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To: Blakesley, Jayme (FTA); VanWyk, Christopher (FTA)
Sent: 5/5/2010 10:01:12 AM
Subject: FW: write-up for bi-weekly with TOA

From: Day, Elizabeth (FTA)
Sent: Wednesday, May 05, 2010 3:56 PM
To: Lynch, Ryan (FTA)
Cc: Taylor, Yvette (FTA); Hynes-Cherin, Brigid (FTA); Patrick, Robert (FTA); Rogers, Leslie (FTA); Mello, Mary (FTA); Simon, Marisol (FTA); Rosapep, Terry (FTA); Foushee, Maurice (FTA); Eckmann, Alex (FTA); Jackson, Brian (FTA); Loui, Anthony (FTA); Sinquefield, Robyn (FTA); Weeks, Dwayne (FTA); Biehl, Scott (FTA); Riklin, Sherry (FTA); Borinsky, Susan (FTA); Libberton, Sean (FTA); Schruth, Susan (FTA); Steinmann, Richard (FTA); Welbes, Matt (FTA); Tuccillo, Robert (FTA)
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Hi Ryan

Below is the write-up for Peter, Therese, Dorval and Brian of topics for tomorrow's bi-weekly New Starts meeting.

Portland Milwaukie

Previously we had discussed with you TriMet's request to assume larger annual amounts of New Starts funds for the Portland Milwaukie LRT project than our traditionally suggested cap of \$100 million per year. TriMet provided an analysis that showed that \$200 million in financing charges could be saved overall if TriMet was allowed to assume up to \$250 million per year in New Starts funds and \$150 million could be saved in financing charges overall if TriMet were allowed to assume \$150 million per year in New Starts funds. Subsequent to our discussion with you, TPE staff informed TriMet that it should assume no more than \$100 million per year at this time, pending further discussion within FTA.

TriMet is also seeking an increase in the New Starts share from 50% to 60% percent (from \$735 million to roughly \$850 million). TriMet is currently preparing materials for its request to enter Final Design this summer and has submitted an administrative draft FEIS to FTA that assumes a 60% New Starts share. FTA must provide definitive feedback now to TriMet on both the New Starts share and the annual New Starts funding amounts so as not to delay the project schedule.

Included in this discussion will be information on the amount of New Starts funds anticipated to be requested for other projects in the Portland region. Also included will be the results of FTA staff research conducted since our last discussion on the existing pipeline of projects and the amount of NS funds being sought, the average length of FFGA payout schedules, and historical data on annual appropriations for individual projects that have exceeded \$100 million, etc.

Orlando SunRail

FDOT has provided FTA with a rough estimate of the cost to add Positive Train Control elements to the project (\$5.7 million). The New Starts team will discuss the impacts these additional costs are expected to have on the overall project rating. We would also like to discuss the recent email you received from Amtrak requesting information on whether FTA would move forward with an FFGA in the absence of completed railroad agreements between Amtrak and FDOT. In addition, we would like to discuss outstanding items related to the interlocal operating funding agreements that FDOT has negotiated with its funding partners. FTA is concerned about a termination clause included in these agreements. FDOT does not want to incorporate a change in the agreement language suggested by FTA based on our legal sufficiency review.

Hartford

Similar to Orlando, Amtrak has written to FTA about the Hartford project, outlining differences between ConnDOT and Amtrak with regard to an easement agreement they are negotiating. ConnDOT also needs to negotiate a force

account work agreement and an operating agreement with Amtrak. The New Starts team would like to get your thoughts on how to respond to the Amtrak correspondence.

ARC

On Monday, May 3, FTA and NJT held an all-day workshop in which NJT presented the details of their revised budget, schedule, and financial plan for the ARC project. FTA listened but has made no determination as to the validity of the information. The following points are areas where FTA will need to make policy decisions:

1. **Budget:** NJT's revised budget is still \$8.7 billion total. Notable changes include an \$89 million increase in real estate costs and a \$374 million increase in professional services costs. Effectively NJT has used \$600 million of the \$1.4 billion in total contingency from the final design budget. There are still 23 contracts yet to be awarded, and at this point only \$100 million in contingency should have been used.
2. **Secondary Mitigation:** NJT presented several secondary risk mitigation items that could be removed from the project if costs increase. These include the Kearny rail storage yard, tracks connecting to the station, and a loop track that connects ARC to the Northeast Corridor. The total cost savings would be about \$320 million. All scope items were in the EIS and would require additional environmental work if removed from the project. NJT said they're not needed to provide service, but would provide flexibility if things go wrong on the system.
3. **Schedule:** The new schedule incorporates the delay in awarding the Manhattan Tunnels contract from April to September 2010. It also incorporates the results of contract repackaging which made the work more efficient. As a result, the revenue operations date is changed from Sept 2018 to Oct 2019. The new schedule still contains five months of "float" (schedule contingency).
4. **Financial Plan:** NJT has made some changes in response to FTA's concerns, but there are still major concerns remaining with the availability of funding from the NJ Transportation Trust Fund(TTF).
 - NJTTF: The plan includes a scenario of how NJT could maintain its service levels, state of good repair and debt service if TTF levels are reduced from the current \$675 million to \$450 million through FY 2015 (and assumed to grow by 3 percent per year thereafter). However, FTA's analysis shows that State funds currently appropriated to the TTF will be fully absorbed by debt service for the foreseeable future.
 - Cost overruns: The plan proposes to use a non-allocated reserve fund as the source for funding cost overruns during construction. This fund totals \$1.082 billion during the period of ARC construction and is entirely dependent on the TTF remaining at current levels.
 - *TTF Reauthorization will not be decided until June 2011. FTA will need to decide if and how it wants to move forward with an FFGA given the TTF risk factor.*
5. **Portal Bridge:** NJT has a plan for funding the \$776 million construction cost of the South Span. However, there is only \$55 million available from an ARRA HSIPR grant for the \$1 billion cost of the North Span. NJT is developing a contingency plan to demonstrate how it could operate with the existing and South spans. There would likely be impacts to project benefits under a revised operating scenario since travel time savings for the existing service is based on a total replacement of the Portal Bridge.
 - *Should FTA reopen the issue of travel forecasts for the project?*

Regarding the budget and schedule revisions, FTA told NJT that it will need two weeks to review the documentation. At the end of two weeks, assuming no "fatal flaws" in the documentation, FTA will schedule risk assessment workshops on various topics. *FTA told NJT that at the end of the workshops there would likely be a range of costs which will be used to determine the cost and schedule for the FFGA. At that time, the processing schedule for the FFGA can be determined.*

Honolulu

Staff will provide you with an update on the NEPA work. The development of the Honolulu FEIS is still on schedule for completion by the end of May. The FAA provided a conditional approval of HDOT's Airport Layout Plan last week. The City has incorporated the FAA-submitted information into the administrative FEIS and distributed the document to the cooperating agencies with a request for comments back on May 10th. FTA submitted Section 106 determinations of eligibility for the minor shift in alignment near the airport to the State Historic Preservation Officer last week. We are also working with the City to respond to comments on the Programmatic Agreement document and Section 4(f)

chapter from the National Park Service. FTA plans to complete its review of the administrative FEIS on May 12th.

Houston

The NS team would like to get a de-brief on your meeting with the Mayor. We would also like to discuss whether FTA wants to request updated ridership estimates that exclude the METRO Solutions Phase 3 projects. FTA does not have sufficient information in hand to be able to determine how much ridership/benefits generated by the North and Southeast corridors are attributable to having the much larger transit system in place by 2030. TPE believes it could take METRO 3-4 weeks to update the ridership forecasts to exclude the Phase 3 projects. We also need to discuss when to ask for an updated financial plan from METRO and what it should contain.

Status updates

- Central Corridor – The 10 day advanced notice of FD approval was sent to Capitol Hill on April 29. The earliest FD could be approved is May 10th.
- Fort Collins LONP – The approval package is circulating within TPE, will soon be sent to other HQ offices for approval, and then be forwarded to TOA for approval.