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MAR 0 7 2025

SENATE CONCURRENT RESOLUTION

REQUESTING THE UNITED STATES TRANSPORTATION SECRETARY SEAN P. DUFFY TO INITIATE A PERFORMANCE REVIEW OF THE HONOLULU RAIL TRANSIT PROJECT.

WHEREAS, the Rail Project is the most expensive publicly funded project in the State of Hawaii, and due to its use of city, state and federal funding it is the Legislature's belief that a performance review under the 2024 Amended Full Funding Grant Agreement ("Amended FFGA") to determine whether satisfactory progress is being made to complete the Rail Project should be initiated by the United States Transportation Secretary Sean P. Duffy and the FTA; and

WHEREAS, Sections 17-101 and 17-103.1 of the Revised Charter of Honolulu 1973 (Amended 2017 Edition) establish the Honolulu Authority for Rapid Transportation ("HART"), which has the authority to develop the City's fixed guideway system, known as the Honolulu Rail Transit Project ("Rail Project" or "Project"); and

WHEREAS, ballot measures in 2008 and 2010 presented to and approved by the fully registered voters of the City and County of Honolulu ("City") approved the establishment of a public transit authority (now known as "HART") with the responsibility to establish the rail transit system; and

WHEREAS, on February 22, 2011, the City broke ground in East Kapolei near the site of the 1st of 21 stations for the 20mile rail route with an expected price of \$5.5 billion; and

WHEREAS, in 2012, the City and the Federal Transit Administration ("FTA") entered into a Full Funding Grant Agreement for the Rail Project providing federal grant funding to the City in the amount of \$1.55 billion, with the City pledging to complete the system for public use by 2020 at a total cost of \$5.2 billion; and

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WHEREAS, since breaking ground in 2011, the embattled Rail Project has faced massive cost overruns, huge delays, and multiple lawsuits which put the current timeline for finishing the Project in 2030, with an estimated cost of \$12.45 billion; and

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WHEREAS, the State of Hawaii has twice now passed legislation to bailout the plaqued Rail Project by providing additional funding of \$1.5 billion in 2015 and \$2.4 billion in 2017 through a general excise tax surcharge that is set to expire in 2030; and

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WHEREAS, in 2019 the Honolulu City Council approved Resolution 19-29, FD2 which supported the Office of the City Auditor initiating an independent forensic audit of HART, but plans were set aside in 2020 due to the global pandemic; and

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WHEREAS, in 2024 the City and the FTA signed an Amended FFGA with a stated purpose that included defining milestones of when the federal government would release remaining funds and facilitating a timely and efficient management of the Rail Project; and

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WHEREAS, Sections 15 and 19 of the Amended FFGA provide for Project Management Oversight through Hill International Inc., a consultant that monitors the rail project for the FTA, and governmental authority to review HART's performance and determine whether satisfactory progress is being made to complete the rail project; and

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WHEREAS, as late as 2024 it was reported that Hill International Inc. repeatedly flagged the Rail Project for problems it faced filling vacancies in critical positions; and

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WHEREAS, to date, HART has received just over \$1.1 billion in federal funding with another \$364 million expected as more Project milestones are met; and

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WHEREAS, on February 20, 2025, the United States Transportation Secretary Sean P. Duffy announced that the Federal Railroad Administration initiated a compliance review of

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the federal grants for the battered California High-Speed Rail Project which faces significant funding shortfalls and extreme delays similar to the Honolulu Rail Project; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2025, the House of Representatives concurring, respectfully requests the United States Secretary Sean P. Duffy and the FTA initiate a performance review under the Amended FFGA to determine whether satisfactory progress is being made to complete the Rail Project; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to United States Secretary of Transportation Sean P. Duffy, the Federal Transit Administration, Hill International Inc., consultant and Project Management Oversight for the Rail Project, and the Executive Director and Chair of the Board of the Honolulu Authority for Rapid Transit.

OFFERED BY:

