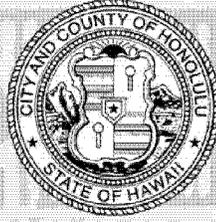


NEWS RELEASE



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HONOLULU RAIL TRANSIT NEARS MAJOR MILESTONE IN LATEST FEDERAL TRANSIT ADMINISTRATION REPORT

Project ready to enter Preliminary Engineering

(Tuesday, July 21, 2009)- An oversight report from the Federal Transit Administration (FTA) about the 20-mile Honolulu Rail Transit Project shows that the Project is qualified to enter Preliminary Engineering (PE) and the federal New Starts program. PE is a major milestone for the project and a significant step toward obtaining more than \$1 billion in federal funding.

The City has applied to enter PE and expects a decision shortly from the FTA. PE further defines the Project's engineering and design features.

"The report independently confirms that our costs and project schedule are sound," said Mayor Mufi Hannemann. "It validates that the City has been open and transparent; all of the information we have provided to the public is being confirmed and found to be accurate in this latest federal report."

"Overall, the report is a clean bill of health for the Project and will be a valuable resource as we prepare for PE."

The report evaluates the project from August 2008 to June 2009. Among the findings:

- The current cost estimate is reasonable and acceptable at this stage for the rail project. The report concludes the Project's budget is appropriate at this phase with the oversight consultant's estimate less than a few percent different from the City's total estimated cost, including contingencies.
- The Project has a strong likelihood of beginning full service on the 20-mile East Kapolei to Ala Moana Center route in 2019.

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