



Committee on Transportation and Infrastructure
U.S. House of Representatives

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November 6, 2013

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SUMMARY OF SUBJECT MATTER

TO: Members, Committee on Transportation and Infrastructure
FROM: Staff, Oversight and Investigations
RE: Full Committee Oversight Hearing on “Progress Report: Hurricane Sandy Recovery – One Year Later”

PURPOSE

The Full Committee will meet on Thursday, November 14, 2013, at 10:00 a.m. in 2167 Rayburn House Office Building to receive testimony related to Hurricane Sandy recovery efforts, including the implementation of the Disaster Relief Appropriations Act of 2013 and the Sandy Recovery Improvement Act of 2013 (collectively, the “Sandy Supplemental”, P.L. 113-2). At this hearing, the Committee will hear from and review the progress of the Federal Transit Administration (FTA), the Federal Highway Administration (FHWA), the Federal Railroad Administration (FRA), the Federal Emergency Management Agency (FEMA), and the U.S. Army Corps of Engineers (Corps) toward implementing the recovery objectives, allocating funding, and meeting deadlines mandated in the Sandy Supplemental. The Committee will hear from Administrator Peter Rogoff of FTA, Administrator Victor Mendez of FHWA, Administrator Joseph Szabo of FRA, Deputy Associate Administrator for Response and Recovery Elizabeth A. Zimmerman of FEMA, and Lieutenant General Thomas P. Bostick of the Corps.

BACKGROUND

Hurricane Sandy made landfall in New Jersey on October 29, 2012. The Category 1 hurricane was responsible for approximately 131 deaths and \$50 billion in economic losses according to a February 2013 report from the Congressional Research Service. The Sandy Supplemental was enacted on January 29, 2013, and included \$50.5 billion¹ in disaster assistance for certain government agencies to assist, improve, and streamline Hurricane Sandy recovery efforts. Continuing oversight of how programs under the Committee’s jurisdiction are impacting the recovery effort is and will remain a priority for the Committee.

¹ All Disaster Relief Appropriations Act and Sandy Recovery Improvement Act funding levels are quoted as enacted in Public Law 113-2. Funding was subsequently subject to the Budget Control Act of 2011 (P.L. 112-25).

Federal Transit Administration

MAP-21 established a public transportation emergency relief program to reimburse states and transit agencies for emergency response and recovery costs associated with a natural disaster or catastrophic failure. This program, created only four months before Hurricane Sandy made landfall, gave the Federal Transit Administration (FTA) significant new authorities and had not yet been fully implemented at the time the storm struck the east coast. As a result, FTA was forced to expedite its development of the rules and regulations to administer the emergency relief program in order to provide timely assistance to affected states and transit agencies. The Sandy Supplemental required that FTA enter into a Memorandum of Agreement (MOA) with FEMA to assign roles and responsibilities of each respective agency, and issue an Interim Final Rule (IFR) governing the emergency relief program prior to releasing the majority of the funds. That MOA was executed on March 4, 2013, and the IFR was issued on March 29, 2013.

Shortly after Hurricane Sandy hit, FTA worked with FEMA to conduct detailed damage assessments in affected areas. Those assessments, which covered affected entities such as the Metropolitan Transit Authority (MTA); New York City Department of Transportation (NYCDOT); Port Authority of New York and New Jersey (PANYNJ) and Port Authority Trans Hudson (PATH) rail; and New Jersey Transit (NJT), included an initial overall cost of recovery and rebuilding and totaled approximately \$5.8 billion. The assessments also identified \$10.1 billion in potential mitigation and resiliency improvements for existing assets.

The emergency relief program in MAP-21 authorized such sums as may be necessary, subject to appropriations, to carry out these activities. The Sandy Supplemental provided \$10.9 billion for FTA's emergency relief program for recovery and relief efforts in areas affected by Hurricane Sandy, 0.75 percent of which was set aside for program administration, management, and oversight. Of the amount provided for FTA, \$6 million was for the Department of Transportation's Office of the Inspector General for oversight and audit functions. The Sandy Supplemental required that of that total, \$2 billion was to be made available within 60 days of enactment – by March 30, 2013 – for immediate distribution to eligible applicants. FTA allocated the initial \$2 billion to affected recipients on March 29, 2013. The remaining \$8.9 billion was subject to the requirements that FTA sign the MOA with FEMA and issue the IFR prior to allocation.

FTA made an additional funding allocation on May 29, 2013, with \$2.4 billion going to eligible recovery and rebuilding projects and \$1.3 billion for eligible local priority resiliency projects. FTA plans on allocating additional funds for recovery and rebuilding and announcing the availability of competitive funding for eligible resiliency projects in the near future. In total, \$5.7 billion of the \$10.9 billion that was appropriated has been allocated.

Federal Highway Administration

The Sandy Supplemental provided \$2 billion for FHWA's existing emergency relief program. This funding was provided for emergency relief projects nationwide, including Hurricane Sandy recovery efforts. Of those funds, \$297.5 million has been allocated for Hurricane Sandy recovery to date. The funds are being used to reimburse the states for expenses

associated with damage from Hurricane Sandy, including reconstructing or replacing damaged highways and bridges, creating temporary detours, and replacing safety devices.

Federal Railroad Administration

The Sandy Supplemental provided a total of \$118 million to Amtrak. Of this amount, \$32 million was provided to Amtrak for expenses related to the consequences of Hurricane Sandy. The remaining \$86 million was appropriated to Amtrak to advance capital projects that addressed Northeast Corridor infrastructure recovery and resiliency in the affected areas. As a condition of receiving the \$86 million, Amtrak was prohibited from using any capital and debt service grants provided in the Sandy Supplemental or any other Act for operating expenses, including temporary transfers. Because Amtrak had temporarily transferred funding appropriated under another Act from its working capital account to its operating account in violation of this prohibition, FRA was unable to allocate the recovery and resiliency funds.

In May of 2013, FRA announced that the entirety of the \$32 million provided to Amtrak for repairs would be allocated to the Northeast Corridor. Of that amount, \$20.1 million was allocated to expenses associated with pumping water from tunnels and debris removal and for immediate and on-going repairs to vital infrastructure needed to operate the more than 2,000 trains that traverse the Northeast Corridor each day. The balance of the grant money will fund repairs to the East Tunnel that connects Manhattan and Queens, the North River Tunnel that connects New Jersey and New York City, and other facilities.

In May 2013, under the authority provided to the Secretary of Transportation in the Sandy Supplemental, FTA transferred \$185 million from its emergency relief program to FRA for resiliency projects. This money has been provided to Amtrak for the Hudson Yards project in New York City. These funds will provide for construction of two flood-resistant tunnels under the Hudson River, which will provide a pathway for future additional, flood-resistant railroad tracks between New York and New Jersey. Construction on the concrete casing began in August 2013, and is scheduled for completion in October 2015.

Federal Emergency Management Agency

The Sandy Recovery Improvement Act (SRIA), enacted as part of the Sandy Supplemental, made certain reforms to FEMA's processes intended to speed up and streamline Hurricane Sandy recovery efforts, reduce costs, and improve the effectiveness of several disaster assistance programs authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Key reforms included expedited debris removal and public assistance alternative procedures that allow for the use of cost estimates and consolidated projects; federal assistance to individuals and households that allows FEMA to make limited repairs, instead of lease payments, for the purpose of providing housing when less expensive; streamlined environmental review of hazard mitigation projects by providing states with advanced hazard mitigation assistance and state administration of hazard mitigation grants; and the establishment of a limited dispute resolution pilot program to resolve disputes over assistance and drive projects to closure and avoid cost overruns.

Operating under its existing authority and providing funds through the Disaster Relief Fund, as well as through additional funding provided by the Sandy Supplemental, FEMA has

provided more than \$3.2 billion to fund emergency work, debris removal, and repair and replacement of infrastructure as of October 15, 2013, to areas affected by Hurricane Sandy. FEMA also provided more than \$1.4 billion in Individual Assistance to more than 182,000 survivors of the storm.

FEMA coordinated activities with federal and state partners in the affected areas. FEMA worked with FTA and other partners in conducting initial damage assessments immediately following the storm, and signed an MOA with FTA as required by the Sandy Supplemental on March 4, 2013. The MOA outlines the roles and responsibilities of both agencies in providing federal assistance to repair and restore public transportation systems in the wake of the storm.

FEMA approved more than 2,400 projects, totaling over \$1 billion, to help remove Hurricane Sandy debris in affected areas; provided more than \$1.3 billion to support first responders and emergency protective measures; and partnered with the Department of Defense and the Department of Energy to deliver supplies and provide electric power to affected areas. FEMA also has provided approximately \$402 million to the New York City Department of Environmental Protection for emergency and infrastructure repairs to homes, waste water treatment plants, pump stations, drinking water facilities and sewers; more than \$74 million in hazard mitigation grants; and approximately \$329 million to area hospitals and schools.

U.S. Army Corps of Engineers

The Sandy Supplemental made available \$5.4 billion to the Corps. Of this amount, \$50 million is for ongoing storm damage reduction studies and for a comprehensive coastal flood risk study in Hurricane Sandy-impacted areas of the Corps North Atlantic Division and \$10 million to cover expenses for oversight of emergency response and recovery activities.

Of the amount provided to the Corps, the Construction Account received \$3.5 billion in supplemental funding for rehabilitation, repair, and construction of Corps projects. Nine million dollars was for existing construction projects, while \$3.5 billion is for all other construction needs. These funds are available to projects provided that they reduce future flood risk and support long-term sustainability in coastal areas of the North Atlantic Division affected by Hurricane Sandy. The Sandy Supplemental allowed for the nonfederal share of ongoing construction activities to be repaid over 30 years.

Of the amount provided to the Corps, the Flood Control and Coastal Emergencies account received \$1 billion. . Of this amount, \$430 million is to restore projects impacted by Sandy to their design profiles. For its Operation and Maintenance account, the Corps received \$821 million for the dredging of navigation channels and project repair. In both of these accounts, the funds are limited to expenses related to the consequences of Hurricane Sandy.

WITNESS LIST

The Honorable Peter M. Rogoff
Administrator
Federal Transit Administration

The Honorable Victor M. Mendez
Administrator
Federal Highway Administration

The Honorable Joseph Szabo
Administrator
Federal Railroad Administration

Elizabeth A. Zimmerman
Deputy Associate Administrator, Office of Response and Recovery
Federal Emergency Management Agency

Lieutenant General Thomas P. Bostick
Commanding General and Chief of Engineers
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