



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION IX
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American Samoa,
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The Honorable Kirk Caldwell
Mayor of Honolulu
530 South King Street, Room 300
Honolulu, Hawaii 96813

DEC 6 2016

Dear Mayor Caldwell:

Thank you for your October 3, 2016 submission of an Interim Plan for the Honolulu Rail Transit Project (Project). As part of the Interim Plan, the City and County of Honolulu (City and County) and the Honolulu Authority for Rapid Transportation (HART) requested an extension of the due date for the Recovery Plan until July 30, 2017. The Federal Transit Administration (FTA) is amenable to an extension to April 30, 2017.

The Interim Plan proposes two options: Plan A – To meet the scope of the existing FFGA, the City and County's Preferred Financial Recovery Plan in which the City and County will take steps to secure a commitment of additional financial resources during the 2017 state and city legislative process; and Plan B – Build to Budget in which HART must develop a strategy to complete a project of independent utility within its current estimated revenue of \$6.8 billion. Please recognize that FTA is obligated to protect the public's very substantial investment in the Project. Although FTA recognizes that Plan A is the City and County's preferred option, the City and County must continue to advance Plan B sufficiently in the event that they are unable to obtain additional financial resources. This includes undertaking a detailed cost and schedule analysis of the proposed Plan B alignment that would end at the Downtown Station; completing ridership studies on the feasibility of de-scoping options; and implementing cost containment and cost reduction measures as appropriate. FTA continues to caution the City and County to refrain from any procurements or other actions that would foreclose viable options for maximizing Project benefits or prejudice FTA's decision on a Recovery Plan.

We appreciate the many challenges HART has faced in the design and construction of the Project and the progress made since our August meeting. Importantly, HART has hired a new Interim Executive Director, engaged the American Public Transportation Association to undertake a peer review with industry experts, and provided FTA the Interim Plan. We look forward to working with the new Interim Executive Director and receiving a Recovery Plan that demonstrates HART can complete the Project as quickly and efficiently as possible.

Sincerely,


FOR Leslie T. Rogers
Regional Administrator