

**STATEMENT OF  
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BEFORE THE  
SUBCOMMITTEE ON HOUSING, TRANSPORTATION AND  
COMMUNITY DEVELOPMENT  
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS  
U.S. SENATE  
*“Recovering from Superstorm Sandy: Rebuilding our Infrastructure”***

**DECEMBER 20, 2012**

Mr. Chairman, Ranking Member DeMint, and Members of the Subcommittee:

Thank you for inviting me to appear before you today to discuss Hurricane Sandy’s devastating impact on public transportation systems and to discuss the Obama Administration’s budget request for assistance through the Federal Transit Administration’s (FTA) newly authorized Public Transit Emergency Relief program.

Hurricane Sandy triggered the worst transit disaster in U.S. history. On the Tuesday morning following the storm, more than half of the nation’s daily transit riders were without service. Even in the days that followed, as services in Boston, Philadelphia, Baltimore, and Washington, D.C. came back on line, 37 percent, or well over one-third, of the nation’s public transit riders still had no access to regular train or bus service. In the days that followed, the heroic efforts of thousands of transit and utility workers throughout the region allowed services to be brought back up incrementally. But, even today, there are passengers in the Rockaways and those who typically take the PATH trains from Hoboken Terminal into Lower Manhattan who are waiting to return to their normal commuting pattern.

We applaud the outstanding and tireless efforts demonstrated by emergency responders throughout the region who have worked together with the Metropolitan Transportation Authority (MTA), the Port Authority of New York and New Jersey, Amtrak, New Jersey Transit and others in the weeks since the storm to restore as much service as possible, as quickly as possible.

Even before the storm hit the impacted region, the leadership of the U.S. Department of Transportation (DOT) and the FTA were in careful and regular communication with the leadership of the responsible transportation agencies throughout the region.

Following the superstorm, the 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. Among the steps the FTA has taken thus far:

- FTA worked with the Federal Emergency Management Agency (FEMA) through the General Services Administration's Federal Acquisition service to procure 250 buses to temporarily replace lost rail service in New Jersey. This enabled commuters to take buses to ferry terminals or directly to Manhattan.
- FEMA issued FTA two mission assignments directing FTA to oversee and engage 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. These early joint efforts with FEMA are expected to allow us to compensate the impacted transit agencies promptly once assistance is made available by Congress.
- FTA worked with the Chicago Transit Authority to secure hard-to-find but essential equipment so that PATH service could be restored between New Jersey and New York.
- FTA 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 provides daily on-the-ground monitoring and contact with the affected agencies to obtain a real-time view of challenges, needs, and progress.
- FTA repositioned 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.

We believe these are all important steps in the right direction, but a great deal of work remains to be done as we move into the recovery and rebuilding phases of the disaster.

Thankfully, President Obama has responded to the needs of the region by promptly requesting resources to aid in the recovery of the region.

In total, the Administration's Supplemental Appropriations Request for Disaster Assistance seeks \$60.4 billion in federal resources for response, recovery, and mitigation related to Hurricane Sandy damage in all affected states. This includes efforts to repair damage to homes and public infrastructure and to help affected communities prepare for future storms.

The DOT's share of the President's total request is \$12.07 billion, of which \$370 million supports restitution of highways and bridges, aviation, and freight railroad infrastructure. The majority share —\$11.7 billion—would be directed to the FTA to repair and replace the affected public transit infrastructure and make it far more resilient.

The FTA's \$11.7 billion request reflects two important and related purposes:

First, based on our ongoing cost-validation work with FEMA, FTA is requesting that \$6.2 billion be directed to FTA's newly established Public Transportation Emergency Relief Program to aid in the repair and restoration of public transportation infrastructure in the New York City metropolitan area destroyed or damaged by Hurricane Sandy, including infrastructure controlled by the MTA, the Port Authority, New Jersey Transit, and the New York City Department of Transportation, as well as other transit providers throughout the impacted region. I want to thank the Senate Banking Committee for its leadership in establishing this program in response to the Administration's budget request and my testimony before the Committee on May 19, 2011. I am also grateful to the Senate Appropriations Committee for responding to President Obama's request for aid by proposing \$10.78 billion in appropriations for the program. The support of both committees was both timely and prescient.

The Public Transportation Emergency Relief program was created in the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) (Public Law 112-141)—the surface transportation reauthorization enacted on July 6, 2012. In the past, assistance for transit agencies to respond to and recover from Stafford Act disasters has typically been provided through FEMA. FTA's Emergency Relief program addresses recommendations made by the Government Accountability Office in 2008 that DOT should evaluate the feasibility of options to increase FTA's authority to provide financial disaster assistance to transit, noting that FTA has the capability to fulfill those roles and responsibilities; sufficient experience in dealing with needs of public transit providers and federal transit assistance; and can target emergency relief funds to transit providers with the greatest needs.

MAP-21 requires that DOT and FEMA work in concert to make sure that the use of emergency funds are coordinated. FTA's mission assignment from FEMA offers an opportunity to reach a single cost estimate for each damaged asset, or set of assets, which can then serve as the basis for reimbursement by the FTA Emergency Relief program.

The FTA's \$6.2 billion funding request assumes that a non-Federal match of 10 percent will be required and that funding will not be used to supplant third-party insurance coverage. In addition, an appropriate set-aside should be provided for transfer to the DOT's Inspector General for oversight of spending provided for Hurricane Sandy response and recovery, and an appropriate take-down must be provided for FTA's oversight and administrative expenses.

It is extremely important that going forward, we rebuild our public transit and other transportation systems with greater resiliency, so they are able to better withstand powerful natural and man-made disasters. This also entails building greater redundancy into public transit and other transportation systems, to ensure that viable alternatives are available when primary systems—like the New York subway—are crippled.

Therefore, the second component of the FTA's funding request is for \$5.5 billion to support resiliency investments to make the region's transportation infrastructure able better withstand and recover from coastal flooding and other weather-related challenges.

This will entail not only excellent financial stewardship, transparency, and accountability, but also unprecedented cooperation with our counterparts in numerous federal departments and at the state and local level.

Regional cooperation will be critically important for identifying the right resiliency investments. To foster greater regional cooperation and information-sharing and analysis, and address these challenges in a coordinated fashion, President Obama on December 7, 2012 created the Hurricane Sandy Rebuilding Task Force (Executive Order 13632), and appointed Department of Housing and Urban Development (HUD) Secretary Shaun Donovan as chairman. As President Obama stated on standing up this Task Force:

A disaster of Hurricane Sandy's magnitude merits a comprehensive and collaborative approach to the long-term rebuilding plans for this critical region and its infrastructure. Rebuilding efforts must address economic conditions and the region's aged infrastructure—including its public housing, transportation systems, and utilities—and identify the requirements and resources necessary to bring these systems to a more resilient condition given both current and future risks.

In anticipation of these objectives, Deputy Transportation Secretary Porcari and I hosted a meeting with HUD Secretary Donovan last week in New York City to jump-start the local process on coordination of resiliency investments. We met with executives of Amtrak, the MTA, New Jersey Transit, and the Port Authority of New York and New Jersey to discuss resiliency investments and the need for multi-agency collaboration with the Task Force under Secretary Donovan's leadership.

All of these initial efforts set the stage for making the necessary investments to rebuild our infrastructure and defend it against future incursions. As regional response plans are formulated, with guidance and assistance from FTA and other federal agencies in partnership with state, and local entities, they will be instrumental in presenting options that can be ranked by their estimated cost-effectiveness, and developed in coordination with the Task Force.

As the Office of Management and Budget (OMB) has reported, current projections are that Sandy is on track to be the second or third most costly natural disaster in U.S. history, behind

Hurricane Katrina (2005) and close to Hurricane Andrew (1992). The setback to our public infrastructure was extremely severe. In Manhattan alone, all seven subway tunnels under the East River flooded, as did the Hudson River subway tunnel, the East River and Hoboken River commuter rail tunnels, and the subway tunnels in lower Manhattan. The South Ferry transit terminal, rebuilt and modernized with significant federal assistance within the last three years, was virtually destroyed.

We cannot, as a nation, afford to be caught unprepared time after time as events like these befall us with little warning. We must prepare, and be prepared, to protect and preserve the public transportation infrastructure and other assets that the United States depends on to move people and goods, maintain the free flow of commerce, and drive our economy forward.

The havoc wreaked by Hurricane Sandy was a tragedy and also a wake-up call. It brought into sharp focus the need for us as a nation to do a better job of building public transportation systems—and all of the infrastructure our economy depends on—to withstand strong physical forces. As Deputy Transportation Secretary Porcari has said, our watchwords must be resilience, redundancy, and regionalism.

FTA and DOT will continue to work with all partners at the table—federal, regional, and local—to recover from this disaster and apply new lessons learned for the future. And we are committed to ensuring all federal resources appropriated to us are used responsibly and that the recovery effort is a shared undertaking.

Thank you, Mr. Chairman and members of the Subcommittee, for inviting me to testify today. I would be happy to respond to any questions you may have.