

The following is the transcript from Governor Linda Lingle's opening remarks at today's presentation by the American Institute of Architects - Honolulu Chapter on the City's rail transit plan.

**GOVERNOR LINDA LINGLE OPENING REMARKS
AMERICAN INSTITUTE OF ARCHITECTS – HONOLULU CHAPTER
PRESENTATION ON HONOLULU RAIL TRANSIT
Monday, January 18, 2010**

I'd like to talk for a few minutes about how today's presentation came about. Then I'm going to share a few facts with you that I've learned. Then I'll introduce the panel from the American Institute of Architects – Honolulu Chapter.

I will tell you there are televisions outside this room so people can watch the proceedings even though we didn't have enough seats for everyone. I will also mention to those people who came early to get seats and noticed there were reserved seats here that we were holding. We did start out inviting specific people to watch this presentation. We have our state legislators here and I see some in the front row, we appreciate them very much – Senator Norman Sakamoto, Senator Sam Slom, Senator Robert Bunda and Senator Will Espero. There are also leaders from the community we asked if they had seen the (AIA) presentation or if they had heard about this, and when they said no, we included them.

Originally, this began late last year when the AIA came to visit me. They were one of several groups that I asked to meet with about the rail project. I met with leaders of groups such as the Outdoor Circle and Thousand Friends and heard them out. It wasn't until the AIA came in and made their presentation that I felt compelled to share this information with the public.

I am hosting this presentation in this format so everyone has an opportunity after the presentation to ask questions. This is not a public hearing. There is nothing to be decided today or in the days following but it is a chance for all of us and the broader community, because this is going to be broadcast on 'Olelo, it gives everyone an opportunity to hear this information.

After the presentation, you will have two ways that you can ask questions – you can either write a question out on a form that you've received or that will be passed out to you if you're not comfortable in coming to the microphone, or you can come to the microphone and then ask your question.

Before we begin the formal presentation, I want to thank the American Institute of Architects – Honolulu Chapter for being willing to share their information and point of view with the broader public. The members of the AIA are pro-transit. They are pro-development. They make their living off of development. But they have some concerns about the project as it's proposed and they wanted to present them to me and now, to the public. They have nothing to gain personally by making this presentation and I believe they have a lot to lose when it comes to future contracts with the City. I admire them for being willing to step forward in this fashion.

My largest concern about the project is the cost in how we will pay for it over the long-term. I'm referring not only to the construction cost but the ongoing operational and maintenance costs.

The Mayor and his Cabinet members and others that he has put forward on this project have made it a repeated point that I have been for transit. And they're correct. I have been for transit and I remain for transit. He repeatedly talks about decisions or positions taken back in 2003 or 2004. One of the most important issues I would want to raise – and I have raised with him – is that 2004, the economy doesn't exist anymore. To stay on the precisely exact tract that we did four or five years ago would make you the most unique project in the world. There is not another project – public or private – that has not had to make some adjustments in the pre-recession to the post-recession period.

If you look at the state's large modernization projects, we had multi-billion dollar in projects – our Airports Modernization and our Harbors Modernization projects. These are important projects. They are putting a lot of people to work but we have had to make adjustments. We have had to delay certain portions, not because we wanted to, but because the economy changed. The revenues are not the same and the project as originally conceived would not be sustained in today's economy. So we have to react because the taxpayers would have to support these modernization plans over the long-term.

I am not the only one concerned about the cost and financing of this plan. On a phone call late last week with Federal Transit Administration officials, Transportation Director Brennon Morioka, my Chief of Staff Barry Fukunaga and I participated in a call with people from FTA. They told us and I am quoting what they said in that call, that they had told the City that the City will need a stronger financial plan before they are allowed to go to final design. That's because the Feds have concerns about the financing. It's not surprising because it is such a large project for our community.

I felt good knowing that the federal government hired a consultant to review the financial plan of the City. This is something they do in all their large transit projects and they explained to us in great detail how they go about getting someone who has no connection to either the City or the federal government, they put them on contract to review the finances that have been proposed for the project.

Another point that we learned on that telephone call that I wanted to share with you today is that, although a contract has been awarded to Kiewit Construction Co., the Notice to Proceed has not been issued and cannot be issued until there is a record of decision on the federal EIS and a letter of no prejudice. Neither of those things has occurred yet. So construction cannot go forward until those two federal actions are taken.

The record of decision on the federal EIS will need to address issues such as still pending: historic preservation, issues from the federal National Parks service, the United States Navy and the O`ahu Burial Council.

Another point I would like to clear up – and I've heard the Mayor, and many of you heard on Saturday night at a meeting of the General Contractors Association – he encouraged the people in the audience to tell the Governor to approve the EIS. I want to be very clear with the general public. The Mayor has not submitted the EIS to the State. He has said it would arrive to us the first week of December. We are now approaching the latter part of January next week. We have not received the EIS. So the calls for me to approve something I don't have don't make any sense, other than they are political in nature. This is not a political exercise for me. This is an attempt to share with the general public the largest project in our state's history and the impacts some people believe it would have on the state. I've shared my concerns over the long-term financing of the project but I want to repeat this fact, the EIS has not been transmitted from the City to the State so there is nothing for me to review at this point, nothing for me to take action on.

Finally, the Mayor and others in the City have started to compare this project with the Superferry project. This is a silly comparison with no basis in reality. The Superferry did not use one dollar of public funding. We had reimbursable general obligation bonds that were paid for, and will be paid for, by the people who use the harbors. There's not one dollar of direct tax funding that ever went to Superferry or was pledged to Superferry or will be used for Superferry in the future.

In addition, there was never a requirement for an EIS for the Superferry until it was challenged and went to the State Supreme Court and then the Supreme Court made the ruling. The Superferry was treated the way every other ocean-related project was treated – whether it was Matson, NCL, Young Brothers or anyone else using our oceans. It was treated the same way, our Administration made the same decision, it's just that the Supreme Court changed the law with their decision. So this comparison with Superferry and the EIS and funding is just as a said, a silly comparison and it distracts from the facts that the AIA will present today.

Introductions of AIA members.

Jeffrey Nishi AIA

Jeffrey Nishi is an architect in private practice. He has a Bachelor of Architecture degree from the University of Arizona and has held positions in both the Honolulu Chapter and the Hawaii State Council of the American Institute of Architects. Most recently Jeffrey was 2009 President of the Honolulu Chapter of the AIA. He has also received three AIA Honolulu design awards for projects in Hawaii.

Peter Vincent AIA

Peter N. Vincent founded Peter Vincent Architects, an award-winning architecture and interior design firm, in Honolulu in 1992. He has experience in a broad range of projects from high-end residential to mixed-use and high-rise complexes in various areas of the world including, Boston, Italy, and Saudi Arabia. Peter was 2007 President of AIA Honolulu and currently serves as the Vice President of the Hawaii Architectural Foundation. He has been a part of the AIA's Urban Design Committee on transit and subsequent Transit Task Force since 2006.

Sidney Char AIA, CSI

Sidney Char, Senior Architect, has over 35 years experience in designing resorts, hotels, residential and commercial projects in Hawaii and internationally. He was the 2008 President of AIA Honolulu and serves on the Board of Directors of several community organizations, including Diamond Head Theater, Saint Louis school and the Business Banking Council.

Scott Wilson AIA

Scott Wilson is an architect in private practice specializing in residential and small commercial projects. He is a graduate of the University of Hawaii-Manoa with degrees in Architecture and Urban Planning. He is a member of the Board of Directors of AIA Honolulu and is Chair of the AIA Transit Task Force formed in 2008 to research and educate the public on the Honolulu Transit project.

Spencer Leineweber FAIA

Spencer Leineweber is a historical architect with 35 years experience in Honolulu. She is a Professor of Architecture at the University of Hawaii-Manoa. She is the 2010 President-elect of AIA Honolulu and was the representative of the AIA at the Section 106 meetings for the Honolulu transit project.

Philip Craig

Phil Craig has over 50 years of experience in the rail transit field. He holds a Bachelor of Science (Cum Laude) degree in Public Utilities and Transportation from New York University. His expertise is in planning design, construction and operation of heavy rail rapid transit system, light rail transit systems, main line suburban and long-distance railways and high-speed railways. He has held significant management positions with transport organizations in the United States, Great Britain and Greece. He also has served as a consultant in Canada, India, South Korea, Taiwan and Turnkey. Mr. Craig is a Past Chairman of the American Public Transportation Association's Subcommittee on Federal Rules and Regulations of its Committee on Mobility for the Elderly and Handicapped.