

---

**From:** Day, Elizabeth (FTA)  
**To:** Nelson, Ketrina (FTA)  
**CC:** Jackson, Brian (FTA); Ryan, James (FTA); Borinsky, Susan (FTA)  
**Sent:** 3/18/2010 6:31:51 AM  
**Subject:** RE: another Hawaii contact us question

Hi Ketrina

Jim Ryan is the New Starts team leader for Honolulu, not Brian Jackson. Jim is on vacation, so I have crafted a generic proposed response below.

The Annual Report on Funding Recommendations (found on the FTA website at [http://www.fta.dot.gov/publications/reports/reports\\_to\\_congress/publications\\_11092.html](http://www.fta.dot.gov/publications/reports/reports_to_congress/publications_11092.html)) includes the following text describing a Full Funding Grant Agreements (FFGA):

“The FFGA defines the project, including its cost, scope, and schedule; commits to a maximum level of New Starts financial assistance (subject to appropriation); establishes the terms and conditions of Federal financial participation; defines the period of time for completion of the project; and helps FTA and the project sponsor manage the project in accordance with Federal law.

The FFGA assures the project sponsor of predictable Federal financial support for the project (subject to Congressional appropriations), while placing a limitation on the amount of this support. Thus, an FFGA limits the exposure of the Federal government to cost increases that may result, for example, if the project is not adequately designed, engineered, and/or managed at the local level. While FTA is responsible for ensuring that planning projections are based on realistic assumptions and that design and construction follow acceptable industry practices, it is the responsibility of project sponsors to properly manage, design, engineer and construct projects. FTA is not directly involved in the design and construction of New Starts projects, but uses its Project Management Oversight Program to obtain independent feedback on project status and progress, including the establishment of scope, budget, and schedule, as well as to provide guidance on management, construction, and quality assurance practices. “

Additional information and guidance on developing FFGAs are contained in FTA Circular 5200.1A, Full Funding Grant Agreements Guidance (Dec. 5, 2002) found at [http://www.fta.dot.gov/laws/circulars/leg\\_reg\\_4119.html](http://www.fta.dot.gov/laws/circulars/leg_reg_4119.html).

---

**From:** Nelson, Ketrina (FTA)  
**Sent:** Wednesday, March 17, 2010 1:02 PM  
**To:** Day, Elizabeth (FTA); Jackson, Brian (FTA)  
**Subject:** FW: another Hawaii contact us question

**Good afternoon:**

I received the following contact us submission via the FTA public website. Since this question is specific to the Honolulu project we need to provide a response from a general perspective. Can you provide one? I will also send a link to the NS information on the public website. Thanks in advance.

This question is in regard to the Honolulu Rail project.

Recently I learned that if Honolulu goes forward and receives a Full Funding Grant Agreement under the New Starts Program for Rail, we are required to finish the project or return the money.

My question is where in the FTA rules can I find this detail (you must finish the project with your own money) regarding Full Funding Grant Agreements.

Thank you very much,