



U.S. Department  
of Transportation

Federal Transit  
Administration

Administrator

1200 New Jersey Avenue, SE  
Washington, DC 20590

**SEP 21 2018**

Mr. Andrew S. Robbins  
Executive Director and Chief Executive Officer  
Honolulu Authority for Rapid Transportation  
1009 Alakea Street, Suite 1700  
Honolulu, HI 96813

Dear Mr. Robbins:

On June 29, 2018, the Federal Transit Administration (FTA) transmitted to you the Final Risk Refresh Report on the Honolulu Authority for Rapid Transportation's (HART) Honolulu Rail Transit Project. The report provided recommendations to HART for adjustments to scope, cost, schedule and project management activities to respond promptly to project risks. The report recommended a cost estimate of \$8.299 billion (excluding finance costs), which is \$134 million greater than HART's cost estimate of \$8.165 billion (excluding finance costs). The report also recommended a Revenue Service Date of September 2026 compared to HART's forecast of December 2025.

The FTA directed HART to revise its Recovery Plan, including the financial plan, to reflect the report's recommendations as well as the final selection of a procurement strategy for the City Center Guideway and Stations (CCGS) segment. The HART has not provided the revised Recovery Plan, nor has HART committed to a date by which it will deliver the revised plan.

The FTA has exercised considerable patience since requesting in August 2015 that HART provide additional information about the project budget and schedule in light of then-apparent problems. The FTA repeatedly has highlighted the need for action while working with HART to identify potential solutions. However, HART's repeated difficulties with identifying cost savings or sufficient funding have led to significant, recurring project schedule delays and cost increases. An illustrative example is that a year after HART's previous financial plan dated September 15, 2017 identified \$44 million in City of Honolulu funding for fiscal years 2018 and 2019, the steps to fully commit those funds remain incomplete.

Decisive and expeditious action is needed to prevent further cost escalation. First, FTA asks that a decision on the procurement method for the CCGS segment be made within 30 days of the date of this letter. Second, FTA asks that the revised Recovery Plan—with a financial plan sufficient to cover the total estimated project cost—be provided to FTA no later than 60 days from the date of this letter. Third, FTA asks that the \$44 million identified in HART's previous financial plan of September 15, 2017 be fully committed towards the project within 60 days.

Absent receipt of a suitable and timely response, FTA may proceed with the remedies set forth in the Full Funding Grant Agreement for this project.

Mr. Andrew S. Robbins

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Please contact acting Regional Administrator Ed Carranza (415-734-9490) in FTA's Region IX Office if you have any questions. As a courtesy, I am also copying Mayor Caldwell on this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Jane Williams". The signature is fluid and cursive, with a long horizontal stroke at the end.

K. Jane Williams  
Acting Administrator

carrollcox.com