

FTA cannot speculate on the City's intention in characterizing as a draft the financial plan submitted by the City to FTA on May 5, 2009. You may find some observations useful, however.

In the short term, initial versions of financial plans submitted to FTA in support of a proposed New Starts project are routinely revised in response to FTA review and comment. In the long term, financial plans are subject to further reviews **revisions** as costs estimates are updated, funding sources become clearer, and other changes occur as the project advances.

In the Honolulu case, for example, FTA has understood for some time that the City has been looking to bid openings for elements of the initial operating segment as a source of insights into current construction costs given the weak economic climate. Those bid openings were initially scheduled for late July but were deferred until late August. The City has anticipated that the bids would be significantly lower than their current estimates. If that anticipation is realized, then a revised cost estimate and, presumably, a revised financial plan would be expected.

These are simply FTA observations on customary practice, however. Only City staff can explain their anticipations regarding the May version of the financial plan that led them to characterize it as a draft.