

March 9, 2008

The Mayor apparently intends to start the first stage of the rail line from Kapolei to Waipahu without federal funding and begin operating in 2012. He says the federal funding will come later.

However, this appears unlikely since any segment of a project in which the Federal Transit Administration is involved must be “of independent utility” — to quote their regulations.<sup>i</sup> In other words, each segment must satisfy the FTA’s cost-effectiveness tests on a stand-alone basis. Quite obviously, Kapolei to Waipahu is not a viable segment by itself.

The dangers here are that:

- If the City begins construction before it gets either full funding approvals or, short of that, an FTA Letter of No Prejudice, which gives the City permission to proceed, then the FTA is likely to yank all the funding as they did with Mayor Harris’s BRT program in 2004.
- Even if the FTA gives permission to proceed, they may subsequently find that the City does not qualify for funding because it fails the cost-effectiveness test for the Kapolei to Ala Moana Center segment.
- Or, the FTA may decide that, as it did in the case of the Dulles Airport rail extension, that the agency running the project, the Washington Metropolitan Airports Authority, did not have the necessary experience and expertise in constructing and running such a large \$5 billion project. Many would agree that a City that cannot seem to fill potholes might have difficulty with a \$5 billion (and counting) rail system.

All in all, there is a real danger that any precipitate move on the City’s part will result in local taxpayers having to fund the whole project from West Kapolei to UH Manoa. It will not stop at Waipahu; once started these rail projects are always finished — no matter what.

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<sup>i</sup> 23 CFR §771.111: “In order to ensure meaningful evaluation of alternatives and to avoid commitments to transportation improvements before they are fully evaluated, the action evaluated in each EIS ... shall: ... Have independent utility or independent significance, i.e., be usable and be a reasonable expenditure even if no additional transportation improvements in the area are made...”