U.S. Department
Of Transportation
**Federal Transit
Administration**

Headquarters

1200 New Jersey Avenue S.E.
Washington DC 20590

INFORMATION MEMORANDUM TO THE ADMINISTRATOR

From: Susan Borinsky, Associate Administrator for Planning and Environment
Ext. 6-0789

Subject: Conference Call with Hawaii Governor Lingle Regarding the Proposed Honolulu Rail Project

---

You are scheduled for a conference call with Governor Linda Lingle on Friday, January 15, at 4:00pm EST. Also on the call will be Brennon Morioka, Director of the Hawaii Department of Transportation, and Kathy Kealoha, Director of the Hawaii Office of Environmental Quality Control.

LIKELY TOPICS

Under Hawaii law, the final authority to accept a final environmental impact document for the state rests with the governor whenever, as is the case with the proposed rail line, the project would use state lands. The governor's acceptance is a necessary prior condition for implementation of the project. Governor Lingle announced in September 2009 that she will conduct a thorough review of the Final Environmental Impact Statement, including a series of public workshops, once the document has been completed.

Two issues are prominent in the governor's public statements about the project: (1) the need to consider at-grade and less costly alternatives to the proposed elevated rail project and (2) the need to reduce the financial risks of the project.

At-grade alternatives. Concerns about costs and visual impacts have led to calls for consideration of at-grade rail options. Visual impacts have been cited by the Hawaii chapter of the American Institute of Architects (AIA), Kamehameha Schools (an education trust that is the largest land-owner in the state), and long-standing opponents of the project. The governor has said that the economic downturn makes it necessary to reconsider the scope of the project given its long-term financial implications for both the city and state governments. To air these concerns, the governor is hosting a forum on January 18th at which the AIA will present their views. The City and County of Honolulu, the project sponsor, has responded that at-grade alternatives and the visual impacts of elevated alternatives were given full consideration during the alternatives analysis and that revisiting these issues will delay the project.

FTA staff's view is that the consideration of at-grade alternatives has been appropriate and consistent with requirements of the National Environmental Policy Act (NEPA). Beginning with New Starts alternatives analysis, the City has evaluated a number of at-grade alignments and their visual impacts in the context of public processes. Subsequently entering the NEPA process, the City proposed to focus on elevated alternatives that better meet the purpose and need for transit improvements, provide much faster transit service, and avoid significant reductions in the city's limited street capacity that would exacerbate already severe traffic congestion. During public scoping of the NEPA process, the City and FTA received no comments on the proposal to drop most at-grade alignment alternatives or the visual impacts of the elevated alignment alternatives. FTA relies specifically on scoping to ensure that the appropriate set of alternatives is carried into the NEPA process. In the NEPA analysis, the City has adequately developed and considered all impacts of the alternatives examined in the impact statement, including their visual impacts. Public comments on the Draft EIS included a large number of negative comments focused on visual impacts. FTA will acknowledge these comments and the clearly adverse visual impacts in the Final EIS. In every respect, however, both FTA and the City believe that requirements of the NEPA process have been completely satisfied.

Financial plan. The governor has publicly cited FTA's review of the City's financial plan as an indication of the project's risky financial footing. She has said that she will meet with USDOT officials during her February visit to Washington for the annual meeting of the Governors Association to discuss the financial plan and to ask for assurances that the federal government will contribute the $1.55 billion in New Starts funding anticipated in the plan. The City has responded that a revised financial plan prepared over the next several months will reflect improved financial prospects including lower construction costs signaled by the bids received for construction of the first segment, tax revenues that have been consistent with projections in the financial plan, and prospects for private-sector funding of as many as eight stations. Regarding federal funding expectations, FTA provided guidance to the City in August 2008 that $1.55 billion is an acceptable assumption in the financial plan for the project.

BACKGROUND

The project. The proposed project is a 20.1-mile elevated rail line with 19 stations and automated trains running every three minutes in the weekday peak periods and six minutes during most off-peak hours. The map on the following page presents the project and key locations within the corridor. The cost estimate at entry into preliminary engineering (October 2008) was $5.35 billion including $1.3 billion (30 percent) in total contingency allowances.

Status of the FEIS. FTA received an Administrative Draft FEIS (AFEIS) in October 2009 for review and comment. Based upon public comments and agency concerns, the AFEIS included a number changes from the DEIS including an expanded history of the development of alternatives, and improvements to the sections dealing with Section 4(f) parkland resources, noise impacts, and visual impacts. Subsequent FTA comments and revisions by the City have narrowed the remaining issues to two.

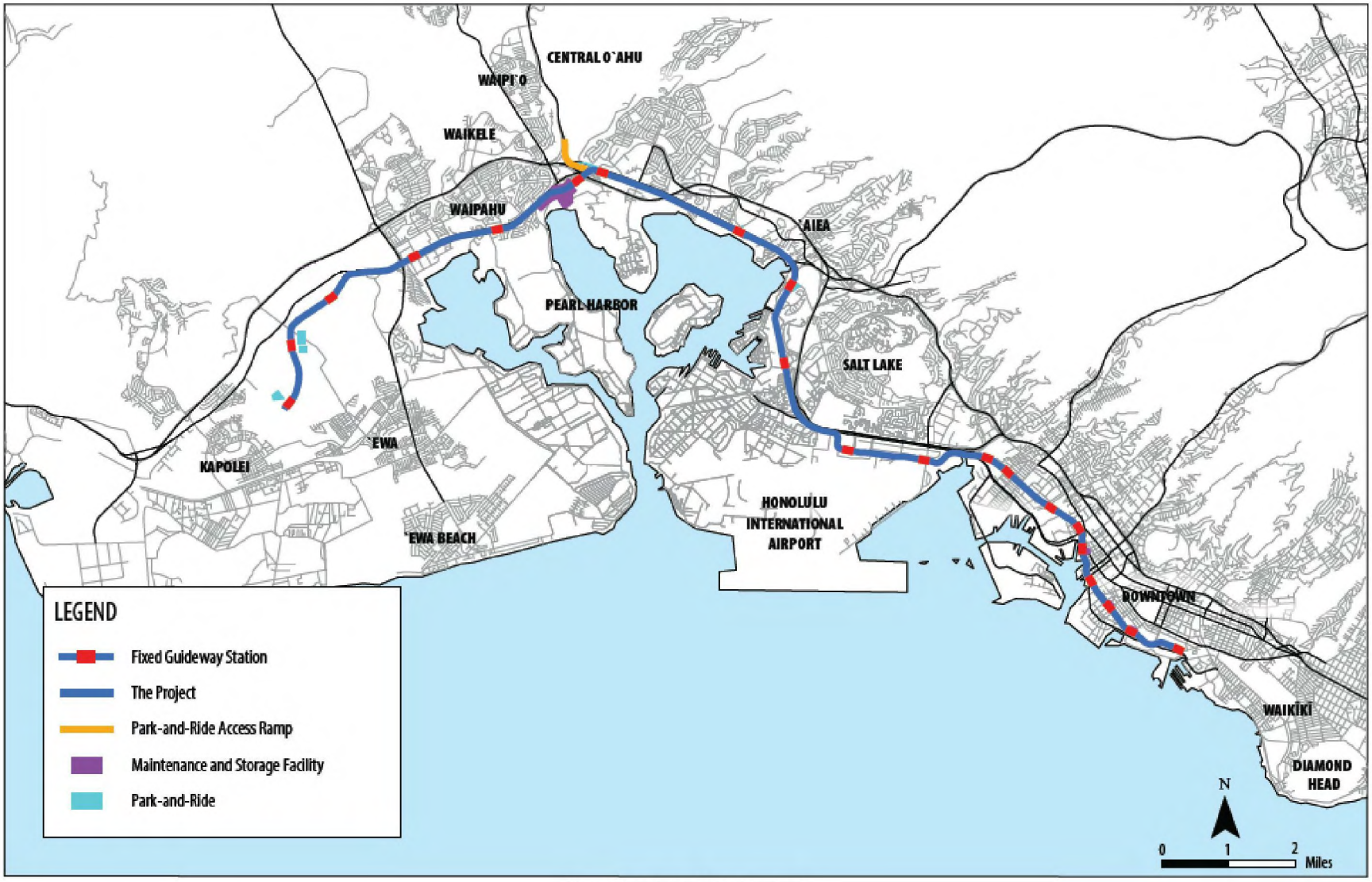
- The Section 106/4(f) Process on Historic Preservation. Development of a Section 106 Programmatic Agreement (PA) is in its final stages with active participation by a dozen

agencies including the U.S. Navy, the State Historic Preservation Officer (SHPO), the National Park Service, the Oahu Island Burial Council, the Advisory Council on Historic Preservation (ACHP), and the National Trust for Historic Preservation. Major issues have included visual effects, indirect and cumulative effects around proposed station areas, and effects on unknown Native Hawaiian burials and cultural resources. FTA, ACHP and the SHPO are putting the finishing touches on the Draft Final PA. At the last minute, the Navy has surfaced issues concerning a station touchdown within a Navy historic district. ~~is a last minute issue.~~ The Navy has endorsed early closure on this issue but SHPO concerns may require further consideration, including the possible deletion of the station from the project.

- Impacts at Honolulu International Airport. In June 2008, FTA's Project Management Oversight Contractor discovered that the proposed rail alignment through the airport violated recently revised requirements for clear space at the end of a pair of runways. Work to resolve this issue has led the Federal Aviation Administration to become a cooperating agency in the environmental process as of November 2008. Airport-related issues have expanded to include the possible relocation of at least one runway and potential restrictions imposed by the rail alignment on future development of an air-cargo facility. FAA and the Hawaii Department of Transportation (Airports Division) are working to identify the full set of issues, information required from the City, any further analysis of alignment options and their impacts/mitigation, and additional documentation of airport issues in the FEIS. The time frame for resolution of this issue remains unclear.

Over the past few weeks, staff from Senator Inouye's office has become involved in both issues.

A Note on History on At-grade Transit History in Honolulu. Beginning in 1999, the City launched an effort to develop a smaller-scale, at-grade transit approach for approximately the same corridor. This effort began five years after the second failed attempt to build an elevated rail line in the corridor. The proposal emerging after four years of technical studies was a bus rapid transit (BRT) system costing roughly $1 billion and using an at-grade alignment through the urban core of Honolulu. Negative reactions to the proposal focused on the taking of both traffic lanes and on-street parking to create exclusive and semi-exclusive rights of way for BRT buses. Governor Lingle opposed the BRT system. In response, the City modified the BRT proposal to operate in mixed traffic – with consequent reductions in speed, service reliability, and ridership. The initial line of the modified BRT proposal is now in service in the urban core of the corridor.



The Honolulu Rail Project