

May 8, 2012

The Honorable Ernest Y. Martin, Chair  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

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Dear Chair Martin and Councilmembers:

In response to your question in the memorandum dated May 4, 2012, requesting the reason the Mayor and the former Honolulu Authority for Rapid Transportation (HART) Executive Director decided to use the issuance of commercial paper to provide funding for the additional contingency required by the Federal Transit Administration (FTA), HART concurs with the following response from the Department of Budget and Fiscal Services:

The decision to use the existing commercial paper program for demonstrating additional capacity related to the FTA's recently communicated contingency requirement was the result of discussions between the Mayor, HART Interim Executive Director and the FTA. The discussions were centered around the FTA's requirement and how to best meet the requirement to demonstrate the required capacity in the simplest way. The existing commercial paper program was considered the best way to demonstrate the required capacity.

Please do not hesitate to contact me should you have any further questions.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

cc: Douglas S. Chin, Managing Director  
Michael R. Hansen, Director  
Budget and Fiscal Services  
HART Board of Directors