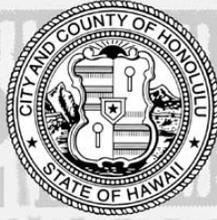


NEWS RELEASE



Office of the Mayor

CITY AND COUNTY OF HONOLULU

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MAYOR HANNEMANN LAUDS NEW FEDERAL FUNDING FOR U.S. RAIL PROJECTS

Mayor Mufi Hannemann applauded the federal government's release yesterday of \$30 million for 15 passenger rail projects across the country.

"It's very clear that people are seeking alternatives to clogged freeways and high fuel prices," Mayor Hannemann said. "The federal government's continued strong support of rail transit is a very good sign for Honolulu."

The \$30 million is for intercity rail projects aiming to improve their capacity. The federal government is actively seeking ways to help improve public transit in view of higher fuel costs and recent increases in rail ridership.

US Transportation Secretary Mary Peters released new data Tuesday indicating that Americans drove 3.6 percent less, or 9.6 billion miles fewer, in July 2008 than July 2007. Since last November, Americans have driven 62.6 billion miles less than they did over the same nine-month period last year. Meanwhile, she said, transit ridership is up 11 percent, and in July, Amtrak carried more passengers than in any single month in its history.

The Congress is also seeking and proposing ways to invest more in transit and passenger rail systems. Congressional leaders are acknowledging the need to increase funding for transit to meet the increased demand and at the same time creating much needed jobs and economic activity.

Therefore, this is excellent timing for Honolulu to seek transit funding. Honolulu has received very strong indications from the federal government that the rail project linking Kapolei to Ala Moana will receive about \$1 billion in federal funding.

Hannemann said the troubled economy makes it more important that ever to move forward with rail transit in Honolulu.

Besides becoming the backbone of a multi-modal transportation system that will benefit the entire island, the rail project will provide thousands of well-paying jobs and spur prudent transit-oriented development that will further boost the economy and improve the quality of life on Oahu, he said.

"Rail transit will be good for our transportation needs, our environment and our economy," Mayor Hannemann said.

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