capacity Transit Corridor Project, whichever occurs first.

Please call Ms. Cathy Luu at (415) 744-2730 with any questions you may have about proceeding under the authority to incur costs provided in this letter.

Sincerely,

Leslie T. Rogers
Regional Administrator

Cc: Wayne Yoshioka, City and County of Honolulu Department of Transportation Services