



## Federal Transit Administration

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| <b>Control number:</b> FTA-100817-001 | <b>Action office:</b> TPE  |  |
| <b>Document date:</b> 8/9/2010        | <b>Due date:</b> 8/23/2010   |  |
| <b>Author(s):</b> Linda Lingle        |  |  |
| <b>Subject:</b>                       | FOR SECRETARY SIGNATURE: Requests DOT Provide Financial Data and Economic Assumptions to the Infrastructure Management Group, Inc. (IMG) and CB Richard Ellis (CBRE) |  |
| <b>Action:</b>                        | For Signature  |  |

**Comments:**

| Date      | Action   | Action by |
|-----------|--|-----------|
| 8/17/2010 | TPE: If a substantive response cannot be provided by 8/23, pls forward a request for extension w/in 2 days along w/ an interim response. | VDILLARD  |
| 8/17/2010 | ATTN: TBP/TRO-9 - copy provided fyi; pls coordinate with TPE, if needed to develop a final draft for S1 signature NLT 8/23.              | VDILLARD  |
| 8/17/2010 | Folder Sent for Draft to Action Office: TPE for 'For Signature' .  | VDILLARD  |
| 8/17/2010 | DIST: TBP,TRO9   | VDILLARD  |
| 8/17/2010 | Updated Folder Information.  | VDILLARD  |
| 8/17/2010 | Work Folder Assigned to TPE.   | VDILLARD  |
| 8/17/2010 | New Folder Created Parent Folder:S10-100817-020  | VDILLARD  |

| Date | Note | Note by |
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*Robyn*



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

August 9, 2010

Secretary Ray LaHood  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary LaHood:

The purpose of this letter is to provide an update on developments since our February 21, 2010 discussion regarding the Honolulu rail transit project. At that time I expressed the State's concerns regarding the financial viability of the project.

As indicated in our meeting and the letter I sent to you on February 26, 2010 (enclosed), the State will be working with an independent financial consultant that has expertise in rail projects. The consultants are conducting a thorough review and analysis of the Honolulu high-capacity transit corridor project financial plan, similar to the analysis being undertaken by your Department.

The State is completing contract arrangements with the Infrastructure Management Group, Inc (IMG)--CB Richard Ellis (CBRE) who will serve as the State's designated financial consultant. As previously discussed, the State of Hawaii will be sharing the results of our financial and project analysis with your Department. To assist our consultant in this endeavor, we would appreciate your agency providing to IMG-CBRE financial data, economic assumptions, and information available to the Federal Transit Administration (FTA).

A member of the IMG-CBRE team will be contacting FTA Administrator Peter Rogoff within the next few weeks to confirm the protocols for the sharing of the economic models, data, and assumptions used. Questions can also be addressed to:

Mr. Brennon Morioka, Director  
State of Hawaii Department of Transportation  
869 Punchbowl Street  
Honolulu, Hawaii 96813  
Or  
(808) 587-2150  
Brennon.Morioka@hawaii.gov.

Secretary Ray LaHood  
August 9, 2010  
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Additionally, according to our records Ms. Katherine Kealoha, Director of our State Office of Environmental Quality Control sent letters to the DOT Region 9 office on January 15 and February 18, 2010 requesting information to assist us in the review of the final environmental impact statement for the Honolulu rail project. We would appreciate it if the Department could confirm receipt of these communications and when a reply might be anticipated.

Finally, I would like to thank you for the selection of Hawaiian Airlines as one of the four airlines awarded international air service slots at Haneda Airport, Tokyo, Japan. The USDOT support in awarding the new route to our locally-based airline is greatly appreciated.

Sincerely,



LINDA LINGLE

cc: Peter Rogoff, Administrator  
Federal Transit Administration  
Brennon Morioka, Director  
State of Hawaii Department of Transportation

Enclosure



EXECUTIVE CHAMBERS  
HONOLULU  
February 26, 2010

LINDA LINGLE  
GOVERNOR

Secretary Ray LaHood  
U. S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary LaHood:

Thank you for the opportunity to meet with you and key members of your department regarding transportation issues of concern to Hawaii.

Meeting with you directly allowed me to stress that my primary concern about the Honolulu rail project is over its financial viability and its possible fiscal impact on Hawaii's taxpayers.

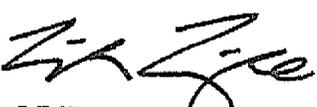
As indicated during our discussions, Hawaii will be working with an independent, financial advisor with expertise in rail projects to conduct a thorough review and analysis of the rail's financial plan. We appreciate that the U. S. Department of Transportation will do likewise.

I was pleased at your prompt willingness to ensure that we can access the same information and share our analysis and findings with each other. I want to assure you that we will provide your financial advisor with open access to the State's financial data and information and trust the county will do the same for our advisor. I take this opportunity to again encourage our respective financial advisors to exchange data and findings prior to any public release of their reviews.

Additionally it was helpful to hear FTA Administrator Peter Rogoff indicate that the Honolulu rail transit project will be handled in the same manner as other pending rail transit proposals and that the issues surrounding the airport and the possible relocation of one or more runways must be handled to the satisfaction of the FAA as well as the Hawaii Department of Transportation.

Finally, I want to thank you also for considering Hawaii's interest in the four slots at Haneda Airport in Tokyo and the beneficial impact to our visitor industry if Hawaii slots are approved.

I look forward to working with you and your team in the months ahead.

Sincerely,  
  
LINDA LINGLE