

**STATEMENT OF
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FEDERAL TRANSIT ADMINISTRATOR**

BEFORE THE

**COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS
BANKING SUBCOMMITTEE ON
HOUSING, TRANSPORTATION, AND COMMUNITY DEVELOPMENT
U.S. SENATE**

HEARING ON

HURRICANE SANDY

SEPTEMBER 18, 2013

Mr. Chairman, Ranking Member Moran, and Members of the Committee:

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 nearly one year 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.

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 preceding and immediately following 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. DOT issued \$59 million in quick-release emergency relief funds within weeks of the storm to get roads, bridges, and tunnels on the path toward recovery. 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.

And we drew upon our 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.

For example, within days of the storm, the New York Metropolitan Transportation Authority (MTA) and the Port Authority of New York/New Jersey 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 the 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 Port Authority Trans-Hudson (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 CTA in Chicago to obtain these parts and have them driven across the country to get those trains moving again.

And by May 30, 2013, the 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 New Jersey Transit (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.

We 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 Strengthens Response Capabilities

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 (MAP-21) to establish this essential program. When we proposed this program in the President's FY2012 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, the 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.

An important caution is in order, however. Hurricane season is once again upon us. And, at present, the FTA has only those emergency relief funds that were 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 Response 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. To date, FTA has succeeded in allocating to the region's 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 others also affected. We are grateful to this Committee for its support. Nearly one-third of the total funds allocated have been set aside by FTA 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, \$577 million of the funds committed have been obligated, primarily to the MTA, PATH, NJT, and the New York City Department of Transportation. FTA also provided recovery funds to the Southeastern Pennsylvania Transportation Authority, Rhode Island Public Transit Authority, and Massachusetts Bay Transportation Authority.

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 transit systems is to better protect existing transit facilities and equipment from the impact of the next disaster. Taxpayers should not be asked to pay for the restoration and recovery of public transportation assets a second or third time. And the transit riders of New York and New Jersey, in particular, should not have to put up with the stress, the cost, and the inconvenience of having the same transit facilities destroyed by one storm after another.

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 to 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 appropriates up to \$5.383 billion (less the sequester amount of \$545 million) for projects related to reducing 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 remains available for resiliency projects, which are projects designed and built to address future vulnerabilities to a public transportation facility or system due to future emergencies or major disasters that are likely to occur in the same geographic area or where there are projected changes in development patterns, demographics, or extreme weather or other climate patterns.

FTA will soon issue a notice of funding availability (NOFA) directed at capital projects that will reinforce critical infrastructure necessary to support public transportation systems in the region impacted by Hurricane Sandy. This funding will be available on a competitive basis.

The cost of making all public transportation assets in the New York-New Jersey region even more immune to future disasters would be quite substantial and these costs are not fully known. The remaining Disaster Relief Act funds that have yet to be allocated will not come close to meeting the contemplated resiliency needs of the public transportation systems in the region affected by Hurricane Sandy. Awarding funds for resiliency projects on a competitive basis allows project sponsors across the impacted region—any of whom could be affected by a future storm of unknown magnitude or location—to advance their best and most important projects to protect the region's transit infrastructure.

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, who is testifying today, chaired 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. Those recommendations will certainly inform our direction as we develop our Notice of Funding Availability. Specifically, the task force has recommended that Sandy-rebuilding infrastructure projects be designed to increase the resilience of the region and be regionally coordinated. We will seek to incorporate the need for a comprehensive, science-based analysis; transparency in the decision making process; fiscal and environmental sustainability; performance standards; and targeted financial incentives.

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 the last year alone, there were 11 different weather and climate disaster events across the United States with estimated losses exceeding \$1 billion each. 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,” that 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.

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 regions impacted by Hurricane Sandy. FTA will continue to work closely with the transit agencies hit hardest by Hurricane Sandy to ensure they can recover from this major disaster and emerge stronger than before. The millions of riders in New York and New Jersey deserve a robust public transportation network that can deliver the service they depend on every day. Investing in the protection of the region’s

transit 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 with our transit agency partners in New York and New Jersey as they propose essential public 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 continue funding 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.