MEMORANDUM

TO: Administrator Peter Rogoff
FROM: Susan Borinsky, Associate Administrator for Planning and Environment
DATE: March 09, 2010
RE: Meeting with Honolulu City Council members

MEETING OVERVIEW

You will be meeting with four members of the City Council: Council Chair Todd Apo and Councilmembers Ikaika Anderson, Ann Kobayashi, and Romy Cachola. Apo and Anderson have been consistent supporters of the proposed rail transit project. Kobayashi ran against Mayor Mufi Hannemann in the 2008 election, citing opposition to the steel-wheel-on-steel-rail technology as a central issue and her preference for a rubber-tired alternative instead. Cachola's support for the project was contingent on its alignment through his district (the Salt Lake alignment); he appears to be an opponent since the revised alignment through the airport no longer serves his district.

TOPIC OF MEETING & TALKING POINTS

The councilmembers are likely to ask about a variety of topics in order to hear FTA responses first-hand rather than through the City administration. Possible topics include:

Airport: The problems with the current alignment through the airport have become public knowledge in Honolulu. The mayor issued a press release after his February 26 meeting with you (accompanied by Council Chair Apo) that anticipated the near-term resolution of the airport issues. A meeting between FTA and FAA last week, however, indicated that resolution of these issues may well require quite some time. The current project alignment would require a supplemental Draft EIS, safety reviews, and other steps that may take 18-24 months. A revised alignment that avoids impacts on airport operations may require 4-6 months, depending on an FTA decision on the need for a supplemental environmental document addressing that change and its impacts. FAA will be meeting shortly with the City and Hawaii DOT's airports division to present the agency's draft conclusions.

ROD: The timing of a Record of Decision concluding the NEPA process continues to be a central focus of local discussions because of the mayor's hopes of a project groundbreaking in the next few months. The Mayor also indicated to you that he wanted to "get the FEIS on the Governor's desk" so that she would have to make a decision on advancing the project. At this point, it seems clear that the time needed to resolve the airport issues will determine the NEPA schedule. Even under a highly speculative minimal-time scenario, with a City decision to revise the airport alignment and an FTA decision that this revision could be documented in the FEIS (without first issuing a supplement Draft EIS), the ROD is not likely to be finished in the next few months. Further, depending on an FTA decision regarding an expected request from the City for an LONP while the project is still in preliminary engineering, completion of the ROD may not be the final hurdle before the City can break ground. It is not clear whether the councilmembers are aware of the potential issues associated with an LONP during PE.

Funding: Various funding-related topics continue to be central to local discussions on the project, including the soundness of the financial plan, inclusion of project funding in the president's

FY2011 budget, implications of diversions of FTA formula funds for the bus system, and upcoming reviews of the revised financial plan by both the governor and FTA.

FOIA: FTA responses to previous requests under the Freedom of Information Act, combined with the City administration's reluctance to provide these documents to the City Council, have meant that constituents have obtained project documents in advance of the councilmembers. Councilmember Anderson raised this issue in a November 2009 meeting with TPE staff, requesting that FTA provide to the City Council copies of project documents submitted by the City administration. Given the awkwardness of this proposed arrangement, TPE staff has asked the City administration to come to some agreement with the City Council on release of project documents. In response, some discussions have occurred between the administration and councilmembers but progress towards a resolution remains unclear.

Council Chair Apo is assembling a list of questions that he and the other members intend to ask. Attached is an initial draft received in FTA mid-day on March 8. Mr. Apo indicated his intention to send an updated list later on March 8. Given the extent and technical nature of the questions, TPE has replied to Mr. Apo that FTA normally handles detailed technical questions at the staff level and that staff will be available after the meeting with you to answer detailed questions.

NOTABLE BACKGROUND

The entire Hawaii Congressional delegation has been supportive of this project, particularly Senator Inouye.

Attachment: Councilmember questions for FTA

Honolulu High Capacity Mass Transit Project
Questions to the Federal Transit Authority
March 8, 2010

1. **How does the FTA examine the impact on rail on residence and businesses along the route?**

2. **What is the FTA role and requirements in examining technologies?**
   a. A review of competing technologies.
   b. Cost/benefit and impact analysis for all potential technologies.
   c. Justification for selected technologies – relative to alternatives

3. **What happens to federal moneys used if the entire project isn't constructed? Assuming the moneys are properly used for any portion constructed, is there a scenario where the moneys would have to be paid back?**

4. **Explain the timeline relative to EIS, ROD, FFGA and Congressional appropriation.**

5. **Comment on the EIS disclosure that H-1 traffic will be greater in 2030 than today, even with the rail project. Dow does this factor into FTA's view of Honolulu project. Is this still in the Final EIS?**

6. **Environmental organizations in Hawaii oppose the elevated system. How does the FTA evaluate these comments and does this create issues for Honolulu determining that an elevated system is the preferred alternative.**

7. **Federal Budget Questions:**
   a. How much money has been allotted by the federal government in its 2009-2010 budget for transit projects nationwide?
   b. Based on the last two federal government budget cycles, what has been the maximum or highest amount given to a transit project?
   c. How many cities or municipalities have applied for a Full Funding Grant Agreement (FFGA)? Where does Honolulu rank in the list of cities/municipalities that are applying for federal transportation dollars?

8. **Is it necessary to have a Full Funding Grant Agreement (FFGA) to guarantee the total amount of federal funds for the Honolulu rail project?**
   a. Is the FTA's commitment of $1.55 billion to the Honolulu Rail Project subject to the signing of the FFGA?
   b. Can construction begin before the FFGA? If so, what are the implications?
   c. Are there examples of transit projects initiating construction prior to the FFGA?
   d. Is it advisable to obtain an FFGA prior to starting construction?

9. **How does the FTA process and oversight help/require projects to deal with potential cost-overruns and delays as we have seen in other projects (i.e Tren Urbano Project in Puerto Rico)? How does the federal process deal with the situation?**

10. Based on Honolulu's financial plan, is it possible to construct the entire project without:

a. Approximately $1 billion in bonds?
b. Increasing GET collection from a 0.5% to 1.0%?
c. Extending the GET collection beyond the Year 2022?

11. Master contractor for the entire rail transit project.

a. What are the advantages and disadvantages of this concept?
b. What cities/municipalities have utilized a single master contractor?
c. Can local contractors be allowed to bid and/or subcontract segments of the project?
d. Does FTA opine/recommend use of a master contractor for the Honolulu?

12. What is the status of Programmatic Agreement ("PA")?

a. Does the FTA address differing opinions on how to best protect iwi?
b. Do you know if there have been any changes to the PA since it was approved by the City Council?

13. What is the status of the FAA concerns and what's FTA role in that process?

a. Is the possible runway relocation due to security reasons?
b. Which runway(s) would need to be relocated?
c. What would be the estimated cost of relocating the runway(s)?
d. Who will shoulder the relocation costs?
e. What is State DOT role in runway relocation?
f. Will a change in the alignment address the FAA concerns?

14. What is FTA's view of Honolulu's ridership estimates?

a. Was Honolulu's analysis done consistently with "normal" calculations?
b. Does FTA have concerns with Honolulu's ridership estimates?
c. How important are ridership calculations to FTA's view of the project?
d. Will ridership numbers be required to be updated as Honolulu moves through final engineering and to and FFGA?