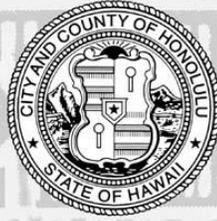


**OFFICE OF THE MAYOR  
NEWS RELEASE**



CITY AND COUNTY OF HONOLULU

**FOR IMMEDIATE RELEASE**

**January 19, 2010**

**MAYOR DISCUSSES HONOLULU TRANSIT PROJECT  
WITH FEDERAL OFFICIALS**

(Washington, D.C., January 19, 2010) Mayor Mufi Hannemann met today with U.S. Department of Transportation Secretary Ray LaHood, FTA Administrator Peter Rogoff and other federal transportation officials to discuss the Honolulu Rail Transit Project.

Earlier in the day, Hannemann also met with US Senator Daniel Inouye to discuss rail transit and other issues of importance to the nation's mayors. Hannemann is in Washington, D.C. to attend the 78<sup>th</sup> Annual Winter Meeting of the US Conference of Mayors.

Hannemann provided the DOT Secretary with a briefing on the project. The presentation included the city's efforts to work with federal agencies to address their final concerns before the FTA releases the project's Final Environmental Impact Statement.

A part of the Mayor's presentation to the Secretary and the Administrator included a report that the actual collections of the General Excise tax dedicated to the rail project are at 99.5% of what the City has projected in its financial plan, noting that the conservative nature of the City's project financial plan is weathering the current economic downturn despite more significant reductions in collections from the General Excise Tax.

The FTA indicated that it will continue to work with the City as it refines its current financial plan. The FTA has had independent financial consultants reviewing the City's financial plan

since the City completed its Alternatives Analysis in 2006.

Rogoff said that over the next several months the City will work to get a better fix on both its costs and revenues, and that the FTA is aware of Honolulu's potential for lowering its cost as it develops more engineering details.

"It was noted that 13 state agencies have commented on the project's EIS, and that the City has worked to address their concerns," Hannemann said.

Hannemann discussed FTA's general concern about rail projects that rely too heavily on federal funds that pay for bus service. Hannemann assured the Administrator that the City would not compromise bus service. The Mayor said that as the City proceeds with preliminary engineering, any funding that is currently dedicated to bus service should remain in place as the city builds on the current \$90 million savings that was realized from the Kiewit contract, from private participation in station development and additional contract savings in the second phase contract that is now out for bid..

Rogoff indicated that if there was any decision to change the alignment from an elevated system to an at-grade system the FTA would have to start the environmental review process all over again, and that process would take much longer than 6 months.

"The bottom line is that the FTA and the USDOT see nothing at this point to stop our project from continuing to go forward. The FTA and USDOT are committed to continue working with the City to help make rail transit a reality for Honolulu," Hannemann said.

Secretary LaHood assured us of the continuing co-operation of his department on our rail project," Hannemann said.