From:	Longo, David (FTA)
To:	Rogoff, Peter (FTA); McMillan, Therese (FTA); Carter, Dorval (FTA); Welbes, Matt (FTA)
CC:	Biehl, Scott (FTA); Rogers, Leslie (FTA); Carranza, Edward (FTA); Steinmann, Richard (FTA); Griffo, Paul (FTA); Borinsky, Susan (FTA); Day, Elizabeth (FTA)
Sent:	1/19/2010 10:19:27 AM
Subject:	Honolulu articles from yesterday and earlier today

All - We are getting additional calls and will list questions for discussion and review. Any calls to the region should as always be sent to TCA. Paul is keeping track of current incoming.

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Tuesday, January 19

City delays rail again, Governor worried about cost

By: Tim Sakahara, Hawaii News Now

A fight is brewing between the state and City of Honolulu and it's over the rail transit project. The city announced Monday groundbreaking is delayed another couple months because the final environmental impact statement still isn't ready.

Meanwhile Governor Linda Lingle also expressed her concerns with the project. Her main concern is over the rail's five and a half billion dollar cost. She also says don't blame her for this latest delay because the city hasn't given her the final plan yet.

The governor and her panel of architects say they're on board with rail transit, they even like the steel on steel technology the city selected, but they want it done right. The analogy used is that the city is using a sledge hammer to swat a fly.

"I think we are building something too expensive for our population," said Scott Wilson, American Institute of Architects, Honolulu Transit Task Force Chair.

The American Institute of Architects compared the differences between the current heavy rail plans with their light rail proposal. Light rail, which runs in Portland and San Jose, can operate on the same level and share the same roads as cars. Heavy rail, like in Chicago and Washington DC, needs to be separated.

The architects say ground level light rail in certain sections of the route could save $1.8 billion in just the first phase, could be finished two years earlier and will cost less to operate and maintain. The group says it would take six months to study the alternative. The city says the timeline is more like years and would kill the project.

The governor said she spoke with the Federal Transit Administration last week. FTA officials told her they're wary about the city's financial plan if it takes money away from TheBus.

"It will require what he called a stronger financial plan from the city and I think they have the same financial concerns I have, not only to pay for the construction of it but to maintain it over the long term," said Governor Lingle.

The city declined to participate in the meeting but pro rail people were heard.

"The voters voted. We want this system. Let's get it on, we need the jobs," said Mel Kahele, Iron Workers Local 625 Union, during the meeting.

Upstairs construction workers rallied their support to build rail now and not delay the project, while city officials say Governor Lingle is misinformed.

"Really when you read her words she is saying I'm against rail. I want to kill it. I want to furlough rail. I furloughed the kids every other Friday, now I want to furlough rail," said Kirk Caldwell, City of Honolulu Managing Director.

The governor has to approve the project before it can proceed. If not it could cause delays or even stop the train.

"In order to get the sign off from the federal government and/or from me (the City) may have to make some adjustments not only to their alternatives but to their financing plan as well," said Governor Lingle.

"She's usurping the process and turning it into something else, a dog and pony show maybe where she is trying to make issues that are not relevant to this system. Why? Because she doesn't like the system," said Caldwell.

The city has delayed releasing the final environmental impact statement twice because questions are still being answered. Once finished it goes to the governor and federal government to approve.

Meanwhile Mayor Mufi Hannemann is in Washington DC this week meeting with federal officials about the rail.

Lingle not sold on elevated project
By Gary T. Kubota, Star Bulletin

The city says that the Council debate years ago settled concerns about the proposal

Gov. Linda Lingle said yesterday she is worried whether Honolulu will be able to afford to pay for and operate a proposed elevated rail system and that she has heard similar views expressed by the Federal Transit Administration.

But city Managing Director Kirk Caldwell said nothing was wrong with the financial plan for rail and that the FTA has supported the city's effort enough so it has authorized $35 million to be spent in preliminary engineering.

Lingle and Caldwell made the comments yesterday after the governor hosted a forum at the state Capitol featuring a Honolulu architects group that wants the city to change its plansand build a rail system that is elevated but drops to ground level in certain sections.

The group, American Institute of Architects Honolulu chapter, wants to preserve ocean and mountain views in some areas, including Chinatown and the state Capitol, and says a ground-level system is cheaper.

Mayor Mufi Hannemann's administration, saying building at ground level in parts of the city would slow the rail system, has proposed an elevated system.

The city's proposed 20-mile, $5.5 billion rail project between Kapolei and Ala Moana is undergoing review by the FTA.

Debate Spurred Over Oahu's Elevated Rail Transit Plan

Supporters and detractors met at the State Capitol to debate the merits of an elevated rail transit system.

More than 200 construction workers from the building trades held a rally outside the Capitol, calling for Lingle to support Hannemann's proposed plan.

William "Roy" Johnson, an official with the International Union of Painters and Allied Trades, said his members needed jobs, and about 40 percent of them were unemployed compared with no unemployment up to 2009.

"I think it's time to stop all this nonsense and get it going," Johnson said.

Some Kapolei residents said the traffic into Honolulu has affected their family's quality of life and forced them to wake up hours earlier to beat rush-hour traffic.

Lingle said she supports a rail system but thinks Hannemann needs to take another look at the financing plan for rail, in view of FTA officials' comments to her recently.

"They said they are wary of any plan that takes so much money from the bus system that it degrades its existing service," Lingle said.

She said she also thinks the city should take another look at AIA-Honolulu's hybrid rail system.

"The AIA has said today that they've tried to work with the city, but the city has not wanted to consider their plan, and I think they should," Lingle said.

Lingle said she felt compelled to share the AIA's views, after listening to its presentation last year.

Lingle said before deciding on taking the next step, she wants to review the final environmental impact statement for the proposed rail project.

Lingle said her administration has not received the document.

"I don't want to prejudge what the final EIS has to say," she said.

Caldwell said Lingle's comments were "outrageous," and he raised questions about the accuracy of her statement.

He said taking another look as proposed by the AIA would require the city to begin a new environmental review process.

He said the issues raised by the architects were debated several years ago by the City Council, which decided to select an elevated rail system.

"She should get behind this and work constructively and not at the last minute come back and say let's look at something that was totally debated before the Council," Caldwell said.

He said he hopes Lingle will support the elevated-rail project proposed by the city.

"We're hopeful that she'll step back, not make this about politics. ... She is playing a dangerous game, and in fact she could kill this project."

Hawaii architects urge more discussion of Honolulu rail options

By: Sean Hao, Honolulu Advertiser

Reconsidering a street-level alternative for Honolulu's planned elevated commuter rail line would delay the start of the project by only six months, the American Institute of Architects' Hawai'i chapter said yesterday.

The city is planning to build a 20-mile elevated rail line from East Kapolei to Ala Moana for $5.3 billion. The architects yesterday proposed building 10 miles of the track at street level and said that would save the city $1.8 billion. The suggestion was made at a three-hour informational briefing at the state Capitol hosted by Gov. Linda Lingle.

"While time is of the essence, it's essential that we get it right, even if it means a six-month or so delay," said AIA member and Chinatown architect Peter Vincent.

City Managing Director Kirk Caldwell said considering the street-level alternative could set the project back years.

"That means starting over, not six months" of delay, Caldwell said.

Yesterday's briefing was for informational purposes and resulted in no decisions for or against the project. Hundreds of proponents and opponents crowded the Capitol auditorium, forcing the organizers to set up a second viewing area. Outside, about a dozen large trucks lined South Beretania Street in support of what would be the state's largest infrastructure project ever.

Waikíkí resident Sanna Geugsch said she found the presentation helpful.

"I'm really concerned about the aesthetics, so certainly I'm with the AIA," she said. "If it has to be built, it should be built on the ground."

Kapolei resident Maeda Timson, president of pro rail group Go Rail Go, questioned the AIA's qualifications.

"They're not qualified and it's all one-sided," she said. "It's just a come-on just to delay it just to make us upset about it and to make us keep suffering needlessly."

Lingle said she hoped yesterday's presentation by the AIA would spur a discussion of alternatives.

The city eliminated a street-level, or at-grade, light rail system from consideration before conducting a key environmental impact study. Instead, the options explored included an all-elevated train, managed highways and a bigger bus system.

The last time the city studied the feasibility of an at-grade train was in 1998. That study found that a ground-level train running through Honolulu's urban core was feasible.

The city has acknowledged that a street-level train would be cheaper to build, but says it would have lower ridership while increasing traffic congestion. An elevated train operating on an exclusive right of way would operate at higher speeds and have higher ridership, according to the city.

Lingle yesterday said she supports rail, but remains concerned about its costs.

In her presentation, Lingle said she had spoken to federal transit authorities last week and was told the city needs to change its financial plan for building rail. The Federal Transit Administration has expressed concern that the $5.3 billion cost could outstrip the city's ability to pay for it.

"This is not a political exercise for me," Lingle said. "This is an attempt to share with the general public the largest project in our state's history and the impacts some people believe it would have on the state and to share my concern for the financing of the project."

City officials declined to attend yesterday's briefing , Lingle said.

The train's biggest proponent, Honolulu Mayor Mufi Hannemann, is in Washington, D.C., this week. Hannemann has accused

Lingle of trying to block the project for political reasons.
Caldwell said after the meeting that any review of the basic plan to build an elevated train could delay or kill the project.
"In the end, I don't think (Lingle's) for rail and any delay she can cause she believes is good because delays jeopardize the project," he said.
Yesterday's developments signal a potential conflict between the city and state over the rail project.
"I'm hoping it won't be a fight," Caldwell said. "I'm hoping the governor will step back and see this as a policy issue, but she's playing a dangerous game and that she can kill this project."
The city needs Lingle's approval of the final environmental impact statement before it can break ground. The city had anticipated it would be ready for Lingle's signature early this month . Yesterday, Caldwell said it may not be released for a couple of months.
Lingle has said she won't sign off on the EIS until she conducts a thorough analysis of the study to ensure that the financial plan is feasible and that alternatives were adequately considered.

Monday, January 18

Governor says city needs to revise its financial plan for rail project

Honolulu Advertiser

Gov. Linda Lingle opened a forum on the city's planned $5.4 billion rail project today with a statement in which she said the federal agency reviewing the city project said it needs a stronger financial plan before the city can go to the final design phase. The following is the transcript, provided by the governor, of her remarks:

GOVERNOR LINDA LINGLE OPENING REMARKS
AMERICAN INSTITUTE OF ARCHITECTS – HONOLULU CHAPTER
PRESENTATION ON HONOLULU RAIL TRANSIT
Monday, January 18, 2010

I'd like to talk for a few minutes about how today's presentation came about. Then I'm going to share a few facts with you that I've learned. Then I'll introduce the panel from the American Institute of Architects – Honolulu Chapter.

I will tell you there are televisions outside this room so people can watch the proceedings even though we didn't have enough seats for everyone. I will also mention to those people who came early to get seats and noticed there were reserved seats here that we were holding. We did start out inviting specific people to watch this presentation. We have our state legislators here and I see some in the front row, we appreciate them very much – Senator Norman Sakamoto, Senator Sam Slom, Senator Robert Bunda and Senator Will Espero. There are also leaders from the community we asked if they had seen the (AIA) presentation or if they had heard about this, and when they said no, we included them.

Originally, this began late last year when the AIA came to visit me. They were one of several groups that I asked to meet with about the rail project. I met with leaders of groups such as the Outdoor Circle and Thousand Friends and heard them out. It wasn't until the AIA came in and made their presentation that I felt compelled to share this information with the public.

I am hosting this presentation in this format so everyone has an opportunity after the presentation to ask questions. This is not a public hearing. There is nothing to be decided today or in the days following but it is a chance for all of us and the broader community, because this is going to be broadcast on 'Olelo, it gives everyone an opportunity to hear this information.

After the presentation, you will have two ways that you can ask questions – you can either write a question out on a form that you've received or that will be passed out to you if you're not comfortable in coming to the microphone, or you can come to the microphone and then ask your question.

Before we begin the formal presentation, I want to thank the American Institute of Architects – Honolulu Chapter for being willing to share their information and point of view with the broader public. The members of the AIA are pro-transit. They are pro-development. They make their living off of development. But they have some concerns about the project as it's proposed and they wanted to present them to me and now, to the public. They have nothing to gain personally by making this presentation and I believe they have a lot to lose when it comes to future contracts with the City. I admire them for being willing to step forward in this fashion.

My largest concern about the project is the cost in how we will pay for it over the long-term. I'm referring not only to the construction cost but the ongoing operational and maintenance costs.

The Mayor and his Cabinet members and others that he has put forward on this project have made it a repeated point that I have been for transit. And they're correct. I have been for transit and I remain for transit. He repeatedly talks about decisions or positions taken back in 2003 or 2004. One of the most important issues I would want to raise – and I have raised with him – is that 2004, the economy doesn't exist anymore. To stay on the precisely exact tract that we did four or five years ago would make you the most unique project in the world. There is not another project – public or private – that has not had to make some adjustments in the pre-recession to the post-recession period.

If you look at the state's large modernization projects, we had multi-billion dollar in projects – our Airports Modernization and our Harbors Modernization projects. These are important projects. They are putting a lot of people to work but we have had to make adjustments. We have had to delay certain portions, not because we wanted to, but because the economy changed. The revenues are not the same and the project as originally conceived would not be sustained in today's economy. So we have to react because the taxpayers would have to support these modernization plans over the long-term.

I am not the only one concerned about the cost and financing of this plan. On a phone call late last week with Federal Transit Administration officials, Transportation Director Brennon Morioka, my Chief of Staff Barry Fukunaga and I participated in a call with people from FTA. They told us and I am quoting what they said in that call, that they had told the City that the City will need a stronger financial plan before they are allowed to go to final design.
That's because the Feds have concerns about the financing. It's not surprising because it is such a large project for our community.

I felt good knowing that the federal government hired a consultant to review the financial plan of the City. This is something they do in all their large transit projects and they explained to us in great detail how they go about getting someone who has no connection to either the City or the federal government, they put them on contract to review the finances that have been proposed for the project.

Another point that we learned on that telephone call that I wanted to share with you today is that, although a contract has been awarded to Kiewit Construction Co., the Notice to Proceed has not been issued and cannot be issued until there is a record of decision on the federal EIS and a letter of no prejudice. Neither of those things has occurred yet. So construction cannot go forward until those two federal actions are taken.

The record of decision on the federal EIS will need to address issues such as still pending: historic preservation, issues from the federal National Parks service, the United States Navy and the O`ahu Burial Council.

Another point I would like to clear up – and I've heard the Mayor, and many of you heard on Saturday night at a meeting of the General Contractors Association – he encouraged the people in the audience to tell the Governor to approve the EIS. I want to be very clear with the general public. The Mayor has not submitted the EIS to the State. He has said it would arrive to us the first week of December. We are now approaching the latter part of January next week. We have not received the EIS. So the calls for me to approve something I don't have don't make any sense, other than they are political in nature. This is not a political exercise for me. This is an attempt to share with the general public the largest project in our state's history and the impacts some people believe it would have on the state. I've shared my concerns over the long-term financing of the project but I want to repeat this fact, the EIS has not been transmitted from the City to the State so there is nothing for me to review at this point, nothing for me to take action on.

Finally, the Mayor and others in the City have started to compare this project with the Superferry project. This is a silly comparison with no basis in reality. The Superferry did not use one dollar of public funding. We had reimbursable general obligation bonds that were paid for, and will be paid for, by the people who use the harbors. There's not one dollar of direct tax funding that ever went to Superferry or was pledged to Superferry or will be used for Superferry in the future.

In addition, there was never a requirement for an EIS for the Superferry until it was challenged and went to the State Supreme Court and then the Supreme Court made the ruling. The Superferry was treated the way every other ocean-related project was treated – whether it was Matson, NCL, Young Brothers or anyone else using our oceans. It was treated the same way, our Administration made the same decision, it's just that the Supreme Court changed the law with their decision. So this comparison with Superferry and the EIS and funding is just as a said, a silly comparison and it distracts from the facts that the AIA will present today.

Mayor to meet with transit officials
Honolulu Advertiser

Honolulu Mayor Mufi Hannemann will meet with key transit officials during a weeklong trip to Washington, D.C., this week.

Tomorrow, Hannemann will meet with U.S. Transportation Secretary Ray LaHood and Federal Transit Administration Administrator Peter Rogoff to discuss the progress of the city's $5.3 billion elevated commuter rail transit project.

The city is still waiting for federal transit officials to approve its environmental impact statement for the project before it can proceed. The city also needs a check-off from Gov. Linda Lingle before it can break ground.

Hannemann is also expected to meet with U.S. Rep. Jim Oberstar, D-Minnesota, chairman of the House Transportation Committee, to provide him with an update on the project. Oberstar, during a visit to Honolulu in October 2008, indicated he believes the city would receive about $900 million in federal dollars for the project.

Hannemann will also be attending the 78th winter meeting of the U.S. Conference of Mayors, taking place Wednesday through Friday. Other Hawai'i mayors are also expected to attend.

Key members of the mayors' conference, including Hannemann, will meet with President Obama and other Cabinet officials Thursday to discuss the nation's economy.

Also Thursday, Hannemann will attend a ceremony at which Americans for the Arts and the mayors' conference will announce the 2010 national award for local arts leadership. Hannemann is chairman of the conference's committee on Tourism, Arts, Parks, Entertainment and Sports.

The mayor returns to Honolulu Saturday.

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