**From:** Griffo, Paul (FTA)
**To:** Day, Elizabeth (FTA)
**Sent:** 2/4/2010 10:58:49 AM
**Subject:** RE: Honolulu Media inquiry

Beth,

Tried to boil this down. What do you think?

The financial plan previously submitted by the City to FTA in support of the Preliminary Engineering request was sufficient for entry into that phase. Because of the more stringent requirements for entry into the more advance Final Design phase, the City is currently preparing a revised financial plan, updating its projections of project costs and funding sources. While FTA is awaiting the revised plan, the current financial assessment is appropriate for the current stage of the project.

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**From:** Day, Elizabeth (FTA)
**Sent:** Thursday, February 04, 2010 3:42 PM
**To:** Griffo, Paul (FTA); Borinsky, Susan (FTA); Welbes, Matt (FTA); Ryan, James (FTA); Longo, David (FTA)
**Subject:** Honolulu Media inquiry
**Importance:** High

Hi Matt and Susan
Paul has gotten a request from a reporter to speak with Peter about the Honolulu project. Since Peter is out of town, how would you like to handle the request? I know Peter wants to maintain a consistent FTA message with the Honolulu press and has decided to handle many of the inquiries himself. One approach would be that we send the reporter written answers to his questions. Below I have proposed some responses based on the meeting I went to yesterday with Peter, Kate and Representative Abercrombie. Please let Paul and I know if you agree with proceeding in this fashion, whether you have edits to the text suggested below, or whether you think we should inform Peter of the reporter's questions.

1. What concerns does the FTA have about the funding plan that Honolulu City officials have outlined for the City's elevated-rail project?
2. Did anyone from the FTA tell Hawaii Governor Linda Lingle that the financial outline for the Honolulu rail proposal would have to be reworked before any possibility of moving forward?

Answer

The FTA process has a series of project development phases (preliminary engineering, final design, and construction grant agreement). At each phase, the requirements that project sponsors must meet become more stringent in terms of the level of engineering and design, the confidence in the cost estimate, and the strength of the financial plan. In terms of committed funds, the Honolulu project is ahead of most projects in preliminary engineering because of the excise tax currently being collected. As part of our standard process, in our letters granting approval of a project into one phase, we typically identify areas that must be addressed before the project will be allowed into the next phase. Thus, in our letter dated October 16, 2009 granting the Honolulu project entry into preliminary engineering, we included the following paragraph. This is also the information we share with Governor Lingle.

> Further, the City should be aware that F TA's standards for the financial rating are higher for entry into final design than for entry into preliminary engineering (PE). The higher standard for final design includes an assessment of the robustness of the financial plan against increases in costs, shortfalls in revenue streams, and competing demands on funding sources. Some elements of the current financial

plan may not fare well in the stress tests that FTA will apply to evaluate robustness. These elements include the projected revenue stream from the General Excise Tax, the diversion of FTA Section 5307 funds from ongoing capital needs of the bus system, and the increasing share of the City's annual budget that is required to fund the transit system. Were this plan submitted today in support of a request to advance the project into final design, its weaknesses would likely cause FTA to deny the request. Therefore, continued development and strengthening of the financial plan will be a crucial part of the PE effort.

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**From:** Griffo, Paul (FTA)
**Sent:** Thursday, February 04, 2010 2:14 PM
**To:** Day, Elizabeth (FTA)
**Subject:** FW: Media inquiry

Beth,

Please let me know if you are available to talk to this reporter about the Honolulu project.

We could get back to San Jose at the same time if he still needs to speak to someone.

Thanks.

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**From:** Adrienne LaFrance [mailto:adriennelafrance@honoluluweekly.com]
**Sent:** Thursday, February 04, 2010 2:02 PM
**To:** Griffo, Paul (FTA)
**Subject:** Media inquiry

Hi Paul,

Thanks for calling me back yesterday. I'm hoping you can arrange a brief (5 minutes even) phone interview with Peter Rogoff. Elected officials in Hawai‘i are giving me conflicting information about their conversations with him and other FTA officials.

Anyone who can speak to the proposed Honolulu rail project from a federal standpoint would really help clarify things for our community. I'll follow up via phone again later this afternoon.

Thank you again,
Adrienne

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Adrienne LaFrance
Managing Editor
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1111 Fort Street Mall
Honolulu, HI 96813
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Direct: 808.528.1475 ext. 42
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Begin forwarded message:

**From:** Adrienne LaFrance <adriennelafrance@honoluluweekly.com>
**Date:** January 19, 2010 11:18:45 AM HST
**To:** <Paul.Griffo@dot.gov>
**Subject: Re: Media inquiry**

Thanks for your quick response. This is an enormous help.

1. What concerns does the FTA have about the funding plan that Honolulu City officials have outlined for the City's elevated-rail project?

2. Did anyone from the FTA tell Hawaii Governor Linda Lingle that the financial outline for the Honolulu rail proposal would have to be reworked before any possibility of moving forward?

Thank you again,
Adrienne

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On Jan 19, 2010, at 11:06 AM, <Paul.Griffo@dot.gov> wrote:

It would be better if we could address specific questions you might have. Can you shoot them to me by email?

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**From:** Adrienne LaFrance [mailto:adriennelafrance@honoluluweekly.com]
**Sent:** Tuesday, January 19, 2010 2:05 PM
**To:** Griffo, Paul (FTA)
**Subject:** Media inquiry

Hi Paul,

I understand Honolulu Mayor Mufi Hannemann is today meeting with Ray LaHood and Peter Rogoff. First, I'm hoping you can confirm that they are indeed meeting today. I'm also interested in how long the meeting lasted and what was discussed.

Also, could you please put me in touch with someone from the FTA who can speak to the Honolulu rail project and where that process stands—even if it's just someone who would speak generally about what it takes to go through this kind of process, that would be an enormous help.

Honolulu's governor and Honolulu City officials are providing conflicting information about what FTA officials have said about the project, so I'm trying to clear that up. Who might be best? Please let me know.

My deadline is 5 p.m. EST but I cover this beat regularly-- so even if we can't work something out for today, I'd still like to hear from you.

Many thanks,
Adrienne

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