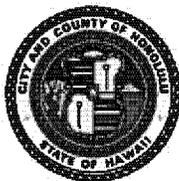


DEPARTMENT OF TRANSPORTATION SERVICES  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 3RD FLOOR  
HONOLULU, HAWAII 96813  
Phone: (808) 768-8305 • Fax: (808) 768-4730 • Internet: www.honolulu.gov

MUFI HANNEMANN  
MAYOR



WAYNE Y. YOSHIOKA  
DIRECTOR

SHARON ANN THOM  
DEPUTY DIRECTOR

October 20, 2009

RT10/09-338130

Mr. Leslie T. Rogers, Regional Administrator  
Federal Transit Administration, Region IX  
U. S. Department of Transportation  
201 Mission Street, Room 1650  
San Francisco, California 94105

Dear Mr. Rogers:

Thank you for the October 16, 2009, letter informing me of the Federal Transit Administration's approval for the Honolulu High-Capacity Transit Project to enter into Preliminary Engineering (PE). As you stated in the letter, under the pre-award authority, we are prepared to immediately incur for PE activities prior to submitting a grant application for FY2008 and FY2009 New Starts allocations.

We are currently engaged in several activities to complete the Final Environmental Impact Statement (FEIS), including finalizing the Section 106 Programmatic Agreement (PA) and documenting the concurrence by the Federal Aviation Administration (FAA) on the agreement regarding the scope of the mitigations proposed at Honolulu International Airport. The resolutions to those issues are in the final stages and, in fact, the Airport issue was resolved yesterday with the Hawaii Department of Transportation and concurred to by FAA. The PA issue is near finalization as the signatory agencies are meeting tomorrow after reviewing the final Draft PA for the past few weeks.

Therefore, we believe the City is near completion of all the prerequisites to publishing the FEIS sooner than you have indicated in the letter.

We are happy to acknowledge that FTA is committed to working closely with us. We have several significant milestones toward the end of the year in addition to the publication of the FEIS and the issuance of Record of Decision. Close coordination and cooperation by FTA are critical.

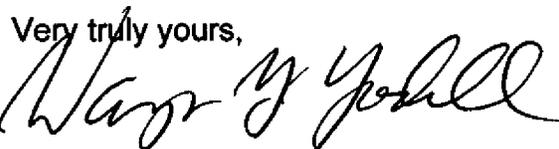
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We are prepared to announce the award of the first Design-Build (DB) contract for the guideway in the West Oahu section this week. I believe this announcement will have a significant impact on our project cost estimate as the proposed contract cost is substantially lower than the City's earlier estimate or the FTA's risk assessment Project Management Oversight consultant's estimate. Recognizing the current construction market and its favorable impact to the project cost, the City has decided to accelerate the next guideway procurement along Kamehameha Highway through Pearl City and Aiea. The increment was to be a Design-Bid-Build procurement in our earlier schedule, but it seems prudent to convert to a DB so that the City may have the contractor's commitment to the cost soon. The City is intending to issue the first solicitation for the Kamehameha DB procurement in November.

We are also proceeding with the DB procurement of the Core Systems including vehicles, and the Maintenance Facility.

Expediting the project into construction is more critical than ever, considering the island's economy. This is the single largest economic stimulus project that is ready to proceed when it is most needed. I welcome your commitment to work with us in achieving the milestones necessary for successful completion of the next step.

Should you have any questions regarding this matter, please contact Mr. Toru Hamayasu at (808) 768-8344.

Very truly yours,  


WAYNE Y. YOSHIOKA  
Director

cc: Advisory Council on Historic Preservation