



U.S. Department
of Transportation

**Federal Transit
Administration**

Administrator

1200 New Jersey Avenue, SE
Washington, DC 20590

JUL 21 2016

The Honorable Kirk Caldwell
Mayor of Honolulu
530 South King Street, Suite 300
Honolulu, HI 96813

Dear Mayor Caldwell:

Thank you for your June 24 letter seeking an extension of time for submittal of a Recovery Plan for the Honolulu Rail Transit Project (Project). The Federal Transit Administration (FTA) is amenable to an extension, but must insist that the City and County and the Honolulu Authority for Rapid Transportation (HART) provide FTA with such a plan no later than the end of this calendar year. Also, no later than the end of this August, HART and FTA must meet to discuss the immediate milestones and deliverables for an interim plan on how the Project will move forward, and I will expect that plan by the end of September 2016.

Please recognize, FTA is obliged to protect the public's very substantial investment in the Project, thus we need to know the City and County's intentions for resolving your planning, engineering, and financial issues as quickly as practicable.

For the future of the Project the City and County must make a fundamental choice to either reduce the scope of the Project, consistent with the financial resources currently available, or seek additional, non-Federal resources sufficient to complete the functional scope of work under our Full Funding Grant Agreement of December 2012, or undertake some combination of these. Your Recovery Plan must then be based on your decision whether to reduce the Project scope or seek additional, non-Federal resources, or both. **Logically, your first step will be to identify a range of viable options for cost containment, new investments in the Project, perhaps an interim terminus or deferral of certain stations, and an analysis of the costs and estimated ridership associated with each such option.** As local deliberations continue, FTA cautions 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.

My staff and I have several thoughts that should be discussed with HART during the month of August. Mr. Leslie Rogers, FTA Region IX Administrator, will call you to make arrangements for that purpose.

Sincerely yours,

Carolyn Flowers
Acting Administrator

cc: Mr. Dan Grabauskas
Mr. Leslie Rogers