

STATEMENT OF

**PETER ROGOFF, ADMINISTRATOR
FEDERAL TRANSIT ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION**

**BEFORE THE
TRANSPORTATION & INFRASTRUCTURE COMMITTEE
U.S. HOUSE OF REPRESENTATIVES**

Thank you for inviting me to appear before you today to highlight the Federal Transit Administration's (FTA) role in assisting communities devastated by Hurricane Sandy 13 months ago. This historic storm triggered the worst public transit disaster in the history of the United States, disrupting more than half of our nation's transit service at the height of the event, and impacting more than one-third of the nation's ridership in the days following the storm.

We are proud of the tremendous progress made over the last year. Today, hundreds of skilled men and women are working above and below ground, repairing various transit substations in New Jersey; the Montague R Line train tube connecting Brooklyn with Manhattan; the Greenpoint Tunnel connecting Brooklyn with Queens; and much more.

FTA allocated to the hardest-hit transit agencies a total of \$5.7 billion for critical Sandy recovery and resiliency work in the span of approximately 16 weeks, beginning one week after President Obama signed the Disaster Relief Appropriations Act (Pub. L. 113-2) on January 29, 2013. That means FTA has already committed more than half—approximately 55 percent—of the available funds appropriated through the Disaster Relief Act (taking into account a \$545 million sequestration cut to the original \$10.9 billion amount) for relief and recovery to the hardest-hit transit agencies in New York and New Jersey, and several other areas also affected. FTA has set aside a significant amount of funds from the total amount appropriated to help the transit agencies begin investing in resiliency projects to help ensure that their assets – from trains and buses to stations and subway tunnels – are better able to withstand future disasters, such as major floods.

At this juncture, allocated funds have been obligated primarily to the Metropolitan Transportation Authority (MTA), Port Authority of New York and New Jersey (PANYNJ), New Jersey Transit (NJT), and the New York City Department of Transportation (NYCDOT). FTA also provided recovery funds to a number of other impacted agencies, including the Southeastern Pennsylvania Transportation Authority, Rhode Island Public Transit Authority, and Massachusetts Bay Transportation Authority.

The funding window is open and FTA stands ready to make the allocated funds available as soon as agencies present the applications to us and we are able to approve them. None of these rapid, early accomplishments to restore service would have been possible if FTA did not have the proper mechanism in place to facilitate action. The Emergency Relief Program is that mechanism, and I commend the Committee for granting our request in the Moving Ahead for Progress in the 21st Century Act (Pub. L. 112-141; MAP-21) to establish this essential program. When we proposed this program in the President's FY 2012 budget, we envisioned it as an important mechanism for strengthening FTA's authority, on par with the Federal Highway Administration, to provide timely disaster assistance to transit agencies whose assets are damaged or destroyed. The program has more than proved its purpose in the wake of Hurricane Sandy, and with your support, FTA's response stands as a model for Federal disaster assistance and a powerful reminder of what our nation can accomplish when we all work together.

FTA is committed to the highest levels of financial stewardship. Measures are in place to ensure that recipients will not be able to receive both insurance proceeds and Federal reimbursements for the same claims.

Effective Federal Collaboration Supported Early Recovery Efforts

Right at the outset, the U.S. Department of Transportation (DOT) and FTA were highly proactive in addressing the challenges posed by the superstorm—and that posture made a tremendous difference in our ability to respond swiftly and responsibly, with the express goal of helping the region restore access to vital transit service to millions of riders who depend on it daily.

In the days immediately before and after the storm, FTA worked closely as part of the larger DOT effort to develop a rapid-response strategy to assist transit providers in the short-run, while laying the foundation for the responsible administration of Federal-aid funds in the months ahead. Working with the Federal Emergency Management Agency (FEMA), FTA executed two mission assignments to oversee and engage FTA staff and its project management oversight contractors to conduct continuing damage assessments and cost-validation work for both operating and capital costs associated with restoring and rebuilding transit capacity. Those mission assignments allowed FTA and FEMA to work side-by-side almost immediately after the storm to evaluate the situation on the ground and conduct preliminary damage assessments.

FTA also drew upon its regional staff to stand up a Regional Emergency Response Coordinator for the New England Region to support the DOT's Emergency Support Function 1 under the National Response Framework. This provided daily on-the-ground monitoring and contact with the affected agencies to obtain a real-time view of challenges, needs, and progress. We also repositioned FTA staff to Joint Field Offices in New York and New Jersey to assist state and local governments and other infrastructure owners in the effort to restore transportation service. This level of response was accomplished even as FTA's own New York-based regional office was taken completely off-line for two weeks as a direct result of the storm.

These early joint efforts with FEMA and our experts on the ground allowed us to set responsible financial-aid goals, while also factoring in future insurance reimbursements the transit agencies would receive from their providers. Confident that help was on the way, the affected transit agencies did not hesitate to incur immediate expenses via in-house force accounts and third-party contracts so they could take necessary measures in the immediate aftermath of the storm to get the recovery effort started.

With these mechanisms in place, within days of the storm, MTA and PANYNJ began pumping over 65 million gallons of water from the New York City subway system and more than 125 million gallons of water from the World Trade Center site. By November 3, two of the East River tunnels on rail transit lines between Manhattan and Brooklyn, and Manhattan and Queens, were operational—contributing to MTA's ability to restore 80 percent of subway service very quickly.

FTA also assisted the Port Authority of New York/New Jersey in securing hard-to-find but essential equipment, like power circuit breakers, which were essential to reconnecting PATH rail service between New Jersey and mid-town Manhattan, as well as the World Trade Center station in lower Manhattan, and the rest of the Northeast corridor. We worked directly with the Chicago Transit Authority to obtain these parts and have them driven across the country to get those trains moving again.

By May 30, 2013, MTA had completed an extraordinary feat, restoring rail service for 35,000 riders who take the A Train from Long Island to Manhattan every weekday, thus reunifying Rockaway Peninsula with the rest of Queens. MTA was able to rebuild, test, and re-open several miles of rail in just seven months—an extraordinary feat, considering the complexity of the task.

On behalf of NJT, FTA worked with FEMA through the General Services Administration's Federal Acquisition service to procure 350 buses to temporarily replace lost rail service in New Jersey. This emergency service enabled commuters to access jobs in Hoboken, Weehawken, Jersey City, and

Manhattan. Seventy of those buses were ready for service the first week of November 2012, just days after the storm hit.

FTA also supported efforts by NJT to restore service on major commuter rail lines, including the North Jersey Coast Line, the Gladstone Line, and the Morris Essex Line. And we encouraged NJT to contract extra ferry service to provide additional transportation service between New Jersey and New York. Special ferry service was put into place from the Hoboken Inter-Modal Transit Terminal, which was severely damaged in the storm, to Pier 79 in midtown Manhattan; from Liberty State Park to World Financial Center in Lower Manhattan; and from Weehawken Terminal also to Pier 79.

FTA's Emergency Response Program Will Strengthen Response Capabilities When Adequately Funded

While FTA has been extraordinarily successful in rapidly responding to the needs triggered by Hurricane Sandy, an important note of caution is in order. At present, FTA has only those emergency relief funds that Congress made available exclusively for Hurricane Sandy. The President's FY 2013 and 2014 budget requests each sought \$25 million to capitalize the Emergency Relief Program for disasters throughout the country. To date, Congress has not appropriated those funds. I strongly encourage the Congress to appropriate those funds so, when the next disaster strikes and takes public transportation systems offline, FTA will be in a position to respond immediately.

For Hurricane Sandy, the Emergency Relief Program, along with proactive efforts by DOT, FTA, FEMA and other partners, enabled us to work swiftly to put a responsible, streamlined relief effort in place. FTA has made an extraordinary effort to make emergency relief and recovery funding available as expeditiously as possible, to ensure that millions of riders have access to the transit services they depend on. We continue to work very closely with the affected transit agencies as they draw down available funds from FTA to implement these important recovery projects.

Funding for Recovery and Resiliency Projects

FTA's first and highest priority for fostering resiliency among transportation systems is to better protect existing infrastructure and equipment from the impact of the next disaster.

FTA is confident that the funds set aside for recovery, along with local matching funds and insurance proceeds, will be sufficient to meet all of the recovery and restoration needs of the region. We consider it prudent, however, to reserve \$1.1 billion of the approximately \$4.5 billion remaining for recovery projects, to ensure the impacted agencies will have all of their recovery needs met. This decision reflects concerns that latent damage not yet identified, as well as increased project costs, could impact the transit agencies' ability to meet all of their recovery needs with the funds available.

The Disaster Relief Act allows funding to be directed to projects that reduce the risk of damage from future disasters in areas impacted by Hurricane Sandy. FTA has already allocated \$1.3 billion for locally-prioritized resiliency projects for transit agencies in the hard-hit New York-New Jersey metropolitan region. Approximately \$3 billion will be available for resiliency projects through a competitive process, which will evaluate projects designed and built to address future transportation vulnerabilities, primarily public transportation facilities, but also other surface transportation systems due to future emergencies or major disasters in the Hurricane Sandy impacted region.

Enhanced Project Management Oversight

FTA is enhancing its existing oversight structures and mechanisms, as well as the existing relationships we have with our grantees in order to administer the funds FTA has allocated for Hurricane Sandy recovery projects. All of these enhanced oversight efforts are in addition to FTA's well-established system of top-to-bottom triennial reviews of grantees, procurement reviews, and project management oversight.

To deploy oversight resources in a proactive, risk-based and efficient manner, we are conducting detailed risk assessments for each grantee and for every grant. Projects and grantees that pose additional risks in key oversight areas will be monitored more closely.

For grantees receiving more than \$100 million in funding cumulatively, FTA is requiring the use of internal grantee Integrity Monitors to help prevent or detect waste, fraud, and abuse. To prevent and detect improper payments, FTA has stepped up reporting requirements and is undertaking random reviews of grantee payment. To track insurance payments, FTA is requiring monthly insurance reporting and is closely coordinating with FEMA on procedures to appropriately allocate proceeds. To prevent double dipping FEMA and FTA are sharing information about grants and grantees and we are engaged in regular discussion. Finally, to ensure projects meet their promised benefits, and are delivered within budget and schedule, we will be deploying an array of tools to identify, reduce and monitor project risk.

Coordination with Hurricane Sandy Rebuilding Task Force

As a result of the extreme devastation caused by Hurricane Sandy, President Obama convened the Hurricane Sandy Rebuilding Task Force, composed of the leaders of Federal agencies responsible for various aspects of the recovery. Housing and Urban Development Secretary Shaun Donovan chairs the Task Force. The Task Force issued the Hurricane Sandy Rebuilding Strategy report in August 2013, laying out key principles for recovery, as well as related recommendations to guide the implementation of federally supported recovery efforts. DOT continues to work with the Task Force members on implementation of the recommendations.

We were proactive in implementing the Federal Flood Risk Reduction Standard adopted by the Task Force for all Sandy-related transportation repairs and resilience projects funded by the supplemental spending bill. FTA included the standard in its interim final rule for its Emergency Relief Program. The implementation of this standard means that all transportation infrastructures built in the Sandy-impacted region will adhere to a higher standard than in the past, taking into account the latest floodplain and sea-level rise data. For example, mechanical equipment would be elevated to avoid damage from future flooding. We have also extended the resiliency principles to our efforts responding to and recovering from the Colorado floods. Rebuilding in a resilient manner will be our standard for all future events.

Both scientific evidence and recent history indicate that weather and climate-related disasters are a continuing threat. According to the Hurricane Sandy Task Force, in 2012 alone, there were 11 different weather and climate disaster events across the United States, each of which resulted in estimated losses of \$1 billion or more. Taken together, these 11 events resulted in more than \$110 billion in estimated damages.

In recognition of this threat, we at FTA issued our own prescient report just before Hurricane Irene and more than a year before Hurricane Sandy, "Flooded Bus Barns and Buckled Rails: Public Transportation and Climate Change Adaptation," which provides professionals with information and analysis relevant to making U.S. public transportation assets and services more resilient to climate change impacts. The report provides examples of adaptation strategies and discusses how transit agencies might incorporate climate change adaptation into their organizational structures and existing activities such as asset management systems, planning, and emergency response.

Federal investment in the improved resilience of public transportation systems is intended to reduce the economic and social consequences of future disasters, including both the potential cost of rebuilding after the next storm and the social and economic consequences of suspended or inoperable transit service on the riding public. In the New York-New Jersey region, it is particularly important to focus on regional investments that protect the larger transit network—a network that serves far more transit passengers than any other region of the country. Absent adequate regional coordination and planning, investments to protect one rail yard against rising waters might only serve to flood a neighboring rail yard that supports services to an even greater number of passengers. As such, FTA will be particularly supportive of regional solutions that address the protection of the tri-state transit network on the whole.

And, as I have already stated, our highest priority will be on protecting the transit infrastructure that serves millions of citizens each day.

Conclusion

FTA's Public Transportation Emergency Relief Program and the funding appropriated through the Disaster Relief Appropriations Act have made a tremendous difference to millions of residents and especially commuters living and working in the most transit-dependent region of the country. FTA will continue to work closely with those hit hardest by Hurricane Sandy to ensure they can recover from this major disaster and emerge stronger than before. Investing in the protection of the region's infrastructure now will help reduce the impact of travel delays, disruptions, and economic losses when the next big storm hits.

We look forward to continued efforts to make meaningful progress in New York and New Jersey as they propose essential transportation projects to further expedite recovery from Hurricane Sandy and lay the foundation for a more resilient future. We stand ready to provide the funds appropriated for this purpose as expeditiously as possible, while maintaining stringent oversight of taxpayer dollars. And we call on Congress to fund the President's budget request to capitalize FTA's Emergency Relief Program, to ensure that communities around the country have a Federal partner willing and able to help restore public transportation service damaged by a catastrophic emergency.

Thank you and I am happy to answer any questions you may have.

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