



Mayor Mufi Hannemann

State of Rail Transit
October 29, 2009
1:30 p.m.
Mission Memorial Auditorium

[Video] *Now this is a commute: Riding in air-conditioned comfort. It's quiet, quick, and always on time . . . and traveling above traffic. Wow, look at this fantastic view!*

Okay, here's our stop. The Honolulu rail system will have 21 rail stations. Each station will have a canopy inspired by the sails of the Hokule`a to protect travelers from the rain and sun. All the stations will have escalators, elevators, and stairs so commuters can conveniently reach the boarding platforms. The platforms will be level with the train floor, so whether you walk, use a wheelchair, or a walker, it will be easy to get on your train.

Plus, the fares are interchangeable, which means that it will be the same as TheBus and you can use transfers between the two. So if you have a bus pass, you can transfer from the bus to the train to the bus and back. Trains will run every three minutes during rush hour, so you won't have to worry about a schedule. You just wait at the platform and the next train pulls up.

This is not a virtual dream folks ... this is our reality.

Aloha, ladies and gentlemen. I hope you enjoyed the ride.

That commute from East Kapolei to downtown Honolulu took just 38 minutes, a fraction of the time it now takes to drive the same distance in rush-hour traffic. But the brevity of our commute belies the saga that preceded it.

As we're poised to break ground for rail transit, it's worth noting that our journey began some 40 years ago. That was in 1967—I was just a kid in Kalihi—when the Oahu Transportation Study recommended a fixed guideway from Pearl City to Hawaii Kai, and Mayor Neal Blaisdell took up the challenge.

Let's jump ahead 10 years. Mayor Frank Fasi receives federal money for the Honolulu Area Rapid Transit, a fixed guideway connecting Aloha Stadium and Kahala Mall. With

the preparations all but completed, first-year Mayor Eileen Anderson torpedoed the project and ends the City's initial foray into transit.

Four years later, Hizzoner is back at Honolulu Hale and suggests raising gasoline taxes for a fixed guideway, a motion seconded by State Transportation Director Ed Hirata of the Waihee administration.

In early 1990, the City and state put their heads together as Governor John Waihee proposes a half-percent general excise tax increase to allow the counties to pay for transit projects, including a fixed guideway linking the University of Hawaii's Leeward and Manoa campuses.

A Congressional committee authorizes 618 million dollars, representing a third of our projected cost. With most of the preparations done, all that's left is for the City Council to approve the tax increase for the local share. But with the game at stake, we fumble on the goal line when the Council votes 5 to 4 against the legislation in September 1992. Our federal money is lost and so is 25 years of work.

That fateful vote took place shortly after the Gulf War and the bursting of the Japanese bubble, when our economy was struggling. Had we the foresight to build a rail system at the time, the construction jobs created by that project would have softened the blow of tourism's steep decline.

Fast forward more than a decade. In his opening day speech to the 2003 Legislature, Senate President Bobby Buda proposes dusting off our plans for a light rail system. He says our Congressional delegation is willing to go to bat for us, and [quote] "those of us in the Legislature must be willing to revisit this proposal to break the gridlock of indecision."

Before the year is out, Governor Linda Lingle unveils an ambitious proposal for light rail and an elevated highway. She backs off after an outcry from her party regulars.

But in her state-of-the-state address in 2005, my first year in office, Governor Lingle says to the Legislature and to me, [quote] "I am honored that we are joined today by the state's mayors, including Honolulu's new mayor, Mufi Hannemann. Our transportation director . . . has already met with the mayor and I look forward to working closely with him as we address traffic issues in Honolulu. Both Mayor Hannemann and I have been supporters of mass transit on Oahu and his election offers us an opportunity to look at that issue again."

I take her at her word and lobby the Senate and House. The Legislature acts promptly and approves a measure allowing the counties to enact a half-percent general excise tax surcharge to finance transit projects. The governor doesn't sign the bill, but it becomes law.

Progress on the City's part comes swiftly. In August, the City Council approves the tax surcharge. We swing into action on the Alternatives Analysis, the prerequisite to federal funding that evaluates alternatives to our growing traffic congestion.

We begin seeking public input on the alternatives. We hold dozens of community meetings, make presentations to Neighborhood Boards, and speak to anyone who'll listen. I make more than 200 speeches on the subject, not to mention meet regularly with our Congressional delegation, federal transit officials, and local decision-makers to generate support.

The Alternatives Analysis is released in October 2006. It offers four scenarios, of which we recommend a fixed guideway because we conclude it's the only one that offers long-term solutions to our traffic and transportation challenges and has a realistic financial plan. That December, the Council adopts the fixed guideway system as the preferred alternative. I sign the bill into law.

For the next several months, the City continues its exhaustive studies and analyses, crunches the numbers and crunches them some more, consults with experts in the field, and does all the preparation necessary to make a financially feasible project recommendation to the Council. In February 2007, the Council approves the 20-mile route from Kapolei to Ala Moana Center as the best affordable option.

The members of our Congressional delegation, Senators Inouye and Akaka and Representatives Abercrombie and Hirono, are unanimous in their support for rail transit and deliver 15.5 million dollars, the first in what will be many demonstrations of solid federal support.

Two thousand eight brings a whirlwind of activity. An independent panel of transportation experts selects steel-wheel-on-steel-rail as the most reliable and cost-effective technology for us. That choice is validated by the fact that the Federal Transit Administration has a clear preference for funding steel-on-steel systems throughout the nation. Four former state transportation directors endorse rail, telling us "it's about time" and "no more studies." We continue to speak to anyone who'll listen to tout the importance of rail.

Despite the groundswell of support, opponents push to put the question on the ballot in November's election. The Council places an amendment before the voters asking them to vote yea or nay on a steel-on-steel transit system. We keep to our timetable and publish the Draft Environmental Impact Statement days before the election.

On Election Day, 53 percent of Oahu's voters approve the transit system, the same margin of victory that carries Hawaii's own Barack Obama into the White House.

Fast forward to earlier this month, when we receive the FTA's okay to begin the preliminary engineering that qualifies us for federal money.

Permit me to make two points with this history: First, we've waited so long, too long, I would argue, for this day to come. Second, critics and doubters have dubbed this, "Mufi's Train." It just isn't so. As our history shows, this belongs to all of us. You, and you, and you.

A fixed guideway was backed by Mayors Blaisdell and Fasi. It was endorsed at one time or another by a transportation director of every state administration since Governor John A. Burns. City Councils blessed it.

This time around, both houses of the Legislature, and members on both sides of the aisle, voted for the transit tax surcharge. It's supported by key business leaders and organizations . . . labor, particularly the building trade unions . . . the *Honolulu Advertiser*, *Honolulu Star-Bulletin*, *Pacific Business News*, and other prominent members of the news media . . . the majority of the City Council, which did yeoman work in shepherding all of the enabling legislation through vote after vote . . . and so many others.

This has been an amazing journey, all the more so considering our checkered history. FTA insiders and rail experts tell us this process takes anywhere from five to 15 years. We've done it in four, and that's because we all worked together to accomplish it. This belongs to all of us.

Now, if you think that's something, let me tell you about all the exciting things in store for us.

I can't think of a "shovel-ready" economic stimulus project that's timelier, or more vital, than rail transit. No other project will create as many jobs or offer as much hope and opportunity for our people.

An island-wide poll taken last month of 900 citizens revealed that 60 percent support the project. Support is consistent in every City Council district, with a range of 52 percent to a high of 70 percent. And when queried if they think rail is a good investment, responses revealed that an average of 69 percent of residents, a majority in every Council district, agreed that it's a sound investment.

Just last week, we awarded a 483-million dollar contract to Kiewit Pacific to design and build the first increment from Kapolei to the Leeward Community College area. By the way, that contract was 90 million dollars less than what we had anticipated. We're so encouraged by the results that we've moved up bidding for the next phase to this November rather than wait to 2012 as we had originally scheduled.

Early next year, we'll start relocating underground utilities and preparing sites for the guideway columns. We'll be drilling foundations and erecting concrete columns at several locations so you can follow the path of the guideway. By the end of the year, the contractor will be assembling a crane called a gantry, which will be used to lift the concrete slabs that form the guideway.

We project rail transit will create 10,000 jobs during its construction phase, more than 4,000 in construction alone, and the balance in related industries. We're making sure these will be local jobs for local people. Already, we've engaged 41 engineering, architectural, and landscaping companies for the planning and design phase, representing more than 250 jobs. Once we get the go-ahead to begin construction, we'll be investing 330 million dollars in our local economy next year alone and putting even more people to work. We believe 4,000 people will have jobs by the end of 2010.

On Capitol Hill, Senator Inouye and our delegation have secured 39 million dollars for us, with as much as 30 million awaiting appropriation in the 2010 transportation bill. We expect more to come.

Before I leave the subject of money, for those still nervous about the cost, let me assure you that the federal government has been looking over our shoulder every step of the way. Top rail experts have vetted our financial plans and we've earned plaudits for our financial audits. No less a top money man than Don Horner, head of First Hawaiian Bank, said that the Hawaii Business Roundtable conducted an independent study of the City's funding plan, taking into account current reduced revenue projections, and found the plan to be sound and conservatively prepared.

If there's anything my administration prides itself on, it's fiscal accountability. We're prudent about spending your tax dollars, and that's reflected in our clean audits, our use of special funds only for their intended purposes, our commitment to saving money, and our coveted bond ratings. Just yesterday, our double-A bond ratings were reaffirmed by three national rating agencies.

We're also guarding against the risks associated with large construction projects involving multiple contractors and labor sources. We're working to create an agreement to address working conditions, health and safety, and other important labor concerns. This pact will help ensure that construction proceeds without disruption and that we have a steady source of skilled workers to produce work of the highest quality with a minimum of interruption. Our goal is to be on time, on budget, and on schedule.

We'll be collaborating with the UH Community Colleges to develop a curriculum to train the people who'll operate the transit system: mechanics, maintenance and operations personnel, information technology experts, and more. We estimate the system will need a work force of 400 people and we want to begin training them well before operations commence.

We'll engage and involve the Native Hawaiian community all along the way. We remain keenly sensitive to cultural matters. We're forming an advisory council of cultural experts and practitioners to provide their mana`o and expertise on iwi concerns, historic and cultural issues, and other transit affairs. I ask you: As island people, what good would this project be if it caused us to sacrifice the very island values and history that we hold dear? And let me be clear: As a keiki o ka aina, there is no way that I would advocate for a project that would desecrate or destroy the land of my birth.

We'll establish a semi-autonomous transit authority to manage the construction and operation of the system. A transit authority will give us an entity to operate and maintain the system. As we have seen in other transit cities, it would provide a business-like approach with clear accountability for contracting, procurement, compliance, and staffing. We're working with the Council on the wording for a Charter amendment to give you an opportunity to vote on its creation.

We're making tremendous strides with transit-oriented development, TOD for short. The areas surrounding the transit stations will be revitalized and renewed, believe me, as so many mainland municipalities, like Portland, Washington, D.C., and Phoenix, have experienced. We've been holding community-based workshops to encourage residents to tell us what they envision for their neighborhoods. We'll be working closely with the private sector to establish public-private partnerships that will underwrite the cost of TOD. We want private landowners to integrate their plans with ours to create vibrant, exciting neighborhoods in places like Kapolei, Waipahu, Pearl City, Aiea, Kalihi, Chinatown, Kakaako, Ala Moana, and eventually McCully, Moiliili, and UH Manoa, where we can live, work, and enjoy a quality of life second to none.

Looking even further into the future, I see rail transit as a boon to our environment as it enables us to concentrate development in the urban corridor and thereby preserve the green, open spaces that make our island so beautiful . . . lessens our dependence on the automobile and miles of roads for transportation . . . paves the way for attractive bicycle and walking paths . . . slashes our need for costly imported oil, which exports billions of our hard-earned dollars to oil-producing countries . . . and clears our air. It will be the realization of the 21st Century Ahupua`a in Hawaii nei.

But despite all the progress we've made, harkening back to my high school and collegiate playing days, we can't be a team that lets up just because we have a comfortable lead. There are two major steps awaiting us.

First, we have to publish our final environmental impact statement. Second, we need the FTA to authorize us to proceed with construction.

Regarding the EIS, for the past two years, we've followed all the federal and state requirements to make sure we do this right. The EIS has to be approved by those two jurisdictions. We published the draft version after it had been scrutinized by the FTA and the state transportation and health departments. That was followed by a public comment period, during which we received 3,000 comments, all of which we addressed in the final EIS. The state's Office of Environmental Quality Control has the lead at the local level and the governor closes the loop by formally accepting the EIS. These steps are critical to the timely approval of our project.

After that, we wait for the FTA to give us something called a record of decision, which signals we've met all the federal environmental requirements, gotten an okay from the White House Council on Environmental Quality, and received the FTA's concurrence.

Once that decision is handed down, we can give our contractor the notice to proceed with construction.

By rejecting the EIS, the state could put the kibosh on our work and end four years of herculean effort. Governor Lingle said recently—in reference to the Superferry and other projects—that groups oppose things, but rarely offer alternatives. She said, and I quote, “There were consequences for the political leadership here not stepping up and coming out strong and saying, ‘We need this. If there were steps that weren’t followed, let’s get that handled; but we’re for this alternative for our people.’ ”

This parallels a couple of personal leadership maxims that I hold near and dear: One, problems are not as important as solutions. Two, never base decisions on fear. We can complain, complain, complain, monku, monku, monku, but what we need is solutions. If any group or agency is contemplating a challenge to our project in these final hours, then I challenge them to offer a viable solution that is accompanied by a substantive funding source. For these reasons, I’m hopeful that the state and governor will give us the green light because there are no other meaningful alternatives on the table that will bolster the economy like rail during this very difficult period in Hawaii’s history. If you feel the way I do, let our state officials know that you are [quote] “for this alternative for our people.”

That said, I recognize the approving entities require time to examine our EIS, particularly some of the federal agencies that are just now responding to our draft, and with which we must enter into agreements before publishing our final EIS. I have said, the longer we delay, the more we’re going to pay. But I believe we must be prudent at this critical juncture because thorough preparation will contribute to our ultimate success. That’s why I’ve instructed our transit team to ensure our EIS can be held up to the most rigorous scrutiny.

I’m announcing today that I’m willing to push back our ground-breaking schedule for at least another month to allow the appropriate federal, state, and community organizations to cross the T’s and dot the I’s to bring to fruition what House Transportation and Infrastructure Chair, Congressman Jim Oberstar, has described as [quote] “the most exciting transportation project in the nation.”

Yes, it’s a compromise, but we’ve been willing to compromise along the way to keep this train moving, as we did with the state’s 10-percent take on the general excise tax surcharge during its 15-year life, delaying the inclusion of the airport route while the Council struggled to find five votes to make it happen, and other matters large and small.

But while I’m willing to wait to address these environmental matters, the longer we delay, the greater the chance the money will go away. The longer we delay, the greater the economic disarray. I speak, of course, of some in the state Legislature and administration desperately searching for a way out of their budget woes and eyeing our transit tax revenues as an easy take-away.

The federal government, meanwhile, could find many other uses for the tens of millions Senator Inouye has secured for transit. Transit systems in other cities would gladly jockey for a chance at Honolulu's share, just as they did in 1992. In fact, Senator Inouye has said, "It's now or never" for rail, and this from a man who's been Hawaii's political heartbeat for more than 50 years. That's the sense of urgency I must impress upon you.

Let rail be our gift to future generations. Rail will give us choices that only an integrated multi-modal transportation system can provide. Rail will give our youth a better quality of life. Rail will afford working men and women a convenient and economical means of transportation. Rail will enable seniors to preserve their mobility, independence, and dignity. My friends, let rail be our legacy . . . to ourselves, to our children, to their keiki.

[Video] *So join me—on board!*