
From: James.Ryan@dot.gov
To: Scheibe, Mark
Sent: 4/1/2010 10:43:56 AM
Subject: RE: Visitor from Honolulu

Mark:

How ironic.

One other thought is that we just hired a new financial analyst, replacing Steve Lewis-Workman who now works for the Asian Development Bank in Manila (yikes!). Steve was more an economist than financial analyst (and, as I noted earlier, few people seem to understand the difference). He wrote the excellent financial-planning guidance we use for New Starts but had little interest in project-specific financial stuff.

The new guy, Michael Patella, has spent his whole career putting together financing packages -- for transportation projects initially, and more recently for start-up firms as an employee of the Small Business Administration. I gave him the Honolulu PE-entry financial plan and asked what he thought. No hints, no FTA guidance, and certainly no copy of the Ben Porter review. Michael's subsequent review was remarkably (to me, anyway) similar to what we got from Ben. He looks like the real deal, I think.

So, while we continue to struggle to fund Ben's ongoing participation in discussions on the evolving plan in Honolulu, we'd obviously have no problem making Michael available for such discussions. Perhaps that would be helpful to you folks.

Just a thought.....

Jim

-----Original Message-----

From: Scheibe, Mark [mailto:Scheibe@pbworld.com]
Sent: Thursday, April 01, 2010 4:28 PM
To: Ryan, James (FTA)
Subject: RE: Visitor from Honolulu

The current assumption is that it'll use costs that come out of the risk assessment. In discussions at the last PMOC meeting Jacobs recommended that the baseline cost estimate used in the risk assessment be a bottom-up estimate incorporating contractors' prices for West O'ahu Farrington Highway guideway, the Maintenance and Storage Facility, and Core Systems. The likely selection date for Core Systems is mid-July so the risk assessment might be able to start in August, maybe end in October. So the new financial plan ought to be ready shortly before the Governor leaves office on the first Monday of December.

Mark

-----Original Message-----

From: James.Ryan@dot.gov [mailto:James.Ryan@dot.gov]
Sent: Thursday, April 01, 2010 10:06 AM
To: Scheibe, Mark
Subject: RE: Visitor from Honolulu

Mark:

Yes, I saw the focus on the next version of the plan rather than the August 2009 version. There's obviously logic in that -- let's look at the latest version that reflect current cost estimates and current

funding strategies. But if the conclusion of the review is tied to the governor's acceptance of the FEIS, then the ROD is probably pushed off by who-knows-how-many months.

Any sense of a schedule for a draft of the financial plan that will be used for the final design request?

Jim

-----Original Message-----

From: Scheibe, Mark [mailto:Scheibe@pbworld.com]
Sent: Thursday, April 01, 2010 3:56 PM
To: Ryan, James (FTA)
Subject: RE: Visitor from Honolulu

Jim,

I think they're just looking for a financial analysis. The Governor's expressed concern is that the cost is under-estimated and/or the revenue is over-estimated and that the "taxpayers of Hawai'i" will be left holding the bag.

Did you notice that what is to be reviewed is the financial plan for entry into final design?

Mark

-----Original Message-----

From: James.Ryan@dot.gov [mailto:James.Ryan@dot.gov]
Sent: Thursday, April 01, 2010 1:55 AM
To: Scheibe, Mark
Subject: RE: Visitor from Honolulu

Thanks, Mark. Do you know what the RFQ intends by way of an "economic analysis?" Lots of folks use the terms "economic" and "financial" interchangeably even though they are two very different things. The RFQ seems to suggest that it's calling for separate economic and financial analyses, but it doesn't say much about what's expected on the economic front. An assessment of the project's impact on the state's economy? A costs-versus-benefits analysis? Another guess at the pace of the state's recovery from the recession?

-----Original Message-----

From: Scheibe, Mark [mailto:Scheibe@pbworld.com]
Sent: Wednesday, March 31, 2010 9:37 PM
To: Ryan, James (FTA)
Subject: RE: Visitor from Honolulu

Jim,

(1) He would like to express to FTA the Business Roundtable's support for the project, since he's concerned that some of your recent visitors from Honolulu and what you read in the newspapers may have left you with the impression that the project is not supported locally. I think he would appreciate understanding that FTA has been engaged on the project on a continuous basis, that you know "what's going on" and that you and your contractors are closely watching over the process.

(2) see attached

(3) He might want to discuss the State's plan to review the project's financial plan -- in case you haven't seen the RFQ, it's attached. He might want to discuss the alignment's interaction with the airport's RPZ -- perhaps by the time he's there that'll be a closed issue.

(4) He wants to meet with FTA in order to "help" the project. The Business Roundtable is not overtly political.

(5) I think Toru feels he needs to be directly involved with scheduling elected officials. I guess he trusts me to handle the general public.

Mark

-----Original Message-----

From: James.Ryan@dot.gov [mailto:James.Ryan@dot.gov]
Sent: Wednesday, March 31, 2010 12:57 PM
To: Scheibe, Mark
Subject: RE: Visitor from Honolulu

Mark, we have some questions.

-- What specifics will Mr. Kai want to cover?
-- Does he, or the Roundtable, have a publicly stated position on the project?
-- Any burning issues?
-- Anything else that we should know beforehand -- like favorite gubernatorial candidate(s)?

Also, for my curiosity, we've heard from Toru on all previous visitors. Are we hearing from you regarding Mr. Kai simply because he's not an elected city official, or for some other reason?

Thanks.
Jim

From: Scheibe, Mark [mailto:Scheibe@pbworld.com]
Sent: Mon 3/29/2010 4:53 PM
To: Ryan, James (FTA)
Subject: Visitor from Honolulu

Jim,

There is another visitor to Washington from Honolulu who thinks he ought to talk with FTA. He is Gary Kai, Executive Director of the Hawai'i Business Roundtable. Is there someone who might be available to meet with him - first choice on Monday, April 12; second choice on Wednesday, April 14 before 10:00 or after 2:00? I can provide further information if you need it.

Thanks.

Mark

(808) 768-6156

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