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PROGRESS REPORT: HURRICANE SANDY RECOVERY—ONE YEAR LATER

(113–41)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

NOVEMBER 14, 2013

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

Bill Shuster Chairman	Washington, DC 20515	Nick J. Rahall, II Ranking Member
Christopher P. Bertram, Staff Director	November 6, 2013	James H. Zoia, Democrat Staff Director

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 billion[1] 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
U.S. Army Corps of Engineers

PROGRESS REPORT: HURRICANE SANDY RECOVERY—ONE YEAR LATER

THURSDAY, NOVEMBER 14, 2013

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The committee met, pursuant to call, at 10:02 a.m., in Room 2167, Rayburn House Office Building, Hon. Bill Shuster (Chairman of the committee) presiding.

Mr. SHUSTER. The committee will come to order.

We are pleased to welcome our distinguished panel of witnesses for this morning's hearing: the Honorable Peter Rogoff, the Administrator of the Federal Transit Administration; the Honorable Victor Mendez, Administrator of the Federal Highway Administration; the Honorable Joseph Szabo, Administrator of the Federal Railroad Administration; Elizabeth Zimmerman, Deputy Associate Administrator for the Office of Response and Recovery for the Federal Emergency Management Agency; and Lieutenant General Thomas Bostick, Commanding General and Chief of Engineers, U.S. Army Corps of Engineers.

Thank you all very much for being here this morning.

The purpose of today's hearing is to review the progress of the gathered agencies in implementing the recovery objectives and meeting programmatic deadlines authorized and mandated in the Sandy Supplemental.

Hurricane Sandy made landfall on October 29th, 2012, as a Category One hurricane just south of Atlantic City, New Jersey. Sandy was responsible for more than 130 deaths and $50 billion in economic losses. As a result of the storm, the President made major disaster declarations in 12 States and the District of Columbia.

In response to this historic natural disaster, last January Congress passed and the President signed into law the combined Disaster Relief Appropriations Act of 2013 and the Sandy Recovery Improvement Act of 2013, known collectively as the Sandy Supplemental. The law authorized a new Emergency Relief Program within the Federal Transit Administration and provided $50.5 billion to certain Federal agencies who support disaster recovery and assistance.

The law also authorized much-needed reforms and streamlined disaster assistance programs authorized by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Key reforms included expedited debris removal, public assistance, alternative procedures, Federal assistance to individuals and households, and streamlined environmental review of hazard-mitigation projects.

Since Hurricane Sandy devastated the east coast, the Federal agencies have worked together with State and local partners to get storm-affected areas and its citizens back on their feet. Much has been accomplished, but there is still considerable work to do.

The committee is committed to continued oversight of recovery efforts and to working with the agencies represented in this morning's hearings to achieve programmatic goals laid out in the Sandy Supplemental. I look forward to hearing from the witnesses on this important progress made to date and how the committee can partner with agencies to ensure ongoing efforts are efficient and that any challenges to recovery efforts are addressed promptly.

Since your written testimony has been made part of the record, the committee requests that you limit your summary to 5 minutes.

And, with that, I yield to the ranking member, Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman. I join with you in welcoming our witnesses this morning.

Today's hearing is certainly timely. Over the weekend, we were reminded once again of the wrath that Mother Nature can visit upon humankind. News reports of the typhoon that struck the Philippines paint a grim picture of devastation and suffering, the magnitude of which is difficult to fathom.

It was just over a year ago that Hurricane Sandy made landfall on our own shores. Ten months ago, Congress appropriated tens of billions of dollars to aid in those recovery efforts.

Helping each other in times of need is an honorable American tradition and one that I believe deserves recognition as we tackle Federal budgetary constraints. It is in our nature to provide emergency aid to hard-hit communities, and it is our duty to ensure that funds Congress has appropriated are provided in a timely manner.

Although this hearing is entitled "Progress Report: Hurricane Sandy Recovery—One Year Later," Hurricane Sandy actually collided with a nor'easter, morphing into a monstrous superstorm. While the bulk of the damage occurred on the northeastern seaboard, the storm's reach extended far and wide. My own district in southern West Virginia experienced massive snowfalls and widespread power outages. The roofs of family-owned stores collapsed, destroying businesses. Trees toppled under the weight of the snow, creating impassible roads, isolating some residents and cutting them off from emergency assistance.

In addition to providing needed post-Sandy funding, Congress enacted the Sandy Recovery Improvement Act in January to provide more flexible recovery tools. I look forward to hearing from FEMA on the status of the implementation of that act, particularly on the status of the rulemaking to review, update, and revise the individual assistance factors, a matter I had specifically requested in the legislation, to ensure more timely and responsive disaster assistance and to direct greater attention to the kinds of losses that we saw in West Virginia and elsewhere.

I also look forward to hearing about the response and recovery efforts of public transportation systems damaged by Sandy. The damage to subway stations, tunnels, tracks, maintenance facilities, and rolling stock was staggering. By all accounts, transit systems in affected areas undertook impressive efforts to quickly restore

service to their millions of riders and took interim precautions for this storm season to better protect their assets. But now the longer term work must be done to ensure that systems are built back stronger.

Again, I thank you for this timely hearing, Mr. Chairman, and I yield back.

Mr. SHUSTER. I thank the gentleman. And, with that, we will start off with the Administrator for the Federal Transit Administration, Mr. Rogoff.

TESTIMONY OF HON. PETER M. ROGOFF, ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION; HON. VICTOR M. MENDEZ, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION; HON. JOSEPH C. SZABO, ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION; ELIZABETH A. ZIMMERMAN, DEPUTY ASSOCIATE ADMINISTRATOR, OFFICE OF RESPONSE AND RECOVERY, FEDERAL EMERGENCY MANAGEMENT AGENCY; AND LIEUTENANT GENERAL THOMAS P. BOSTICK, COMMANDING GENERAL AND CHIEF OF ENGINEERS, U.S. ARMY CORPS OF ENGINEERS

Mr. ROGOFF. Thank you, Mr. Chairman, Ranking Member Rahall, members of the committee.

Hurricane Sandy devastated communities in its path and triggered the worst public transit disaster in U.S. history. On the day that Hurricane Sandy hit the northeast region, more than half the transit trips in America were not available. And even days after the storm, as systems in Boston and Washington, DC, and Philadelphia came back online, fully a third of America's transit trips weren't available.

This truly was a national transit disaster that required a national response. And the Federal Transit Administration has been fully engaged in that response, beginning even days before Superstorm Sandy made landfall.

We are proud of the tremendous progress that FTA has made over the last year to help the region recover. As the chairman pointed out, a lot of work has been done and much remains to be done. Today, work is underway to repair transit substations in New Jersey, the Montague R Line train tube connecting Brooklyn and Manhattan, the Green Point Tunnel connecting Brooklyn with Queens, and many, many more projects are ongoing.

To date, we have allocated $5.7 billion to the hardest-hit transit agencies in New York and New Jersey and affected agencies in Pennsylvania, Connecticut, Rhode Island, and Massachusetts. The funding window is open. There are billions of dollars in restoration and construction activity going on as we speak. And we will be reimbursing the transit agencies for this work as they bring funding applications to us.

Our rapid response to help restore service would not have been possible without FTA's Emergency Relief Program. When President Obama first proposed this program in his fiscal year 2012 budget, it was envisioned as an important mechanism for strengthening FTA's ability to provide timely disaster assistance to transit agencies whose assets are damaged or destroyed.

I commend this committee for agreeing to the President's request and establishing this new program through MAP–21. It came just in time for Hurricane Sandy and has more than proven its worth. Through this new authority, we believe FTA's response stands as a model for Federal disaster assistance.

That said, I need to sound an important note of caution. At present, unlike our partners at the Federal Highway Administration, the FTA has no emergency relief funds available for any catastrophic event other than Hurricane Sandy. That means that we will not be able to respond in a timely way should transit assets suddenly be destroyed by a tornado in Arkansas, or a hurricane in Florida, or an earthquake in California.

The President's budget request for fiscal year 2013 and again in fiscal year 2014 each sought $25 million to capitalize the FTA Emergency Relief Program so that we can be at the ready. I strongly encourage Congress to appropriate these funds so, when the next disaster strikes, FTA will be in a position to respond.

For Sandy relief, as in all of our work, we are committed to the highest level of financial stewardship. We are ensuring that grantees don't receive both insurance money and Federal reimbursements for the same claims. We are also ensuring that grantees don't receive payments from both FTA and FEMA for the same expenses. We are expanding on our well-established procurement reviews and oversight processes to better detect and prevent any possibility of waste, fraud, and abuse.

Good stewardship also means that taxpayers should not be asked to pay for the restoration of the same assets a second or third time. It is important to remember that many of the transit assets that were flooded during Hurricane Sandy were also flooded just 1 year earlier during Hurricane Irene. The transit riders of New York and New Jersey 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.

That is why FTA, in accordance with the Disaster Relief Appropriations Act, has dedicated a significant portion of the appropriated funds to projects that will help transit agencies better withstand future disasters. Importantly, we feel that the taxpayer should not have to pay to restore these facilities a second or third time. That is also why, in allocating these resiliency funds, our highest priority will be on better protecting the existing vulnerable infrastructure that is serving millions of passengers each day.

Without adequate coordination, investments to protect one rail yard against rising waters might only serve to flood a neighboring rail yard that serves even more people. So FTA will be very focused on regional solutions that consider the entire tristate network as a whole.

As you can imagine, when making these resiliency investments, there is no point and no value to the traveling public or the taxpayer to protect one segment of a rail line if it is only going to flood out 5 miles farther down that rail line. So we will be looking at the systems as a whole and ensuring that the taxpayers' dollars get the greatest bang for the buck in protecting existing assets.

Thank you for your time. I will be happy to answer questions when all of the other panelists have spoken.

Mr. SHUSTER. Thank you very much.

And, next, the Administrator of the Federal Highway Administration, Mr. Mendez. You may proceed, sir. Thank you.

Mr. MENDEZ. Thank you very much. And good morning, Chairman Shuster, Ranking Member Rahall, and members of the committee. Thank you very much for this opportunity to discuss the Federal Highway Administration's Hurricane Sandy response efforts.

Our country has experienced a number of devastating disasters over the past year, from Hurricane Sandy to the recent Colorado floods. The Obama administration is committed to helping Americans recover from the damage caused by these and other natural disasters.

Although lives lost from such disasters can never be replaced, programs like FHWA's Emergency Relief Program play a pivotal role in helping communities rebuild critical transportation infrastructure. The ER Program provides funding to States for the repair and reconstruction of Federal-aid highways that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. The program also provides funding for roads on Federal lands.

In MAP–21, Congress made some changes to the ER Program, and FHWA acted quickly to issue ER implementing guidance to States prior to the act becoming effective. The Department also acted quickly to issue MAP–21 rulemaking establishing a new categorical exclusion for emergencies. We have already used the authority to help expedite the delivery of critical transportation projects in emergencies.

Transportation infrastructure plays a critical role in maintaining mobility for the American people, supporting our residents, our businesses, and our economy. The importance of our infrastructure comes into its sharpest focus after a natural disaster like Hurricane Sandy.

From the moment that Hurricane Sandy hit in late October of 2012, Federal, State, and local agencies worked closely together with an unprecedented level of cooperation to help impacted States rebuild and recover.

I am proud to say that the Department and FHWA have been at the forefront and center of all these efforts. Our priority was to provide needed aid very quickly to help get the region back on its feet and moving again by restoring the transportation system.

At FHWA, our response started less than 24 hours after the storm made landfall, as we began to process the region's first requests for ER funding to rebuild roads and bridges. Less than 48 hours after Sandy hit, FHWA made available the first quick-release funds, $10 million to New York and $3 million to Rhode Island. Days later, FHWA made additional quick-release funds available: $4 million to North Carolina, $10 million to New Jersey, and $2 million for Connecticut. About a month later, we provided an additional $20 million to New York and an additional $10 million to New Jersey.

To date, FHWA has provided nearly $671 million in ER funding to States and for Federal lands impacted by the storm. This includes funding to reopen a nationally significant landmark, Liberty

Island, as well as funding for critical coastal routes, including 12 miles of the Ocean Parkway in New York's Long Island and 12 miles of Route 35 along the New Jersey coast.

These are just a few examples of how States have used ER funds in the past year to restore important transportation facilities that were damaged by Hurricane Sandy. Emergency relief funds are helping States across the country undertake the massive job of restoring damaged roads and bridges so that the public can travel safely and communities can rebuild.

In addition to implementing the ER Program, FHWA is looking ahead to determine how we can help our infrastructure better withstand natural disasters and how we can deliver projects more quickly. We are engaged in activities across the country to identify vulnerable highway infrastructure and minimize the effects of natural disasters and catastrophic events.

We have also made some changes to our financial management practices and quick-release process to help States receive ER funding even more quickly.

As we continually brace for new natural disasters and catastrophic failures, FHWA remains committed to helping States repair and reconstruct infrastructure damaged by such events. We will continue to explore innovative technologies and other tools to help highway infrastructure better withstand the effects of extreme weather events.

So, with that, Mr. Chairman, I conclude my remarks and will be happy to answer your questions. Thank you.

Mr. SHUSTER. Thank you very much.

With that, the Administrator of the Federal Railroad Administration, Mr. Szabo. Please proceed.

Mr. SZABO. Thank you, Mr. Chairman. To you and Ranking Member Rahall and members of the committee, I appreciate this opportunity to testify this morning.

Hurricane Sandy is a vivid example of how closely our Nation's economic and social wellbeing is tied to the health of our transportation systems. With Northeast Corridor services shut down, already-overwhelmed highways experienced even higher levels of gridlock. Travel times for many commuters in so many cases doubled or tripled, if service was available at all. And when our transportation system suffers, travelers and businesses feel the pain.

This should serve as a lesson to us that, as we rebuild, we must ensure our transportation is more resilient. We must build more redundancy into the system. And we must continue approaching transportation planning regionally, just as we are today through a multistate rail planning effort we call NEC FUTURE.

FRA started preparing for Hurricane Sandy before it came ashore. We activated an emergency relief docket so railroads could apply for temporary regulatory relief to aid a timely response and recovery. And after Sandy's landfall, we coordinated technical assistance calls with railroad and industry associations that safely fast-tracked the recovery effort.

The damage was extensive. And let me be clear: The effort that went into quickly repairing ties, ballast, tracks, signal systems, pumping stations, circuit breakers, and other vital infrastructure

was truly remarkable. Overall, Amtrak had $31 million in infrastructure and equipment damage and $41 million in lost revenues.

To support the recovery effort, we provided $30 million to Amtrak through the Disaster Relief Appropriations Act of 2013. And to be better prepared in the future, we invested a transfer of $185 million from the FTA's Sandy recovery funding into the Hudson Yards right-of-way preservation project to secure a permanent path into Penn Station.

Another big step forward for increasing Northeast Corridor redundancy and resiliency came through the Sandy Appropriations Act, which included $81 million to assist such efforts. However, this money cannot be spent unless the restriction is lifted on Amtrak's ability to use working capital funds for operating expenses, as currently provided for under PRIIA. We propose an amendment in an appropriations bill to amend the Sandy Act to delete this prohibition on temporary fund transfers. That way, the money can be fully invested in better preparing the Northeast Corridor to face future natural disasters.

The Northeast Corridor has been the backbone of the region's economy for two centuries. Today, it serves a passenger rail market that is as strong and full of potential as any in the world. But its capacity is constrained and its resiliency, as Sandy taught us, must be fortified.

Clearly, we must better prepare the Northeast Corridor for future natural disasters. That is one challenge. But this challenge will be further served if we fully commit to positioning this vital transportation asset to support the Northeast's continued prosperity.

Our NEC FUTURE program is preparing us to move forward. It will provide Northeast Corridor States and stakeholders with a shared vision for investing in the types of rail services needed to meet demand through the year 2040. But an additional $25 million is needed to complete this critical effort.

Now is the time to complete the program. Now is the time to provide rail with the predictable and reliable Federal funding needed to strengthen the Northeast Corridor's resiliency and its redundancy, in addition to its overall safety, reliability, and efficiency.

Thank you. I look forward to questions.

Mr. SHUSTER. Thank you, Mr. Szabo.

And, next, from FEMA, Ms. Zimmerman. Please proceed.

Ms. ZIMMERMAN. Good morning, Chairman Shuster. Good morning, Ranking Member Rahall and members of the committee. I am very pleased to be here and have this opportunity to speak with you today.

When Hurricane Sandy hit landfall——

Mr. SHUSTER. Can you pull your microphone a little closer?

Ms. ZIMMERMAN. Sure.

Mr. SHUSTER. Thank you.

Ms. ZIMMERMAN. Is that better?

When Hurricane Sandy made landfall, battering dozens of States along the east coast, FEMA was there. We were on the ground before the storm, during the storm, and, obviously, after the storm. We were there supporting our State and local partners. We will be

there for as long as it takes to help the disaster survivors and the communities recover.

But FEMA does not do this alone. As it is noticed on the panel here, our partners from Department of Transportation as well as the Army Corps of Engineers are a part of the community that we refer to as a community as a whole—everybody working together in disaster response.

When it comes to the community working together, with our friends at the Department of Transportation and FTA, we have been working together very closely with the Sandy Recovery Improvement Act and those efforts that came together to join us in the partnership. We also have a longstanding partnership with the Corps of Engineers in response and recovery.

In response to Hurricane Sandy, this committee is more than aware of the 23,000 people that sought refuge in the temporary shelters as well as the 8.5 million people who lost power as a result of Hurricane Sandy. The storm flooded numerous roads, tunnels, blocked the transportation corridors, deposited extensive debris along the coastline, and displaced hundreds of thousands of people.

FEMA coordinated the Federal Government's response to Hurricane Sandy, working with its partners through the National Response Framework and issuing 425 mission assignments to 29 Federal agencies.

The recovery efforts from Hurricane Sandy were guided by the National Disaster Recovery Framework, which was published in 2011. The NDRF is a guide for how the whole community works together following disasters to best meet the recovery needs of the individuals, families, and the communities, States, and tribes.

It established a coordination structure for all interagency partners, called the recovery support function, to work together to solve problems to improve access to resources and foster the coordination among Government and private stakeholders. This structure remains in place and continues as we transition from our joint field offices to a Sandy recovery office, which will include both New Jersey and New York disasters, that are still open and will be transitioning within the next month.

For public assistance, FEMA is also providing grants through the Public Assistance program which assists State, local, and tribal governments, as well as certain private nonprofits, in response to recovery efforts. FEMA has obligated more than $3.2 billion in Hurricane Sandy Public Assistance Grants. This is for the 15 States that were impacted by Sandy.

In addition to assistance for the emergency protective measures and debris removal, FEMA's Public Assistance program provides funding for the repair, restoration, reconstruction, and replacement of infrastructure that was damaged or destroyed by the disaster.

Over 3,400 public assistance projects have been approved and more than $2.1 billion has been obligated in New York. In New Jersey, over 5,000 public assistance projects have been approved and over $950 million has been obligated. Eleven additional States that were declared for public assistance due to the efforts for Hurricane Sandy have been obligated an approximate $150 million in assistance.

For individual assistance programs, FEMA has provided assistance to over 182,000 disaster survivors in New York, New Jersey, and Connecticut. The forms of assistance include financial assistance, eligible home repair assistance and personal property loss, as well as medical and funeral expenses resulting from the disaster.

For the Sandy Recovery Improvement Act, the Sandy Supplemental, just under 100 days after Sandy made landfall, the Recovery Improvement Act came into law. It gave FEMA a great opportunity to implement many of the initiatives they have been working on and we have made significant progress on legislation impacting the agencies so that we could move forward from the post-Katrina reform act. But the Sandy Supplemental was by far the biggest change to the Stafford Act since the Stafford Act was signed into law.

FEMA has aggressively been applying the Sandy Recovery Improvement Act, tackling 18 lines of action, 8 regulatory projects, 2 reports, and at least 9 policies in the 383 days since Sandy descended on our shores. To date, 13 of the 17 provisions are tracking for the Sandy Recovery Improvement Act as we move these forward—provisions for public assistance, the alternate procedures for permanent work, public assistance, alternative procedures for debris removal, and the ability to federally recognized tribal governments as sovereign nations.

I would like to take this opportunity to thank all of you for the Sandy Recovery Improvement Act and the work that has moved forward on that.

In conclusion, I look forward to answering any questions that you may have on that as we move forward. Thank you.

Mr. SHUSTER. Thank you, Ms. Zimmerman. I appreciate that.

Finally, the Chief of Engineers of the U.S. Army Corps of Engineers, General Bostick. Please proceed.

General BOSTICK. Mr. Chairman, Ranking Member Rahall, and members of the subcommittee, thank you for the opportunity to testify before you today on the Corps' continued work on Hurricane Sandy recovery. I am also happy to join this panel of interagency partners because it truly is a team effort.

The support from the Federal Government during the response to Sandy was unparalleled, and the Corps was part of a larger team that provided technical assistance and rapid-response activities across the impacted areas. The success of these efforts was a result of a dedicated and determined interagency team, including the Corps, other Federal agencies, State and local governments, and many others.

On January 29th, 2013, the President signed into law the Disaster Relief Appropriations Act of 2013. The act appropriate $5.35 billion to the Corps to address damages caused by Hurricane Sandy and to reduce future flood risks in ways that will support the long-term sustainability of the coastal ecosystem and communities and reduce the economic costs and risks associated with large-scale flood and storm damages in areas along the North Atlantic coast.

The Corps' Hurricane Sandy recovery program is structured with three components: first, near-term; second, investigations; and, third, construction components. We continue to make progress on all of these efforts.

The near-term component supports emergency operations and repair and restoration of previously constructed Corps projects along the coastline and dredging of Federal navigation channels and repair of Corps-operated structures.

I will mention a few areas: Beach repair and restoration of existing projects along the Atlantic coast began in February of 2013 and is scheduled to conclude in the fall of 2014. The Corps has placed approximately 12 million cubic yards of sand to repair dunes and berms. Work continues to ensure these projects are restored to their original design conditions.

Thus far, the Corps has obligated over $400 million to restore damaged projects. The repair of navigation channels and structures damaged in the storm began in February of 2013, and most projects are scheduled for completion in the spring of 2015. Over $170 million has been obligated for this purpose.

The investigations component expedites completion of ongoing studies at full Federal expense and also funds the North Atlantic Coast Comprehensive Study to develop a risk reduction framework for the 31,000 miles of coastline within the North Atlantic Division's area that was affected by Sandy.

The comprehensive study team, which includes experts in coastal planning, engineering, and science from more than 90 governmental, academic, and nongovernmental entities, has developed a draft framework that is currently under review. The team will continue its review and develop various tools to assist with future planning efforts.

The study will also serve as a catalyst for future analysis that will reduce risk to vulnerable populations, property, ecosystem, and infrastructure. Up and down the coast, areas where there were risk reduction projects in place prior to Hurricane Sandy fared much better than those areas without protection.

The third component of the program, the construction component, will implement projects that were previously authorized but not constructed at the time of Hurricane Sandy landfall. It will also address projects identified for implementation following the investigation process as well as projects that fall within the Corps' Continuing Authorities Program.

Planning, design, and expedited reevaluations are underway for 18 authorized but not yet constructed projects, and construction on several projects is anticipated to begin early in 2014. Construction work on roughly half of these flood risk reduction projects is expected to be completed by mid-2015. The remaining construction is dependent upon the outcome of pending reevaluation reviews.

Of the identified continuing authority projects, Massachusetts, Connecticut, New York, New Jersey, Delaware, Maryland, and Virginia are currently scheduled to receive beach erosion and coastal storm damage risk reduction projects. We expect the majority of this work to be completed by 2016.

In the year since Hurricane Sandy, we have heard from many residents in the impacted communities regarding their concerns about coastal storm damage risk reduction features. We continue to communicate with the local communities about the purpose of these projects and to clear up misconceptions about the use of real estate.

Hurricane Sandy demonstrated the vulnerability of our coastal communities and the need for all levels of Government to communicate risk clearly and to continually take this on as a collective, shared responsibility to reduce residual risks.

I look forward to your questions.

Mr. SHUSTER. Thank you very much, General.

I appreciate all of your testimony.

Now I would like to ask several questions, mostly to Mr. Rogoff.

You spoke at length about the significant amount of money you are setting aside for resiliency projects in the transit system. What you didn't mention in your verbal testimony, but it is clear in your written testimony, is that you also believe there is a need to protect against threats from climate change.

My concern is that the Supplemental package was not sold to Congress as a bill to fight global warming. However, it appears in your testimony, at least your written testimony, that it is a top priority for the FTA, resiliency moneys to mitigate the effects of climate change.

Therefore I guess we need to know how you are going to ensure that that $5.8 billion, I believe, in resiliency money will be spent directly on Sandy-related expenses and not on the administration's agenda or climate change.

Mr. ROGOFF. Well, Mr. Chairman, our focus is on protecting the existing transit infrastructure that supports millions of people, almost a third of the Nation's transit ridership, from whatever threats it is exposed to. We are keenly focused on, obviously, the impact of the last storm but also scenarios that protect us from the next storm. So if the wind was coming from a different direction in the next hurricane, we need to be prepared for those water incursions.

I can assure you, we are looking principally, first and foremost, at the damage assessments that resulted from Sandy and what needs to be protected going forward. We are going to be mindful of the fact that the water levels are rising in that region; they have been. And we want to make sure that we are not going to make investments with taxpayer dollars that are then going to be inadequate as the water level continues to rise.

Mr. SHUSTER. How are you going to prioritize those resiliency projects?

Mr. ROGOFF. As I said in my oral remarks, and I believe they are also in my written remarks, our highest priority, number one, right away, is to protect the existing infrastructure, especially the subway infrastructure but also the Long Island Railroad, Metro North, and New Jersey Transit infrastructure.

Much of this infrastructure was built decades ago. Mr. Nadler and I were at an event in Brooklyn over the Montague Tube. That is one of the pieces of infrastructure that we will be looking to protect. That infrastructure is 93 years old and was never built with water incursions of this kind in mind. And that is what we need to protect, because the R train that runs through that tube is serving tens of thousands of people a day.

Mr. SHUSTER. And what criteria will you base the competitive grants to be awarded?

Mr. ROGOFF. First and foremost we will base it on whether they have a comprehensive plan to protect existing infrastructure that is serving passengers now, and how many passengers. We know what we want to avoid. We want to avoid an investment that protects one part of the line but not the other part of the line.

We also are going to infuse in that criteria a regional approach because, as I said in my oral remarks, much of the infrastructure is so close together, between what the Long Island Railroad uses, what the Subway uses, New Jersey Transit, and Amtrak, we could cause inadvertent harm by protecting one piece of infrastructure from water incursion only to flood a neighboring piece of infrastructure that could be serving even more passengers and could do even more damage.

So our highest priority is going to be on the infrastructure that serves existing passengers and, also, making sure that all of the agencies are playing well in the sandbox and have a comprehensive plan so that the taxpayer investment has the maximum level of protection.

Mr. SHUSTER. And talking about taxpayer investment, will the cost-benefit analysis be——

Mr. ROGOFF. It will be.

Mr. SHUSTER [continuing]. The highest priority?

Mr. ROGOFF. It will be an elemental part of the application process. We need to be careful, like I said, to make sure that there is a regional approach and the cost-beneficial project for one piece of infrastructure doesn't do unknown damage to the neighboring piece of infrastructure.

Mr. SHUSTER. Well, but the cost-benefit really needs to be, in my view——

Mr. ROGOFF. It——

Mr. SHUSTER. And it is up to us, the stewards of the taxpayer dollars, to make sure that that is central.

Mr. ROGOFF. And that is one of the recommendations that has also come out of Secretary Donovan's Sandy Task Force and is going to be an elemental part of our analysis.

Mr. SHUSTER. And how will you make this transparent to the taxpayers? What process will you go through to make sure we can see how the process was laid out so that everybody is clear that cost-benefit was the highest priority?

Mr. ROGOFF. Well, I think we have a good history now, I believe, with this committee in terms of providing transparency in our discretionary grant-making decisions. Obviously, the committee has oversight authorities. We also have the Inspector General, who has considerable resources to oversee our processes. And we are more than happy to brief any subgroup or group of the committee on precisely how we are going to go about it.

Mr. SHUSTER. It is also a concern to me, making certain that these transit authorities are not diverting these funds to their own projects out there that aren't part of the moneys that Congress intended and that you ought to be administering towards the resiliency, towards mitigation. Is that——

Mr. ROGOFF. I totally agree. We have been very clear. In terms of the volume of potential resiliency investments that have been identified for us, they go well beyond the amount of funds that we

will have available. So we are going to be focused on the have-to-haves, not the nice-to-haves.

Mr. SHUSTER. I didn't hear the last part.

Mr. ROGOFF. We are going to be focused on the have-to-have projects, the ones that have the maximum impact with the taxpayer dollars on protecting existing infrastructure. The so-called nice-to-have projects will have to take a backseat.

Mr. SHUSTER. All right. Well, and we have seen throughout our recent history, a lot of times, when you put these kind of dollars out there, they are diverted, they are not used wisely. So it is extremely important, obviously, to this committee and to the taxpayers that those things are done in a way that are transparent and they are done for its intended purpose so that we don't get mitigation malpractice, which we have seen, you know, many, many times in our recent history.

Mr. ROGOFF. I completely agree, Mr. Chairman. I think one of the benefits of running this program now through FTA, this is not to criticize the FEMA approach, but we have had an ongoing relationship with these transit agencies, knowing precisely what their capital plans have been for years. And we will be able to see straight up whether dollars are going towards something that has been planned for 9 years without a mitigation benefit versus true protection against the next disaster.

Mr. SHUSTER. All right. Thank you very much, Mr. Rogoff.

And, with that, Mr. Rahall?

Mr. RAHALL. Thank you, Mr. Chairman.

First, I want to commend the entire panel for your dedication to public service.

I want to also commend, Mr. Chairman, an individual that is in the audience listening to the testimony today, and that is the president of Amtrak, Joe Boardman.

Welcome, Mr. Boardman. And I, again, commend you for your being here and listening to this testimony.

I have a question for Mrs. Zimmerman. And I want to particularly thank FEMA, as well, for assisting on a particular issue in my congressional district in Logan County with which I have discussed directly with your director. And it is moving forward in a very positive resolution. I appreciate that.

But my question to you, Mrs. Zimmerman, is in regard to the Sandy Recovery Improvement Act, which directed FEMA to review, update, and revise the individual assistance factors, as you know. What is the implementation status of this provision? And has FEMA reached out to States and tribes to identify the issues and concerns that resulted in this provision being enacted?

Ms. ZIMMERMAN. Yes, we did. Thank you, Ranking Member.

First off, as soon as it passed, we took a look at that, and we made outreach to our partners through the National Emergency Management Association and the International Association for Emergency Managers, as well as the tribal constituents, to talk to our State and local and tribal partners to examine the individual assistance criteria.

As you know, the criteria has been out there for a long time, and we needed to take a look at that and what really indicates when a community has been impacted and those disaster survivors and

what it means. So we did that outreach starting almost immediately after the act was passed, pulled together those pieces of information, and we have been working with that to move it forward to be able to provide some guidance.

We have drafted our proposal, and we are going to be working through the process of rulemaking to put that out there for stakeholders to once again take a look at it and to make comment before it goes into law. So we are in the process of that, and we appreciate all the outreach and the comments that we did receive from our constituents.

Mr. RAHALL. Thank you.

Thank you, Mr. Chairman. That is all the questions I have. Thank you.

Mr. SHUSTER. Thank you.

Mr. Gibbs is recognized.

Mr. GIBBS. Thank you, Mr. Chairman.

Mr. SHUSTER. Microphone.

Mr. GIBBS. Is it working? There we go. I can see, it has a loose wire in there, I think. Anyway, I wanted to——

Mr. SHUSTER. Flood damage.

Mr. GIBBS. Yeah. Flood damage, he says.

A couple questions to General Bostick.

General, you know, we are working through the WRDA bill, as you know, the Water Resources Development Act. And one thing we are trying to do in the WRDA bill is streamline some of the studies, not eliminating studies, but, you know, doing it in a shorter period of time to bring the costs down and bring these projects to fruition.

And I know especially in the construction authority part of the emergency legislation for Hurricane Sandy, it talks about—and you mentioned this in your testimony—previously authorized Corps projects designed to reduce flood and storm risk, you know. And then it goes on to say in the law, "modifying these existing Corps projects that do not meet these standards," and it goes on. But in that area of the law, I believe that environmental NEPA and economic analysis are waived.

And so I guess my first question is, what impact are you seeing, you know, by—that is going further into streamlining in this emergency legislation. Has it been positive? Or what challenges for the Corps have we seen by, you know, doing some things and not having to do the economic analysis on those modifications or environmental impacts? Have you got any comment on that?

General BOSTICK. Yes, Representative Gibbs. First, thanks to the entire congressional team that has been working WRDA. It has been very positive for us, that we will execute some of the missions that come out of that, assuming it is passed, to see the bipartisan support and the progress.

In terms of the work that we are doing in Sandy, we feel fairly good at the progress that we are making. And the interagency support has been fantastic, from my view. We have been given authorities to move quickly, especially on the flood control and coastal emergency projects, where we are able to bring those back to the design conditions for those that are in the North Atlantic Division area.

So that work is proceeding well. The work that we are doing in O&M is proceeding well. We still are working with the interagency partners, as we should, and we have not seen any holdup in our progress. So we feel good about where we are at.

Mr. GIBBS. And you feel comfortable about any modifications to those authorized construction activities, not having to go through more studies and more analysis, that, you know, things are going along fine? You are OK with that?

General BOSTICK. I am comfortable with the way the law was published, or it was passed. And we are working within that law and have no issues with it. Any modifications to the projects that we have are approved at the Assistant Secretary of the Army of Civil Works level, Ms. Darcy. And our work with her and in conjunction with OMB has gone well.

Mr. GIBBS. Good.

A second question regarding nonstructural alternatives. Has there been local requests versus—you know, lots of times, there is lots of—I think the locals request a lot of structural alternatives. What is the status on nonstructural alternatives? I know that you have had that authority since the 1940s.

And then, also—well, I guess answer the first part. Has there been requests from any locals on doing nonstructural alternatives?

General BOSTICK. We have not had requests for nonstructural alternatives, but, as an engineering agency, we believe that is one of the options. And as we do the comprehensive study review that was directed as part of the Supplemental—we received $20 million for that—I am certain that those types of nonstructural opportunities will be an option to consider.

Mr. GIBBS. After Hurricane Katrina, was there much nonstructural alternatives implemented, put in place? Or what is the status?

General BOSTICK. There were no nonstructural alternatives that were requested, but one of the first—or, actually, the first Chief's Report that I signed was an ecosystem restoration project of the Barataria Basin.

And it is lines of defense that help reduce the risk of these disasters. When a storm comes in, it could hit flush on a city or you can have some lines of defense. Part of that lines of defense is ecosystem restoration, marshlands, it is barrier islands——

Mr. GIBBS. Yeah. Let me just ask a followup on that. I know during our WRDA hearings there were some entities that were really pushing nonstructural alternatives. So let me make this clear. So I think you said in Hurricane Sandy there hasn't been any requests for nonstructural alternatives, and the nonstructural alternatives for Katrina was limited to some restoration but not anything more comprehensive than that?

General BOSTICK. We had no requests for nonstructural alternatives.

Mr. GIBBS. OK. Thank you. My time has expired. Thank you.

Mr. SHUSTER. I thank the gentleman.

And Ms. Norton is recognized for 5 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman. And thank you for this followup. I have already learned and begun to think about things I did not know.

I thank all the witnesses for their very important testimony.

I have been struck by the differences between emergency relief for highways and for public transportation. And I understand why—apparently, since 1972, we have authorized out of the Highway Trust Fund, apparently automatically, $100 million for emergency relief for the Highway Administration. And, of course, I guess that is because you can see the damage to the bridges after a hurricane, and to the highways.

Now, shall I say, in our wisdom, apparently in MAP–21, for the first time, we authorized emergency relief for transit, as well. But, unlike highways, no funding source was allocated, so we had a big fight here to make sure that there were funds for Sandy for that relief.

Now, there are major cities of the United States which grind to a halt if their subways, their underground transit, does not go. And we already know about New Jersey and New York. I hope we never have to hear about Chicago. And I certainly hope we never have to hear about the national capital area region, because when Metro stops, the entire Federal Government shuts down. We have had Snowmaggedon here, several days shutdown. We know what happens. I think Sandy sends a shot across everybody's bow about your underground transportation.

Now, this committee has long supported pre-disaster mitigation. Indeed, we have had studies done that show, on the average, four-to-one savings for pre-disaster mitigation.

Now, I would like to know what these words, "resiliency projects," mean. I understand New York is up and running, but that is about all you can say for it. When you say a resiliency project, Mr. Rogoff, what is the difference between a resiliency project and a repair project?

Mr. ROGOFF. A resiliency project, Mrs. Norton, is one that protects against the next storm rather than repairing——

Ms. NORTON. So who did the repair in New York or New Jersey, and is that different from who did the resiliency? Or, I suppose what I should say, are the fund sources different? They had to get up quickly just to get people to work.

Mr. ROGOFF. That is correct. But the emergency relief statute that you have identified in MAP–21 provides authority to fund both. And, indeed, the President's budget request, when he sent it up here for Hurricane Sandy, identified requests for both. I would——

Ms. NORTON. But what is the request for the emergency relief funding for transit?

Mr. ROGOFF. Originally, the request was $11.7 billion, if my memory serves. We then were given $10.9 billion. And after sequester, that was lowered to $10.5 billion.

Ms. NORTON. No, that is for Sandy.

Mr. ROGOFF. Yes, ma'am.

Ms. NORTON. I am talking——

Mr. ROGOFF. Oh.

Ms. NORTON. Has the administration supported anything comparable to the $100 million that comes out of the Highway Trust Fund for highways?

Mr. ROGOFF. Yes, it has. For the last 2 years, both in the 2013 budget and in the 2014 budget, the administration has requested $25 million as an initial capitalization for the FTA Emergency Relief Program so that we could be ready to respond immediately, just as the Federal Highway Administration is, to disasters as they occur. We are still waiting to see funding for that request.

Ms. NORTON. None of us knows what will happen, but I certainly—given what this committee already knows about what we call pre-disaster relief on the ground, I would certainly hope that at least this small amount, $25 million for MAP–21, as a starter could begin us down the same road for underground transit, bearing in mind that not only do we have that clearly the case for large cities, but increasingly what cities and counties want to do is to put their own transit below where we could all see them.

And I thank you very much, Mr. Chairman.

Mr. SHUSTER. I thank the gentlelady.

Mr. Rice from South Carolina is recognized for 5 minutes.

Mr. RICE. I am just curious about Federal participation and State and local participation and what the relationships are. I live in a coastal area and, obviously, am very concerned about hurricanes. And I just think we need to have a conversation about what the appropriate level of Federal response is.

With respect to the Highway Administration and replacing these roads, is the Federal Government putting the roads back on its own, or are we looking for State and local participation, as well?

Mr. MENDEZ. Yes, sir. Thank you for the question.

We work very closely with the State DOT, and, in turn, we work indirectly with the local governments. But based on our rules, I believe, it is only the State DOT that can request the funding. But they certainly are looking for local issues, as well, during an event.

Mr. RICE. Well, is the Federal Government providing 100 percent of the replacement funds, or are the State and local governments participating? Is there a set percentage that the Federal Government does, or are we looking for a 60/40 split, a two-thirds/one-third split? What are we doing?

Mr. MENDEZ. There are two scenarios. First of all, there is, after the event, a 180-day scenario where you want to get things back on track. So you are not doing permanent repairs; you are doing interim repairs. At that point, if it is on a Federal highway system, it is a 100 percent Federal share. For permanent repairs to an interstate, it is a 90/10 split. If it is not an interstate, it is generally an 80/20 split.

Mr. RICE. What confuses me is the total appropriations that we approved in Congress were over $60 billion between the two Sandy relief bills that we did. I heard earlier testimony and I read in the papers that the damage was $50 billion. So what I am curious about is where the extra $10 billion is going.

We need to have a conversation about what the appropriate level of Federal contribution should be. What about on the transit systems? I mean, the Federal Government doesn't own or control or run any of these transit systems; is that correct?

Mr. ROGOFF. That is correct, we don't own them. But we do provide the majority of the capital funding for them as opposed to State and local government.

Mr. RICE. OK. So when we are putting these things back, are we contributing 100 percent of the money to do it, or is State——

Mr. ROGOFF. Only in—following with the Presidential emergency designations, which follows not just FTA relief but other forms of Federal relief, there is a period right after the storm for which reimbursable expenses are at 100 percent. Then that ratchets down to 90 and 75, depending on the President's emergency designations.

Mr. RICE. How much is going into the transit systems in New York and New Jersey for these repairs? Have you got an estimate of what the total is going to cost?

Mr. ROGOFF. We do for disaster. We can't necessarily say yet for——

Mr. RICE. Can you give me a range?

Mr. ROGOFF. I can give you a number, sir, if you just give me a moment. In terms of our estimates for what we expect, response and recovery for the New York-New Jersey area we expect to be $5.827 billion. And agencies will get resiliency funds on top of that. Some of this resiliency money was sent by formula. Roughly $3 billion of it, at least, will be done on a competitive basis to make sure we are getting the best projects for the buck.

Those estimates were done jointly by the FTA and FEMA as a result of damage assessments done together very shortly after the storm.

Mr. RICE. OK. So that total, is that the Federal obligation or is that both?

Mr. ROGOFF. That is a combination of Federal and local because, like I said——

Mr. RICE. OK. And what percentage of that is Federal?

Mr. ROGOFF. You know, Mr. Rice, I am going to ask you to let me get you those numbers as part of the record because——

Mr. RICE. Just roughly. Is it over 50 percent?

Mr. ROGOFF. Oh, yes, sir.

Mr. RICE. Seventy percent?

Mr. ROGOFF. Over that, because——

Mr. RICE. Ninety percent?

Mr. ROGOFF. Part of it will be—like I said, part of it 100, part of it 90, part of it 75, depending on when the actual bills come in. And that is not just an FTA dynamic; it covers other disaster relief programs across the Government.

Mr. RICE. It seems to me that the Federal response to disasters has kind of changed in the last 10 years. I know when Hugo hit South Carolina, I believe the damages were about $6 billion and the Federal Government contributed about $2 billion. But now we are talking about damages of $50 billion and the Federal Government is contributing $60 billion.

Mr. ROGOFF. I am not sure that is correct. I think the thing to look at, Mr. Rice, here is what falls under the definition of "damage," because there are other damage expenses that are not reimbursable by any Federal program that I am sure the New York and New Jersey folks would point to the costs for which they are not getting reimbursed for.

Mr. RICE. And I think you are explaining some of it when you say you are putting money into resiliency, which is more than just repair. You are talking about further capital improvements.

Mr. ROGOFF. Correct.

Mr. RICE. But I think we need to have a conversation about what the Federal role is.

Thank you.

Mr. SHUSTER. I thank the gentleman.

And, with that, Mr. Nadler is recognized for 5 minutes.

Mr. NADLER. Thank you, Mr. Chairman.

Administrator Rogoff, the chairman talked a few minutes ago about climate change. And forgetting that for the moment, we do know that, whether it is caused by climate change or not, we are getting more of these bad storms, the sea level is rising, and we are getting higher storm surges.

Does the FTA have enough resources to protect the transit system in New York and other vulnerable areas, given our expectations over the next—and our—in light of our experience what the recent storms and storm surges have been, do you have enough resources to protect the transit system in New York and other vulnerable areas, or will there still be unmet needs? Will the $3 billion for resiliency projects be enough to do everything necessary to protect our coastal and low-lying cities from the long-term threat of rising sea levels and extreme weather events?

Mr. ROGOFF. No, it won't, sir. As I said in my oral remarks earlier, the stakeholders in the area have identified potential resiliency investments that far exceed what we have in the Federal envelope as a result of the Sandy Supplemental, which is why we are going to seek to ruthlessly prioritize the Federal dollars to the best projects with the greatest impact.

Mr. NADLER. When you say "far exceed," $3 billion, when you say "far exceed," do you mean 4? 44?

Mr. ROGOFF. I have heard numbers well north of $11 billion or $12 billion. But I can't individually verify those estimates because they——

Mr. NADLER. Order of magnitude $11 billion, $12 billion.

Mr. ROGOFF. At least. If you look at the reports that Mayor Bloomberg and Governor Cuomo have done, as well as others, you will see a wide universe of potential investments——

Mr. NADLER. This is a problem we are going to have to address.

Mr. ROGOFF. Well, you are talking about the most transit-dependent region of the country. I don't need to tell you that. This is an area where car ownership is at the lowest levels in the Nation. And the entire economy in the region is dependent upon an operating transit system.

Mr. NADLER. Some people think, and I can detect in the questioning by the prior Member, I think, that maybe we shouldn't spend money on—disaster money on resiliency; we should only spend it on recovery. What would happen if we only spent money on recovery, we restore the systems exactly the way they were? After all, the Montague Tunnel has served us for 93 years, serve us another 93 years. Why should we improve it?

Mr. ROGOFF. Because we will pay to restore it over and over and over again.

Mr. NADLER. So it wouldn't be cost effective.

Mr. ROGOFF. We do not believe so.

Mr. NADLER. OK. Let me ask you also that—Sandy Supplemental provided $118 million to Amtrak, which included $32 million for expenses related to consequences of Hurricane Sandy, and $86 million to advance capital projects on the Northeast Corridor infrastructure recovery and resiliency. I think you said before that Amtrak was not able to use the $86 million. Why is that?

I am sorry, Administrator Szabo.

Mr. SZABO. There is language in the Sandy Act that actually restricts a provision under PRIIA which provides for the temporary transfer of funds for Amtrak to help smooth out their cash flows. And so it is important. All it takes in order to correct this problem is the deletion of four words in the Sandy Supplemental Act, and those four words are "or any other act."

Mr. NADLER. Why were those four words put in there?

Mr. SZABO. I can't speak as to why they were put in there. But I certainly know what the effect of them are, it was to undo, in essence, a provision that is provided for in PRIIA that allows for more effective cash management. And so with this money restricted, there are so many important projects that are necessary. You know, you just talked about the need for resiliency to make sure that when we repair something that we are going to be able to build it to a higher standard that will be flood resistant. I think of Substation 41, just there between New York and New Jersey, which was out during the storm and ended up severely restricting the flow of Amtrak commuter trains in and out of New York.

Mr. NADLER. So if those words were removed and the $86 million were made available, it would be used for hardening infrastructure, in effect.

Mr. SZABO. Exactly. Making sure that it is built to modern standards that are going to resist——

Mr. NADLER. Making sure that existing infrastructure would be more resistant for future forms.

Mr. SZABO. Exactly.

Mr. NADLER. Let me ask one thing. My time is beginning to run out. But, Administrator Rogoff, I think it is important for people to understand the real impact of the storm on our region's transit system. Can you talk a little bit about the extent of the damage, the number of people affected, and the timeline for how quickly service was restored?

Mr. ROGOFF. Well, the timeline in which service was initially restored is actually a large success. But you are talking about a service between Metro North and the Long Island Railroad and the subway system that serves close to 40 percent of the transit riders of America, and I should add, obviously, New Jersey Transit in that region. Right in the tristate region. And the damage was extensive.

For New Jersey Transit, whole rail lines were washed out, we had to procure 350 buses immediately after the storm just to provide alternative mechanisms for the commuters from New Jersey to get to work. As you know, Brooklyn and Manhattan were cut off from one another. And even in the case of the Rockaways, Queens was cut off from Queens. You are talking about a region where, like I said, it is the largest transit-dependent population where the economy could not function absent the mobility of workers. You are

talking about the need for getting people at all hours to hospitals. Just for health care of the people in the region. I don't think you can overstate the impact or the elemental importance of the transit system.

Mr. NADLER. My time has expired. Thank you.

Mr. SHUSTER. Thank the gentleman.

Mr. Hanna is recognized for 5 minutes.

Mr. HANNA. Thank you for being here. Mr. Rogoff, in your written testimony, you indicate that the FTA will be holding back about a billion dollars, $4.5 billion remaining in the public transportation recovery projects. How long do you anticipate holding that back and why? And are there not enough existing recovery needs identified?

Mr. ROGOFF. No, that isn't the issue, Mr. Hanna. The issue really has to do with the fact, as I said earlier, that roughly $5.8 billion estimate of recovery costs was a very early estimate. It was done very quickly after the storm by FTA teams in concert with FEMA teams and our project management oversight contractors. We want to make sure—we believe, first and foremost, we have an obligation to pay for the recovery costs. And we want to make sure that we don't find that there are latent recovery costs that are discovered for which we would then need to come back to Congress for yet more money.

And there have been examples that we are already seeing in the tristate area. We learned from Katrina that subsurface damage only starts to rear its head months after the storm. We want to hold moneys in reserve for that purpose. We are concerned about the fact that project costs may rise from these initial estimates, especially when everyone is competing for the same contractors to do them.

So again, we do believe that our first and highest responsibility is to pay for the recovery and we want to make sure we have enough money in the bank to do it without having to come back to you all.

Mr. HANNA. Is that because you don't have the capacity to anticipate the full extent of the damage or the recovery process? Twenty percent is a substantial amount of money to be guessing at.

Mr. ROGOFF. Well, but 20 percent, when you add the possibility of latent damage that we haven't yet seen. We are already getting reports from the Port Authority and from New Jersey Transit and the MTA of a higher than expected level of failures. There may be some equipment that we hoped to repair that may have to be replaced. I think it is prudent to withhold those funds. You can be sure they are not going to lay fallow. We will put them to appropriate use. But we think it is critical to make sure we do not send out resiliency grants only to discover that we shorted ourselves on the needs for recovery.

Mr. HANNA. I understand. Also, Mr. Rogoff, in your written testimony, you highlight the rebuilding of the A train subway tracks to the Rockaways and Queens as a major success for rapid completion. Are there—I guess the question is, what did you learn about that? Are there means and methods and ideas that you have come up with that might be similar to how we went about repairing the I–35 West Bridge in Minnesota and that may work in a non-

emergency situation that we can apply to things like the new WRTA and MAP–21.

Mr. ROGOFF. Understood. I believe, sir, that one of the things that we need to be attentive to, and I don't necessarily want to say this is a parallel with the I–35 bridge. But I can tell you in the transit experience, one of the reasons why the Rockaways was a success is because the MTA already had a very capable contractor on board that they were able to put to work right away. And I think one needs to understand, this committee will be in receipt of reports from the inspector general and one of the things they are going to tell you is that we had to take an openminded view on certain procurement issues as to whether we were going to allow limited competition procurements or even sole-source procurements to enable the transit agencies to get service up and running as quickly as possible. I commend that to your attention, because I think sometimes when we get too burdened by the rigor of Federal rules it can slow us down. The President said that he was going to eliminate red tape wherever he could to put this money to work. I think we have made great progress in doing that, and we look forward to explaining the judgment calls that we made there in order to get service on the street as soon as possible.

Mr. HANNA. Do you have an idea of the premium generally that you pay for hiring contractors under emergency circumstances, if it is 10, 20, 30, some percentage?

Mr. ROGOFF. I wouldn't want to venture a guess.

Mr. HANNA. Would you agree that there is one?

Mr. ROGOFF. I think so in terms of—you are talking about people who are able to deploy overnight and have the equipment or have access to the equipment. And when you are talking about a project as expansive as the Rockaways, I toured it very shortly after the storm. You are talking about literally hundreds of feet of railroad that were dangling in the air like a swinging bridge because all of the supports had been washed away. That was a ton of concrete to have to replace. And to do it smarter, I don't doubt that there was some premium to be paid. I am also concerned about the premium that we may pay when all of these contracts are being competed for at the same time in the years to come. We need to be mindful of that.

Mr. HANNA. My time has expired. Thank you, sir.

Mr. SHUSTER. I thank the gentleman.

Mr. Maloney has a commitment to—the ranking member would like to yield 5 minutes to Mr. Maloney so he can get his question in.

Mr. MALONEY. Thank you, Mr. Chairman. I appreciate that very much. And I want to commend you and the ranking member for holding this important hearing. Thank everyone on the panel for their service.

General Bostick, if I am not mistaken, you and I were together at Stewart Air Force Base, Air National Guard Base, in January or February welcoming home the Joint Task Force Empire 411th Engineer Brigade. Am I right about that, sir?

General BOSTICK. Yes, sir. Good to see you again.

Mr. MALONEY. I also think, if I am not mistaken, you are a graduate of the United States Military Academy at West Point, which I have the honor of representing. Am I right about that?

General BOSTICK. You are correct.

Mr. MALONEY. Which explains your outstanding service to your country.

And I want to tell you, sir, because that, of course, that is in my district in the Hudson Valley, but it is also one of the great jewels of the United States. And thank you for your service. But my question, sir, is—I have a quick question, I have a more complicated question. My quick question is, there was a commitment as part of the Sandy Supplemental Aid package to conduct a coastal flooding study, $20 million study. And it is my understanding that it is meant to include areas in the Hudson Valley that would extend up to both sides of the river, up to Poughkeepsie. I was hoping to get your thoughts on the status of that study. And if I can get your commitment that the Hudson Valley will be, as I believe it is supposed to be included in that study.

General BOSTICK. This comprehensive study was in the Supplemental directed the Corps of Engineers to work with—working with up to 90 different organizations, interagency locals. And we are looking at the whole North Atlantic Division coast. And that whole coastline. And the areas impacted by Sandy in North Atlantic Division. The draft report is near completion, we are reviewing it, and the final report will come to Congress January 2015.

Mr. MALONEY. And that will include a look at the Hudson Valley, sir?

General BOSTICK. I will have to look at the specifics of the Hudson Valley. But my understanding is anything that was impacted by Hurricane Sandy in the North Atlantic Division and the Hudson Valley would be included.

Mr. MALONEY. Well, if I could ask you to take a look at that and get back to my office, I would appreciate that, sir.

General BOSTICK. I will do that.

Mr. MALONEY. My second question relates to the timeliness with which we are conducting these projects. I think I would direct this to Administrator Mendez. Sir, there is—it is a fact that Hurricane Sandy did unprecedented damage in the Northeast. But prior to that in the Hudson Valley we also experienced Hurricane Irene in August of 2011, and Tropical Storm Lee. You know, there is a community I represent called New Windsor, New York; there is a little bridge there called Forge Hill Road bridge. It is Route 74. It is how you get between Route 32 and Route 94. The bridge was washed out as part of the flooding. The embankment gateway. It is a little two-lane bridge. If you went there the morning after the storm, sir, this is—this is what it would look like. It is a simple little bridge. It could be in any town in America. There is no doubt about what caused the damage. There is no doubt that it needs to be replaced. But it is a two-lane bridge. It could be anywhere. And folks got to go all the way up to Route 94, all the way around. It is causing all kinds of bottlenecks. If you went to Route 74 today, this morning, this is what it looks like. It is taken over 2 years, sir, and still no construction has started.

Can you tell me—I would like to—I would like to get your commitment that we can find out what the heck is going on with the Forge Hill Road bridge, specifically. But can you tell me why it takes 2 years to get a simple little bridge built. If Task Force—if Joint Task Force Empire, the 411th Brigade, which was building bridges, if I am not mistaken, General Bostick, all over Afghanistan, that we welcomed home earlier this year, was put on this in a combat environment in Afghanistan, General, is it fair to say you could do this in under 2 years?

General BOSTICK. I don't know the conditions of that specific bridge. But we did bridges and we could do bridges in Afghanistan in under 2 years.

Mr. MALONEY. Right. In a combat environment with people shooting at them. They built a lot of them in Afghanistan. Why can't we get a bridge built in America in the State of New York in under 2 years? If you could help me with that, sir, I would love to understand. And I would love to get your commitment on this specific project.

Mr. MENDEZ. You do have my commitment. I don't know the details of that. But we will go look at it. I will raise some questions with our folks in New York.

But let me just kind of step back a little bit. I can assure you that at least in today's environment, as an example, in the State of Washington earlier this year on I–5, a major, major interstate, a bridge got hit by a vehicle and the bridge dropped. And working with WSDOT, Washington State DOT, ourselves, and the Coast Guard, and a lot of other people, they were able to restore that, replace it, a permanent replacement in less than 6 months, I believe. So it can be done. I just don't know what happened on your situation. So let me look into that and we will get back to you.

Mr. MALONEY. I appreciate that very much. I would like that very much. And I think that—I think that if we—you know, it would be nice thing, wouldn't it, if we—if we can't do it in less than 2 years, maybe we ought to get Joint Task Force Empire to build some things in the United States as rapidly and as efficiently that is they are building them in Afghanistan and we might be a better country.

My final question would be directed towards the—towards FEMA. And I guess I would like to know, I guess this would be directed to Deputy Administrator Zimmerman. Ms. Zimmerman, if you could help me with the Wallkill River, in particular. There is a—there is a—there was a rule in existence—my time is out; so maybe you could just give me this commitment and contact my office. But there is an issue with providing FEMA relief to lands that are largely agricultural property. This means a lot of folks who are farmers aren't getting help right now under the FEMA programs. It is a real issue in Orange County that is really suffering from Hurricane Irene and these other storms. If I could get your commitment to work with me on this I would sure appreciate it.

Ms. ZIMMERMAN. Yes, you have our commitment to work with you.

Mr. MALONEY. Thank you. I will yield back my time, Mr. Chairman. And thank you again for the indulgence.

Mr. SHUSTER. The gentleman doesn't have any time to yield back, but that is OK. That is OK. I want members of the committee to take notice, I let Mr. Maloney go on because he was asking a question that every member of this committee has asked at some point in their career probably many times, why we can't get things done faster. And hopefully with the passage of MAP–21 they have some stuff in there for transit, which has enabled the Federal Transit Administration to move quicker on problems like this.

So again, that is—that is the question we all keep asking around the table, let's do stuff faster. If you take one thing away from this committee, I think it is a very bipartisan approach; let's move things quicker.

And with that, I yield to Mr. Webster for 5 minutes.

Mr. WEBSTER. Thank you, Mr. Chairman. I have a timing question also. So thank you for highlighting that.

Back in 2004—this would be to Ms. Zimmerman—central Florida in a 45-day period of time were impacted by three hurricanes, all of which were stronger than Sandy, Charley, Frances, and Irene.

And there are—there were many local municipalities and others who were sub-grantees from our grantee, which is the State of Florida, our division of Emergency Management, headed at that time by your administrator now, Mr. Fugate. And today, the audits are taking place, 10 years later. Many of the people are gone, people don't remember, whatever, but they are being audited. And in many, many cases asked to give back money that supposedly was given to them. And the point is, the timing to recover funds a decade after a disaster, and this is only the first, Charley, and there are two other hurricanes that will follow after this, which were again within that 45-day framework, that these local communities are going to have to produce documents, which they may or may not have. I don't know. But I know it is a difficulty.

I heard another member of this committee talk about that when we were doing the bill, the FEMA bill. She was the mayor of West Palm Beach and they too were having the same problems. I guess my question is in the case of Sandy recovery, what initiatives are being taken by FEMA to provide greater level of certainty for these grantees and sub-grantees to avoid a similar recovery process 10 years from now that will—as opposed to possibly closing out these public assistance projects earlier and so that audits could occur hopefully in a timely manner.

Ms. ZIMMERMAN. Great. Yes. That is one of our concerns too, is to make sure as projects get completed that we are auditing them and going through and working with the paperwork with the applicant so that the grantees, as they administer the money and as the sub-grantees are out there doing the project and completing them. So one of the things is, we have taken a stronger approach when we set up and we put together the project worksheets, working with the applicants, the folks that are on the road, on the ground, it is the damages that they have incurred. So we are putting stronger criteria out there so that when we are documenting the projects to see what has been completed or what needs to be completed, making sure we have all of that documentation upfront as well as monitoring it as we work through the process.

So working closer with our grantees and sub-grantees to make sure that documentation is there and the closer collaboration throughout the project.

Mr. WEBSTER. I have one other question, and that is, there has been a lot of talk about resiliency and resilient construction. Do you know anywhere in a statute or in rule or in guidance documents—even though I know we have had documents here from FEMA that talk about resilient—that "resilient construction" is defined?

Ms. ZIMMERMAN. So, yes. So when we have projects, whether it is through our public assistance program or our hazard mitigation grant program, we include mitigation to a project—when something's been destroyed, and it might be old construction, whatever, we look to make those more resilient. Through the public assistance program we do have mitigation dollars that can be used on top of the project funding.

Mr. WEBSTER. Right. But what I am asking, is there a definition of "resilient construction" anywhere in any document that you know of?

Ms. ZIMMERMAN. I would have to get back with you on that one.

Mr. WEBSTER. OK. Thank you. Yield back.

Mr. SHUSTER. I thank the gentleman.

Ms. Brown is recognized for 5 minutes.

Ms. BROWN. Thank you, Mr. Chairman.

Mr. Rogoff, thank you very much for meeting with the mayor of Orlando, Buddy Dyer, and the other mayors and everybody from central Florida with their concern about the projects that I guess, because of the $24 billion shutdown and the sequester, 12 projects are caught up that are ready to go. But because of what is going on in Congress, these projects may not be able to move forward. Can you expound on—it is not just Orlando, it is central Florida, it is 12 other projects around the country.

Mr. ROGOFF. Well, there are a number of projects. You are talking specifically about our New Starts program?

Ms. BROWN. Yes, sir.

Mr. ROGOFF. Our New Starts and Small Starts program. And we did, in 2013, as we have in prior years, ask for increased funding for that program, because we were signing up more meritorious projects around the country. Some of them very large that are going to serve a great many passengers. And as Mr. Shuster pointed out, we are speeding up our processes at the request of this committee and others, and our own desire to move projects more quickly. Unfortunately, in 2013, rather than get the funding increase that we sought, we got frozen through the continuing resolution and then sequestered below that. And the result is that every FTA New Start project that had a full funding grant agreement had their scheduled payment reduced in 2013.

Now, looking forward, we obviously don't know the outcome of the appropriations process for 2014. So we don't know whether we will be able to fully fund all of our existing obligations in 2014. And not knowing that, it is very hard to predict whether we will have additional funding as we have requested in our budget to fund additional projects.

Our entire appropriation may be taken up with the multiyear commitments we have already made. I think SunRail Phase 2 is the project of greatest concern to you, it is one of those projects that is in our pipeline. We have—I testified here and elsewhere before that our ability to fund new projects in the pipeline will only be determined by whether we can get sufficient appropriations to pay off our existing obligations.

Ms. BROWN. Thank you. Mr. Szabo, I need to go back—I know Mr. Boardman is here, and that has been acknowledged. But back to the $118 million that only $32 million have been able to be spent. Have the leadership in the House Transportation Committee and in the Senate, have they been contacted? Because basically after the hurricane, we took the train up. And we met with the stakeholders all the way up. And they told about the importance of harding the area so that, you know, we wouldn't have the flood coming in.

So this is—can we have a list of how that $86 million is intended to be spent? And what is the status? Have you contacted the leadership? Because I am sure that the leadership on both Houses would want to make sure that what happened with Sandy doesn't happen again.

Mr. SZABO. Yes, Congresswoman, we will be able to provide for you for the record a list of projects that would be appropriate for the additional what is now $81 million to ensure that resiliency of the infrastructure. We have continued to have dialogue, with what it would take for an appropriate fix. And again it is really a matter of simply deleting four words, and those four words "or any other act."

Ms. BROWN. Well, did not the President have the authority to just, you know, change those words?

Mr. SZABO. Not once it is adopted into—you know, into statute.

Ms. BROWN. I see.

Mr. SZABO. If we go back to the original provisions under PRIIA, the Secretary has the authority, we provide the appropriate oversight at FRA to ensure that these temporary transfers are just that, temporary. Those things that are appropriate on a day to day to smooth out cash flow, and ensure at the end of the year that it is a clean audit. And that is important——

Ms. BROWN. Is this what the attorneys told you?

Mr. SZABO. That is correct.

Ms. BROWN. Fire those attorneys. Thank you very much. I yield back my time.

Mr. SHUSTER. I thank the gentlelady.

Mr. LoBiondo is recognized for 5 minutes.

Mr. LOBIONDO. Thank you, Mr. Chairman. Thank our panel for being here. I would like to thank my colleagues in the House for the strong bipartisan effort that it took to get the Sandy relief package passed. Our entire delegation in New Jersey and many others worked very hard. But I particularly want to thank Mr. Sires, Mr. Pascrell for some incredible work. We have partnered together on many issues, and this was another one that yielded a very good result.

As we look to the aftermath of Sandy, I want to point out that our strong support and efforts continue for the thousands of people

who are still displaced. A lot of folks think that since we are a year afterwards that everything is pretty well settled. And we made a lot of progress. But there, again, are thousands that are still displaced and devastated by the aftermath of the storm. I think reforms that Congress put in place after Katrina have resulted in a marked improvement with a Federal response to Sandy, and much good progress and work has been done because of the strong partnership that has been created.

And for a lot of people they think this is just some Federal money poured into it. But this is the Federal Government, numerous agencies, the State of New Jersey, local communities that have come together in an extraordinary way. In the Sandy relief package, we gave a lot of flexibility to the State of New Jersey. Governor Christie has an incredible hands-on attitude about how to work with the Federal agencies and determine where this money could be best put. But with all that good progress, because of flaws in the formula which no one could foresee, we have a number of communities that have just fallen through the cracks. The Bayshore communities in Cumberland County, while a very small part of Cumberland County geographically, have just been devastated.

We have got Little Egg Harbor Township, we have got Mystic Island, we have got Tuckerton. These places have fallen through the cracks, and the suffering that these folks are undergoing is no less than the ones who were in the more inclusive areas. So we need to try to find the flexibility. And we are working with Federal agencies to continue to see if there is room in the language. So we are going to be that coming back, trying to see what we can do on this.

Tourism is a tremendous mainstay for New Jersey. It is almost a $40 billion industry. So the recovery efforts focused early on on trying to recover for the tourism season were pretty successful. Infrastructure projects had great success.

And General Bostick, I want to tell you that the Army Corps in Philadelphia has been nothing short of outstanding. These folks understand how to partner to get results, to get things done. They have been a pleasure to work with. They have gone in each and every community, looked at what we needed to do of how to get this done, and I think a real model for how some other Federal agencies to work. So while this Federal, State, and local partnership has been mostly effective, we still need to work even harder to make sure that we finish the job for those people who really have fallen between—between the cracks.

Again, this is a result of a strong bipartisan effort that I think we can look to with a lot of pride. We can see that this work has resulted in tremendous amount of progress. But sort of unrelated to Sandy, but certainly a part of it, is what is happening with the flood insurance maps. And here again, we have had a pretty united effort from our delegation. Senators Menendez and Booker are fully engaged. But this is adding to the misery that the people of New Jersey along the coast are experiencing with the aftermath of Sandy.

So we have a very strong bipartisan effort with a number of folks that are working on this. And we hope to have a successful conclusion. So I would like to once again thank those Members of the

partnership for their work, but remind everybody that we still have an awful lot that has to be done and we need the strong effort to continue. Mr. Chairman, thank you very much.

Mr. DUNCAN [presiding]. Thank you. Mr. Bishop is next.

Mr. BISHOP. Thank you, Mr. Chairman. I want to thank the panel both for your presentation today and also for all the work that you have done and continue to do on behalf of the people we all represent. I want a particular word of thanks for FEMA, who was on the ground in my district within hours of the storm hitting and stays there and has done a great job, and a particular word of thanks also to the Army Corps of Engineers who continues to do great work.

And, General Bostick, in addition to thanking you, I want to pay particular thank you and commendation to David Leach and Joe Vietri, who are sitting behind you, who have done great, great work in our district and throughout the Northeast.

Real quickly the gentleman from South Carolina before was raising issues having to do with cost and what—the remedy we have put in place. And he was suggesting that we had a $50 billion need against which we were proposing a $60 billion solution. And I just—I think it is important that we all have the same set of numbers. The Governors of New York and New Jersey provided a very, very detailed list back in the fall of 2012 to the White House. That list was north of $80 billion worth of needs that they were requesting the Federal Government to address. The response was $60 billion, $10 billion of which was essentially additional borrowing authority for the flood insurance program. So that left roughly $50 billion, which has been reduced by discrimination.

So what really we are doing is providing approximately $45 billion or $47 billion against an $85 billion need. So plenty of money. I mean, lots of money, $47 billion. But it is not as if we are throwing money at problems and not having identified problems with any degree of specificity.

Let me just go to a couple of things real quick. The President made a commitment to eliminating red tape for the Sandy recovery efforts. And my question, General Bostick, is to you, is, is that commitment really being acted upon? And do we really have a commitment to expedite projects to the greatest extent possible from the partners that the Corps must work with? And I am speaking specifically about OMB, Fish and Wildlife, Department of the Interior. Is there truly a Governmentwide commitment to eliminating red tape so that we can put solutions in place as quickly as possible? And, if not, is there anything this committee can do to assist you in completing your efforts?

General BOSTICK. Mr. Bishop, thank for that question, and also thanks for recognizing members of my team and also the team that is doing the work in North Atlantic Division and across the Corps.

To your question, in terms of Sandy and the post-Sandy work, we feel like we are moving as fast as we can safely move. And we think the interagency work, the work with OMB, the work that is happening on the ground with the locals is moving as fast as we can safely move. And we feel good about the authorities that we have been given. I think if you look broader in terms of the work that the Corps must do, there is more work to do in terms of

streamlining our efforts and making us all work together to move quickly. But in terms of post-Sandy construction, we feel good about where we are at.

Mr. BISHOP. OK. Thank you for that. We talked a little about funding. The Corps had $5.35 billion. And that is—that is an enormous amount of money. But is it sufficient to repair the damage that was caused by 100-year storm, and is it sufficient to repair the damage in such a way that we will not have damage to that extent if we are hit by additional storms going forward? And let me just add a little bit also. One of the things that I am very concerned about is we are going to make repairs, particularly to our shorelines, but those repairs are going to require ongoing maintenance. And to the extent—is it possible for the Corps to sequester some portion—bad word—set aside some portion of the funding so that there could be a pool available for ongoing maintenance so that it doesn't all fall on either the annual appropriations process or the local governments?

General BOSTICK. That is a complex question, sir.

Mr. BISHOP. Sorry.

General BOSTICK. What I would say is it is going to be yes-and-no answer. Yes, it is enough in the areas that we have been asked to respond to immediately. The flood control and coastal emergency. Those projects, the O&M projects that were direct in our authorities. The comprehensive study, the $20 million to do the comprehensive study. I feel we have adequate funds to do what we have been asked to do there. There are some projects that are authorized but not constructed. There are some projects that may come out of ongoing investigations. The comprehensive study is not going to produce projects, but down the road it may produce ideas that the Congress may want to seek projects. And there is not enough money for that.

Mr. BISHOP. Thank you very much, gentlemen. Thank you, Mr. Chairman.

Mr. SHUSTER [presiding]. With that, Mr. Davis is recognized for 5 minutes.

Mr. DAVIS. Thank you very much, Mr. Chairman. And thanks for holding this hearing.

Thank you to each and every one of you for being here today.

Joe, I would really like to talk to you about some high-speed rail issues in Springfield to Chicago to Saint Louis, but we will save that for another day.

I really have enjoyed hearing some of the questions and the testimony relating to some of the processes that are followed post-disaster. And I think in this country, when it comes to disaster relief, we do a great job on the ground early. FEMA needs to be congratulated. All of your agencies do a phenomenal job. But we have the problems post-disaster. And it seems to me, too, that in many of the processes that take place afterwards we don't dedicate enough time to try and make them easier on the average hardworking taxpayers of this country, too, who may still have to deal with agencies like FEMA and others.

And with that in mind, I know Mr. Webster talked about the audit process that sometimes takes up to 10 years to address issues relating to taxpayer dollars being spent. We all want to save tax-

payer dollars, Administrator Zimmerman, but we have to get a better process, too, that is in place so that those audits get done more quickly, not just on the public assistance projects that my colleague, Mr. Webster, mentioned, but also when it comes to individual assistance.

And we are going to see this in the aftermath of Hurricane Sandy. We have seen it in the aftermath of Hurricane Katrina and many disasters near my district along the Mississippi River, where, years from now, individuals will get letters stating that they now owe FEMA money.

So I would urge you to continue to work towards making the process on the front end better so that we avoid these problems in the future. Because you know who they call? They call us. And then we call you. And it is unfortunate when that process has to happen.

I do want to address, because I know that flood maps and mapping issues are frustrating folks along the eastern seaboard, too, as they are in and along the Mississippi River. As you know, we have a project that we are working with the Corps of Engineers to try and upgrade our levies in the metro east, while it seems we are in a race with FEMA to avoid the flood insurance rates going up drastically. It seems we should have better coordination.

And along that line, the LOMA process. The LOMA process is a process that I found some personal frustration with in helping individuals walk through that. And I want to ask you a question. What is your average time it takes for a LOMA request to actually be—from filing date through adjudication?

Ms. ZIMMERMAN. Thank you for that question, Representative Davis. That falls within our Flood Insurance and Mitigation branch. I come from Response and Recovery. And I would not be able to give you a quote, as far as how long that process takes. So we would be happy to get that information back to you and give you that timeline.

Mr. DAVIS. Can you get that person here in the next minute and 42 seconds?

Ms. ZIMMERMAN. Well, let me see.

Mr. DAVIS. Would you take my question back?

Ms. ZIMMERMAN. Yes, definitely.

Mr. DAVIS. Because it goes with the whole—it also goes within the responsibility of FEMA and within the area that you are responsible for, too. Because it is the entire process, whether it is a mapping process, whether it is the disaster assistance process, whether it is actually making sure that individuals and public entities get the funds that they need and deserve. And it is an overall frustration for Members like me that we just see one agency within different departments seemingly work against themselves. And that is what we are trying to fix here.

And I believe this committee—I agree with Chairman Shuster. We have seen Chairman Shuster and so many people on this committee in a bipartisan way put forth efforts to streamline processes. Because what is happening now sometimes isn't the best. And each and every one of you know a better way to move the bureaucracy. And we need to hear from you, too, and we need to hear from all

of your agencies on how we can make the processes better post this disaster and the many more that are sure to come.

And, with that, since I asked the question to the wrong person, I will yield back the balance of my time, Mr. Chairman.

Mr. SHUSTER. I thank the gentleman.

Now Mr. Sires is recognized for 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman, for holding this meeting.

Before I start, I want to thank my colleague LoBiondo for his hard work and the kind words. He took the leadership and we were able to secure the money that New Jersey needed. So I feel real good about my colleagues.

You know, one of my pet peeves when I was in the New Jersey Assembly was always putting money, every year—beaches, replenishment, and everything else that went along when we had a storm. And this resilience program, to me, I think it is extremely important. Because we would build it, and it would break again.

So I guess my question to you now is this: Knowing that we need to do this resilience and knowing that we need to fix this or we can have the money to do the infrastructure that is going to be able to withstand the storms, are we better off now or better prepared for a future storm than we were before Sandy? Have we done some of the work that needed to be done in infrastructure to withstand some of the storms in the future?

Mr. ROGOFF. I will take a quick piece of that, but I only have a small piece of that answer, Mr. Sires.

We have at the FTA allocated not just recovery money but we have also allocated $1.3 billion to the transit agencies in the region, including New Jersey Transit and the MTA, for what we call local priority resiliency.

The concept for that funding was this: If you are going to go into a tunnel and you are going to restore it and do the necessary restoration, it makes sense and certainly is efficient from the perspective of the taxpayer to complete the resilience element of that project at the same time.

So the classic example is you have rail tunnels that also have the signal and the electrical work and the ductwork at the ground level. And putting it up to the roof doesn't cost all that much, and, Lord knows, you don't want to have to shut down the tunnel twice.

So, yes, we are in the midst of doing that construction. It is not completed yet, but there are what I would call, kind of, small bore resiliency efforts that are underway.

Mr. SIRES. Well, I am glad to hear that, because one of the problems that we had in Hoboken, New Jersey, was the signals. Apparently, there were, like, 1,200 signals that went because of the slope of the—so this is where the resilience money will be spent, I would assume.

Mr. ROGOFF. That is one part of it. We——

Mr. SIRES. There are others, I am sure.

Mr. ROGOFF. We expect to compete a larger chunk of it for——

Mr. SIRES. Because the other question is going to be to Lieutenant General Bostick.

You know, one of the visits that I made after the storm were the ports. And the ports were hit hard, their infrastructure. So I was just wondering if you are working with the ports in order to raise

the grid, you know, the electrical grids, and make everything somehow able to better stand the storms and the floods that hit these ports. Because, as you know, the ports in our area, there were 250,000 jobs, and that is impacted. And I must say that they were back within a few days. Almost a week, they were back functioning.

So I was just wondering if the Army Corps of Engineers was working with the ports on their resilience program to make sure the infrastructure is capable of handling some of these storms.

General BOSTICK. Representative, we work with the ports, but our responsibility by the authorities that we have are primarily in the O&M and the dredging work that we do. And then we do some work on the coastlines.

We are working very closely with the Department of Energy and Deputy Secretary Poneman and his team in terms of response capability. Our authorities also allow us to respond quickly with generator support.

But in terms of the infrastructure of the electrical grid, that is not an area that we work.

Mr. SIRES. All right.

One of the questions that I asked Governor Christie during this whole storm is, we had a ton of generators delivered to New Jersey, but some of these places weren't able to hook them up because, you know, the way where the hook is—or it did not fit.

So I was just wondering, is that a State, I guess, requirement or a Federal requirement where we can make something that everybody has the same ability to switch on?

Maybe I am not making myself clear. For example, the gas stations, they couldn't get the power because, although you had a generator, these generators couldn't be hooked on. You couldn't deliver the gas because they didn't have the same way of delivering the gas.

Do we need something that is—everybody is the same, basically?

Mr. ROGOFF. One thing I think does touch on this, Mr. Sires, is if you look at the Hurricane Sandy Task Force report, the whole issue of the availability of fuel in the event of a storm was actually quite critical. So, yes, they could get generators, but they couldn't necessarily get the fuel to fire them up.

Mr. SIRES. Right.

Mr. ROGOFF. And, similarly, for transit operators and even for evacuation needs, how we redeploy fuel so it is available when we actually need it at its most critical time is one of the issues that the task force is looking at.

Mr. SIRES. That would be a State issue or Federal issue? I am sorry.

Mr. ROGOFF. Well, I think, like everything else here, it is a partnership.

Mr. SIRES. OK.

Thank you, Mr. Chairman.

Mr. SHUSTER. I thank the gentleman.

And, with that, Mr. Farenthold is recognized for 5 minutes.

Mr. FARENTHOLD. Thank you very much, Chairman Shuster.

And I have seen a great improvement in the response to Sandy after Katrina. And my goal is to continue that level of improvement

as we continue to face natural disasters. We all hope and pray that they won't happen, but they always do.

Obviously, there are funding issues associated with this. You know, I think it is a whole other issue about how we address funding for natural disasters. Do we continue to do these as supplemental bills, or is it something that we should be planning for because we know it is going to happen?

But along the lines of continuing improvement and learning from these issues, I know, Ms. Zimmerman, you aren't the flood insurance maps expert, but is there some analysis that you all are working with that department to determine the accuracy of these maps as predictors of damages, specifically with respect to hurricanes? They are, kind of, unusual, very powerful weather events. Is there some process underway to determine the accuracy of the flood maps and, for that matter, any of our other predictive mechanisms?

Ms. ZIMMERMAN. Yes, I can guarantee you that we are looking at the maps, looking at their accuracy, as we are updating all of the maps going forward. And they are one of the tools that we do look at as to when we are looking and doing our hazard and risk analysis of all communities across the United States and really working with the State and local partners to assess those risks. So it is one of the many pieces that we have when we do look——

Mr. FARENTHOLD. And I ask this question because I am concerned about—I am also concerned about the science and accuracy behind the map. I think Mr. LoBiondo and Mr. Davis and several other folks have expressed some concern about the mapping process. And I do think that is important in our preparation for disasters, even above and beyond just determining the flood insurance rates. And I would join with the other Members in encouraging you to take back to your office that the maps are an area of interest to this committee and to Congress as a whole.

Let me ask General Bostick with the Corps real quickly, there is a constant battle for dollars between maintenance and new projects. And, you know, one of the concerns that I hear from some of the folks back in Texas is that there isn't enough money for maintenance. And there is an attitude within the community, and I am not sure how deeply it extends into the Corps, but an attitude of, well, we will wait till the next hurricane and it will fall down and then they will have to find money to fix it.

How are we determining in the Corps what is necessary to do in maintenance to keep vital facilities open? Where are our challenges there, and how successful do you think we are being at that?

General BOSTICK. This is a significant area of concern for me and all of the Corps leaders and employees. We are managing about $250 billion worth of projects that the Congress has authorized and asked us to manage, and we have very little dollars in which to do that. The reality is we are doing mostly operations and maintenance versus new construction. Very little new construction work, in fact.

So our focus is how do we use the precious dollars that we have to continue to operate. One of the things that we are doing in our Civil Works Transformation is to look at our infrastructure strategy and determine, within that strategy, that portfolio of $250 billion worth of infrastructure, what should we retain? What should

we repurpose? And what should we divest of? There is just too much infrastructure that we can no longer properly maintain.

So part of the strategy has got to come back to the local, the State, and the Federal leaders and say, this is no longer serving the purpose for which Congress authorized it.

Mr. FARENTHOLD. Or, of course, we could pull all the Harbor Maintenance Trust Fund back into harbor maintenance. That might help.

And, Mr. Mendez, let me ask you a question. Also, thank you for coming down to the district I represent, Corpus Christi. I hope you enjoyed your visit.

One of our ongoing problems throughout the country is the condition of our bridges. And can you tell me quickly what happens when we have a weather event, a hurricane, lots of water, to substandard bridges? And can you just spend the next couple seconds telling us how bad it is or is not?

Mr. MENDEZ. Well, let me just give you numbers that I do have. Throughout the Nation, we have close to 600,000 bridges. Of that, about, I would say, maybe 150,000 of them may not meet current design standards or could use some form of either replacement or some kind of refurbishment, if you will. So that gives you an understanding as to how the bridges are.

And, obviously, depending on a specific condition on a specific bridge, a lot of water may not be a good thing if you have a lot of scour or your columns are being eroded.

Mr. FARENTHOLD. All right. Well, I see my time has expired.

Thank you, Mr. Chairman.

Mr. SHUSTER. Thank you, Mr. Farenthold.

Mr. Carson is recognized for 5 minutes.

Mr. CARSON. Thank you, Mr. Chairman.

Madam Zimmerman, your written testimony mentions the President's Hurricane Sandy Rebuilding Task Force. This task force recently published its reports with recommendations to help the impacted areas and effectively encouraged resilient rebuilding approaches.

I am very interested in the benefits of resilient building and rebuilding techniques which can improve pre-disaster mitigation. Will you highlight some of the task force recommendations for us and describe how this committee can help these recommendations become implemented?

Ms. ZIMMERMAN. Sure. Thank you, Representative.

The task force report did come out. I believe there are 69 recommendations in the report. And as we move forward to build more resilience, as we have been talking about on a number of questions and answers here today, looking at projects and we would look at it holistically instead of just the FEMA Public Assistance Program. We repair what was damaged or destroyed, but we want to make sure what we are repairing has some degree of resiliency to it, some mitigation efforts to go into it, so that we are not continually rebuilding the same structures and putting them back the way they were.

So, throughout the report, it has a number of recommendations and things that I know folks are working on, the working groups, to move that forward and to define how do we build back more re-

silient. And as experienced here on this panel, bringing all Federal agencies together, as all of us received different funding sources through the Sandy Recovery Improvement Act, and how do we put those dollars to the best use so that we are not duplicating funding. Also, to make sure that when we come to the resiliency that we are looking at what is the best case, going back to what is the benefit-cost of this and are we making sure that we are using the best use of the money so that we are not going to come back in and have to rebuild.

So I know, through the recommendations in the report, several Federal agencies, as well as working with our State and local partners—because it goes beyond that, and it is looking beyond just Sandy, whenever disaster strikes, and how we come together to make sure that we are building more resilient.

Mr. CARSON. Thank you.

My followup is for the entire panel. A common complaint after past disasters is the constant changing of FEMA staff, who often provide conflicting answers on project eligibility. This leads to problems not only early on but often later on in the process when the audits are conducted and find various costs and projects were ineligible for funding.

What steps might FEMA be taking to provide continuity in FEMA's decisionmaking with respect to recovery projects and to really ensure that correct information is being provided to all applicants?

Ms. ZIMMERMAN. I will take that one.

What we have done is we have really instituted to documenting our process and to do training. We have put forward in the last 2 years a number of guidance documents and to making sure that our staff is trained out there in the field.

Mr. CARSON. Uh-huh.

Ms. ZIMMERMAN. So when there is transition, a lot of our workforce are disaster reservists. They are out there for a period of time and move from disaster to disaster. But we want to make sure that when somebody has to leave and somebody new comes in that there is a transition period. So that they are working through getting to understand the applicants that they are assigned to and working with their projects.

And, as I say, just the guidance documents and the training to make sure folks are doing it the same way so that you are not getting that one person says one thing and the next person comes in and says the other thing. So we are trying to put that together, and we have been doing a lot of training. We have trained over 400 of our Public Assistance Cadre members so that they are trying to do the system the same way.

Mr. CARSON. What, from the individual witnesses, are the top two factors that have effectively restricted your agency from being able to implement what Congress directed you to do in the Sandy Supplemental legislation? I only have a minute left.

All right. Think on it.

Mr. Chairman, I yield back.

Mr. SHUSTER. I thank the gentleman.

If anybody would like to answer that in writing, we certainly would appreciate those types of responses. You could maybe even make it the top three. That would be helpful to us.

With that, Chairman Duncan is recognized.

Mr. DUNCAN.Well, thank you very much, Mr. Chairman. And I had to speak on the floor and had other obligations that kept me from being here the first hour or so of this hearing, so I apologize if I am repeating something.

But I have a news report from just a little over 2 weeks ago that says, though the Government aid has been slow to trickle over the past year, already the cases of fraud have piled up, and officials are warning that as more money gets freed up, more will try to bilk the system. And it says that in just one county, Monmouth County, there have been 210 cases in just that one county that have been opened.

And then, also, I understand that there is concern from past disasters and also possibly in this one that some agencies or individuals have been given money that—that FEMA had already reimbursed the people or they had gotten from insurance proceeds.

And I am wondering—so I have two questions. One, what is being done, or is enough being done, to make sure that there is not as much fraud in this situation as there has been in some of the other disasters? And, secondly, what happens when you later find out—or do you later make efforts to find out whether agencies have gotten money from more than one source?

Mr. Rogoff, we will start with you.

Mr. ROGOFF. Sure. Well, Chairman Duncan, we have a very limited universe of grantees. We are making grants directly to transit agencies, so we are not making them to individuals within the communities.

But we have stood up a number of measures to ensure that we ensure the absolute minimum and hopefully embody a zero tolerance for waste, fraud, and abuse. For any grantee receiving over $100 million or more, which includes all of the big ones in the New York-New Jersey region, we are requiring them to have their own integrity monitors. We are doing a risk-based approach not only to every grantee but to every grant.

We have procedures in place with FEMA. We see every award they might make to any transit agency and they are seeing every award that we make to every transit agency to ensure that there is no duplication. And we are currently working with FEMA to make sure that transit agencies cannot double dip on insurance and Federal assistance, and we are going to be modeling our approach on theirs.

It gets complicated. We have hired insurance experts to help us in the following respect. Some transit agencies have individual facilities that were insured. Some are getting a lump-sum settlement from their insurer for all of the damage, which includes both transit assets and nontransit assets. And we are going to make sure that even when they get a lump sum, it is prorated on their transit damage so they are not just putting their insurance settlement against some other universe of cost and letting us pay for all of the transit damage. So I think we have a very good series of procedures in place.

Mr. DUNCAN. All right. Ms. Zimmerman.

Ms. ZIMMERMAN. Going back to the cases for individual assistance, post-Katrina we had an improper payment rate of between 9 and 14 percent. Since that time, we put into place a number of stopgaps and a number of things that we do internally to be able to doublecheck, and a year ago, our improper payment rate was .03 percent. So as we go forward in trying to get the money out there quickly to disaster survivors following disasters, there are a lot of checks and balances that we do within our own system at our processing centers.

So moving forward we are hopeful there won't be a lot of that. But, as you know, when we get the money out there after we have been able to validate damages in someone's home, if they do get insurance coverage, then we do go back and ask them to see what the insurance covered and what things were not covered and if we are able to cover those, so there will be some cases where we may have to ask for refunds back based on money that we have provided to disaster applicants.

For our public assistance projects, as was stated, we are working——

Mr. DUNCAN. Have you asked for any refunds in this situation yet?

Ms. ZIMMERMAN. From disaster applicants? I believe we have from a few.

Mr. DUNCAN. Let me ask you about something else. When Mr. Sires mentioned, as he said, a ton of generators that were sent there that couldn't be used, I remembered when FEMA had many thousands of trailers that they ended up with, brand new trailers but for another disaster that just ended up sitting there. Are you familiar with the generators that he is asking about and are we going to read about things like in the future on this?

Ms. ZIMMERMAN. I know we work very closely with the Corps of Engineers when it comes to generators. We provide generators, working with the Corps of Engineers to install them. General Bostick?

General BOSTICK. What we did in post-Sandy, I think there was an effort from the President on down, including the Governors, to push forward with as much assets as we could. So we had more assets available in some areas than they needed.

The other thing that Representative Sires brought up is the connections. What we do prior to a storm is to conduct assessments, and the Corps conducted about 2,400 assessments of critical infrastructure, like hospitals, police stations, fire stations and those sorts of things. Since Sandy hit a major city, the type which we had not seen before, there were generator requirements on things that were not critical infrastructure. So we did not have connections on those. And it is really up to the States to help us with that.

Mr. DUNCAN. All right. My time is up. Thank you, Mr. Chairman.

Mr. SHUSTER. I thank the gentleman. With that, Ms. Esty, 5 minutes, please.

Ms. ESTY. Thank you, Mr. Chairman. I would like to thank the panel for your answers and for staying all the way to the last person, who I think is here today. I, too, have been shuttling back and

forth with the Science Committee where we are having a vigorous debate about climate change.

It is my hope that we can learn from what your agencies have done, what best practices should be going forward. I come from the State of Connecticut. We still have people rebuilding in my State. So there are two areas I would like to get your comments on and feedback about.

First, to return to the remarks from my colleague, Mr. Gibbs, a little bit earlier, so General Bostick, this is for you, we have learned a lot in Connecticut about the vulnerability of our shoreline, most of which is unprotected. The State has been trying to address through nonstructural alternatives, but, frankly, there just hasn't been support for that. And as our policies tend to focus on replacement, I would hope that these comprehensive surveys are used with now rising sea levels, increasing severity of storms, to really take a good hard look at nonhard structure alternatives that may allow us in places like Long Island Sound, both on the Connecticut and the New York side, and I would like your comments and thoughts about what we could do on a congressional level to facilitate the Corps and any of your agencies to really explore cost-effective ways of expending taxpayer dollars to better protect life, limb and property.

General BOSTICK. Thank you for that question. I think we are going to learn a lot from the comprehensive study. It will come to Congress in January of 2015, and I think Congress will have the opportunity to act on that and determine the way forward. We will and have considered climate change and sea level rise and more frequent storms and higher storm surges and the impact that that could have. Part of that study will include the kind of options that you are talking about, nonstructural options, as well as structural. So I think all of that is on the table and we will have great flexibility in the way forward.

I think the critical thing for the country is to decide how it wants to prioritize and where it wants to prioritize its precious resources; and realize it is going to be not just a Federal solution, but a non-Federal, local, tribal and all of us working together.

Ms. ESTY. Thank you. Now I would like to turn to the transportation side. As you well know, we had rail lines underwater in Connecticut for a considerable period of time. That will not be the last time we have that happen. So I would like you to talk a little bit about what alternatives, particularly given the complexity of the ownership of those rails in Connecticut, and whether there might be funding that is available to address what, in some ways, this is the resilience question we have been talking about over and over again here today, what that has to do with everything from 100-year-old catenary lines that we are relying on, and an energy transmission system that is inadequate to deal with these issues, as well as rail beds that are too low. And all of these, and as we know, any one piece, the weakest piece is going to bring the whole system down on the most heavily used passenger rail system in the country.

So if you can talk about sort of the intermodal impact of that, I–95 is already jammed, there is no place for those cars to go. We have experienced this twice already this year, and it wasn't Sandy,

it was accidents that caused this. So if you can give us some thought. And frankly, the Governor is here for Connecticut today and he is going to want to know from me is the State going to be able to get some assistance in raising those rail beds, which is, indeed, clearly one of our choke points and one of our risks for resiliency.

Mr. ROGOFF. Well, Ms. Esty, I can tell you that all the transit agencies that were impacted by Sandy are eligible for this resiliency funding. And we are already obviously in a detailed conversation with Metro North about it.

Certainly, you make a good point. The fact that Joe and I should jointly address this question is indicative of the challenge. The line that runs along the shoreline is shared by Amtrak, ConnDOT trains and Metro North trains. It is a critical asset. Probably more rail passengers use that than most every other district represented here on the dais, with the exception of Mr. Nadler's probably.

That is why our priority for our resiliency funding is going to go to regional approaches where we see that cooperative conversation between Metro North and Amtrak and ConnDOT—making sure that there is one comprehensive solution, not a solution that protects one segment of rail only to flood another.

Mr. SZABO. I think I would just add to that, I mean, Peter gave the appropriate answer for the immediate solution. For the longer term solution I come back to a couple points I made in my testimony talking about the importance of regionalism, regional planning, the importance of moving forward with our NEC Future vision and making sure that we are then meeting the needs of all of these transit and intercity passenger rail operators comprehensively, because the point has been well made, it is the weakest part, you know, link in the chain, that ultimately breaks down the whole system.

Ms. ESTY. Thank you very much. I yield back.

Mr. SHUSTER. I thank the gentlelady. I have just one final question and just a remark. Mr. Rogoff, the final question will be to you, but I have a remark first.

I just want to make sure that Members and panelists know and one of my colleagues may have alluded to that I think we are only about recovery, when certainly this committee and what you do with these funds are about recovery. They are also about mitigation. But we certainly want to do what is smart and try to raise the level to prevent these things from happening again or mitigating so that there is a lot less damage.

But there comes a point, with the limited dollars that we have, that we may be able to raise it a level or two. But to go to that third and fourth and fifth level, I believe that is when the States and the local governments have to step in and say, OK, if we want to take it three or four levels up, that is something the taxpayers of New York or New Jersey or New York City need to do, because the Federal Government is coming in with taxpayer dollars from the States that are not directly impacted by it.

So, again, I want to make it clear that I think that certainly recovery, raising it up, let's be smart about it, make the investment, if it makes sense to do it.

The other concern that I have is this is a new program, the transit program, and many times administrations spend the money that is not intended, what Congress had intended. In fact my mother used to say to me, I gave you an inch, you took it a mile. And whether it is a Republican administration or a Democrat administration, that kind of thing, my mother's wisdom is right, we give you an inch and you take a mile.

So the final question, Mr. Rogoff, is back to the cost-benefit. I think it is so important to make sure that a cost-benefit is paramount, also making sure it is transparent so the public can see that, and I think the public understands cost-benefit analysis. What would you see as a scenario where you would say, well, the cost-benefit analysis is here and we really have got to take a different tact on that? Because maybe there are those scenarios out there. Can you think of one that might give us some guidance?

Mr. ROGOFF. Quite frankly, not offhand. Well, let me provide one. Depending on what you include in costs and what you include in benefits, there could be a community for which the transit access is absolutely critical but the number of transit riders doesn't generate as much by way of benefits so the solution is that those people lose service. I don't even have a place in mind when I think about that right now.

But why do we have an Essential Air Service program? Well, a decision has been made by some that we need to maintain that connectivity for those communities and those airports where they otherwise wouldn't get it. I could see a scenario where we would make a judgment that it is absolutely essential that that community continue to have access to transit, even if there are comparatively few riders. But we are not there yet. I can assure you, as I said earlier, cost-benefit is going to be elemental to our analysis.

If I could raise one other thing only because Mr. Webster is still here and he raised a question that I feel I could help answer. He asked earlier if resiliency investments were defined anywhere on paper. They will be shortly, at least for purposes of the Federal Transit Administration, because we will be putting out a notice of funding availability inviting applications for those resiliency investments and we will obviously, in that notice, have to define what is eligible and what is not. So I just wanted to call that to his attention, because there will be something on paper to look at at that time.

Mr. SHUSTER. I appreciate that. And, again, this committee and this Congress needs to have that transparency. We saw the TIGER grants and nobody can ever figure out exactly why they went where they did. I have my own thoughts on that. But, again, transparency is important and I think cost-benefit analysis is absolutely central to the whole question.

So, again, I thank all you for being here. I appreciate you spending your time here. Are there any further questions from any Members of the panel? Seeing none, I would like to thank each of our witnesses for their testimony today.

I ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted in writing and unanimous consent that the record remain open for 15 days for any additional

comments and information submitted by Members or witnesses to be included in the record of today's hearing.

Without objection, so ordered.

Again, thank you all for taking the time today. I appreciate it greatly. This hearing is adjourned.

[Whereupon, at 12:13 p.m., the committee was adjourned.]

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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Administrator Peter M. Rogoff's Responses to Questions for the Record
From the Committee on Transportation and Infrastructure
Hearing on "Progress Report: Hurricane Sandy Recovery – One Year Later"
November 14, 2013

Responses to Questions from Representative Bill Shuster, Chairman

1. Is the $25 million figure FTA is requesting to capitalize the Emergency Relief Program a one-time deposit, or is FTA requesting $25 million annually?
    a. How did FTA arrive at that number?
    b. How would that money be spent in years with few or no disasters impacting public transportation systems?

Response

FTA's $25 million Public Transportation Emergency Relief Program request is based on a 10-year average of annual disaster spending on public transportation. The data used to calculate this average was included in a 2008 Government Accountability Office (GAO) study, entitled *Emergency Transit Assistance: Federal Funding for Recent Disasters, and Options for the Future*.

With the passage of Moving Ahead for Progress in the 21st Century (MAP-21), Congress acknowledged the need for a Public Transportation Emergency Relief program at the FTA and provided the authority to administer such a program. Following MAP-21's passage, FTA almost immediately began using its' new authority after Hurricane Sandy caused significant damage and destruction to the nation's most transit-centric region in October 2012. Moreover, in March 2013, FTA published an Interim Final Rule that established procedures governing the implementation of the Emergency Relief Program.

Although Congress responded to Hurricane Sandy's destruction with a $10.9 billion supplemental appropriation, that funding cannot be used to address any recovery and resiliency needs outside of the Sandy impacted region. This means the FTA would not be able to provide immediate response to restore transit service in the wake of a future disaster.

As with most transportation program funding, FTA typically requests no-year funding for grants programs, including the Emergency Relief program. No-year funds afford FTA the flexibility to provide assistance based on the number and severity of disasters each year. If, in a given fiscal year, there is less demand on the program, the funds will carry over to the next year. The $25 million request for FY 2014 is needed so FTA can capitalize the Emergency Relief account and be prepared to respond immediately in the event of a disaster.

2. Unlike every other disaster program we know about, the new Federal Transit Administration's disaster program requires FEMA to pay to fix transit systems if the FTA's program is out of appropriations. This creates a rather complicated situation where FEMA may start transit repair projects – using FEMA guidelines and eligibility rules – and then have to transfer the ongoing project to the FTA – who has different rules – if and when the FTA program receives funding.
    a. In the future, how are FEMA and FTA going to manage these projects when they move back and forth between agencies based upon who has money?
    b. Wouldn't it make more sense to treat transit like we do every other program and draw a bright line between what FEMA pays for and what FTA pays for? We do that for roads, and it works well.

Response

With consistent and adequate funding levels for the FTA Emergency Relief program, FTA, FEMA and public transportation agencies will become accustomed to FTA providing assistance for emergencies and disasters, and this issue will be moot. In addition, the memorandum of agreement between the agencies provides that when FTA has funding, FTA is the payor of first resort.

It is important to note that FTA and FEMA experienced this phenomenon subsequent to Hurricane Sandy and prior to FTA receiving appropriations. During the three months between the storm and passage of the Disaster Relief Appropriations Act, FTA and FEMA worked closely together to validate FTA grantees' damage assessments and cost estimates. Without certainty of an appropriation, FEMA developed project worksheets for public transportation agencies that experienced damage from the storm. Once FTA received funding, FEMA "zeroed out" the project worksheets and FTA provided technical assistance to its grantees to develop grant applications. While not ideal, as there was some duplication of effort between the agencies, this coordination was effective in ensuring that affected public transportation agencies received the assistance they needed in a timely manner.

With regard to the Federal Highway Administration's Emergency Relief Program, that Program has existed for more than 60 years and is currently funded at $100 million per year. FTA cannot support the drawing of "bright lines" between what FEMA and FTA will pay for unless and until the FTA Emergency Relief program receives adequate and consistent funding. Without that funding, public transportation agencies could be in the untenable position of not receiving any Federal assistance for serious damage to their facilities after an emergency or disaster.

3. Each of the emergency relief programs within your agencies carry different requirements as conditions for receiving federal funding. If a recipient does not want to follow the

requirements of one program, should it be permitted to apply for funding under another program assuming the project is eligible under both?

a. Should Congress amend these programs to ensure that there is no overlap in eligibilities?

FTA does not believe it is necessary to amend the programs to ensure that there is no overlap in eligibilities. As the payor of first resort when funding is available, FTA stands ready to assist its grantees with expenses related to restoration and recovery subsequent to an emergency or disaster. The FTA Emergency Relief program is somewhat broader and more flexible than the FEMA program, and as long as FTA has adequate funding, public transportation agencies should turn to FTA for assistance.

Administrator Peter M. Rogoff's Responses to Questions for the Record
From the Committee on Transportation and Infrastructure
Hearing on "Progress Report: Hurricane Sandy Recovery – One Year Later"
November 14, 2013

Response to Question from Representative Tom Rice

1. What will be the federal percentage of transit system repair costs for New York and New Jersey in the aftermath of Superstorm Sandy?

Response

FTA's Emergency Relief Program provides that the Federal share for operating expenses and capital projects for the Program is 80 percent; however, the Secretary may waive, in whole or in part, the non-Federal share.

On October 31, 2012, the President amended the cost-sharing arrangements for the States of New York, New Jersey and Connecticut regarding Federal funds provided under the authority of the Stafford Act, authorizing a one hundred percent (100%) Federal cost share for emergency public transportation assistance and emergency protective measures for those areas within counties designated for FEMA Public Assistance in New York, New Jersey and Connecticut. This authorization was in effect from October 30, 2012 through November 14, 2012. Therefore, the federal share for actions taken during that 16-day period in those States was one hundred percent.

All other repair costs subsequent to the initial 16 day period will be 90 percent for all areas impacted by Hurricane Sandy, consistent with the Administration's December 7, 2012, request to Congress for emergency relief funds.

STATEMENT OF
VICTOR M. MENDEZ
ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

Progress Report: Hurricane Sandy Recovery—One Year Later

NOVEMBER 14, 2013

Chairman Shuster, Ranking Member Rahall, and Members of the Committee, thank you for the opportunity to testify today regarding Federal Highway Administration (FHWA) Hurricane Sandy response efforts.

Our country has experienced a number of devastating disasters over the past year—from Hurricane Sandy to the recent Colorado floods. What nature destroys in seconds can take weeks, months, or even years to rebuild.

The Obama Administration is committed to helping Americans recover from the damage caused by these and other natural disasters. Although lives lost from such disasters can never be replaced, programs like FHWA's Emergency Relief (ER) program play a pivotal role in helping communities rebuild critical transportation infrastructure. Restoring vital transportation links in the wake of a disaster requires immediate attention so people can travel safely and return to their daily routines and activities. In addition to implementing the ER program, FHWA is looking ahead to determine how we can deliver projects more quickly and how we can help our infrastructure better withstand natural disasters consistent with the Executive Order President Obama recently signed aimed at "Preparing the United States for the Impacts of Climate Change."

The Emergency Relief Program

The ER program provides funding to States for the repair and reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Examples of natural disasters include hurricanes, floods, earthquakes, tornadoes, severe storms, and landslides. A catastrophic failure is defined as the sudden failure of a major element or segment of the highway system. In addition, the cause of the catastrophic failure must be determined to be external to the facility. The May 23, 2013 collapse of a section of the Interstate 5 bridge over the Skagit River in Washington State after being struck by a tractor-trailer is an example of a catastrophic failure from an external cause. Failures due to gradual and progressive deterioration or lack of proper maintenance do not qualify for assistance under the ER program.

Congress has funded the ER program through a permanent annual authorization of $100 million since 1972. When ER program needs exceed available funding, Congress has often provided supplemental appropriations to cover the ER program needs. On January 29, 2013, the President

signed the Disaster Relief Appropriations Act of 2013, providing FHWA with $2.022 billion [1]in ER funding to be used for both Sandy and non-Sandy relief.

In the Moving Ahead for Progress in the 21st Century Act (MAP-21), which the President signed into law in July 2012, Congress made some changes to the ER program, and FHWA acted quickly to issue ER implementing guidance to States prior to the Act becoming effective on October 1, 2012. We coordinated with the Federal Emergency Management Agency (FEMA) prior to issuing our guidance, since MAP-21 clarified responsibility for debris removal costs for Stafford Act events under FHWA's program. The Department also acted quickly to issue a MAP-21 rulemaking establishing a new categorical exclusion for emergencies. We have already used this authority to help expedite the delivery of critical transportation projects in emergencies.

Eligibility

Two major categories of repair are eligible under the ER program: emergency repairs and permanent repairs. Emergency repairs include repairs needed to restore essential traffic, minimize the extent of damage, or protect the remaining facilities. Emergency repairs can begin immediately following a disaster without prior approval from FHWA. Permanent repairs are those repairs that permanently restore a highway facility to its pre-disaster condition. FHWA approval and authorization is required prior to permanent repairs.

Funding under the ER program is intended to aid Federal, State, and local highway agencies with an unusually heavy expense of repairing serious damage to Federal-aid highways and roads on Federal lands resulting from natural disasters or catastrophic failures from an external cause. The ER program provides for repair or reconstruction of a comparable facility meeting current geometric and construction standards required for the types and volume of traffic that the facility will carry over its design life. ER funds are not intended to replace other Federal-aid, State, or local funds for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities.

Generally, all elements of the highway cross section damaged as a direct result of a disaster are eligible for repair under the program. This includes elements such as pavement, shoulders, slopes and embankments, guardrails, signs and traffic control devices, bridges, culverts, cribbing or other bank control features, bike and pedestrian paths, fencing, and retaining walls. When a pedestrian or bicycle trail that is within the right-of-way of a Federal-aid highway is damaged, that damage is eligible for ER funding whether or not the roadway itself is damaged. Incidental costs resulting from a disaster, such as project delay costs or lost toll revenues, are not eligible expenses because ER funds are intended to cover only repair work that exceeds heavy maintenance, is extraordinary, and will restore pre-disaster service.

Federal Share

If accomplished within the first 180 days after the disaster occurs, emergency repair work to restore essential traffic, minimize the extent of damage, or protect the remaining facilities may be

[1] This amount was subsequently reduced by $101.1 million in accordance with the Presidential Sequestration Order dated March 1, 2013, pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended (BBEDCA), 2 U.S.C. 901a.

reimbursed at 100 percent Federal share. For the costs of permanent restoration work, and the cost of all repairs incurred after the first 180 days, the Federal share is based on the type of Federal-aid highway that is being repaired. For Interstate highways, the Federal share is 90 percent. For Federal-aid facilities that meet the definition of a Federal lands access transportation facility, the Federal share is 100 percent. For all other Federal-aid highways, the Federal share is 80 percent. MAP-21 provided authority for the Secretary to extend the 180-day period for 100 percent Federal share of emergency repair work if there is a delay in the State's ability to access the site.

Oversight

The Federal-aid highway program is a Federally-assisted, State-administered partnership between the FHWA and the States. FHWA's Division Offices, located in every State, are available to brief State and local officials on the ER program; offer advice regarding the eligibility of repairs for funding; assist in performing on-site damage surveys and preparing estimates of the costs of repairs; expedite the flow of ER funding and the advancement of projects; provide technical assistance on the design of repair projects; and coordinate damage surveys with other Federal agencies.

FHWA manages ER projects in accordance with typical Federal-aid project requirements. Contracts for both permanent repair work and emergency repairs must incorporate all applicable Federal requirements. ER program project oversight is performed in accordance with the FHWA stewardship agreement with the State.

Release of Funds

Decisions regarding whether to seek ER program assistance rest with the States. Local highway agencies apply through the States, and States determine whether to seek ER funding for repair of either State-owned or local-agency-owned Federal-aid highways.

State and local transportation agencies are empowered to begin emergency repairs immediately to restore essential traffic service and to prevent further damage to Federal-aid highway facilities. FHWA reimburses States for properly-documented costs upon the States' formal requests for ER funding and FHWA Division Administrator determinations of ER funding eligibility.

There are two methods for developing and processing a State request for ER funding: the "traditional" method and the "quick release" method. The traditional method follows the typical process used to develop a funding request. The quick release method is intended to provide an immediate infusion of funds to a State in order to start helping communities with the recovery process soon after an event. Quick release funds act as a down payment on additional ER requests a State may make as it assesses the full extent of damage following a large-scale disaster.

The Emergency Relief for Federally Owned Roads Program

The Emergency Relief for Federally Owned Roads (ERFO) program assists Federal agencies and Tribes with emergency repairs on Federal and Tribal lands. The ERFO program is authorized and funded under the ER program, typically receiving approximately 10 percent of the ER

program funds, which is the average relative share of needs on Tribal and Federal roads compared to State-administered needs.

FHWA manages ERFO projects in accordance with typical Federal-aid project requirements. Contracts for both permanent repair work and emergency repairs must incorporate all applicable Federal requirements. Federal Lands Division Offices perform ERFO program project oversight, and Division Engineers approve requests from Federal agencies.

Federally- or Tribally-owned roads, trails, and transit systems included in the Federal Lands Transportation Program inventory and the Tribal Transportation Program inventory are eligible for the ERFO program at 100 percent Federal share. Federally-owned roads maintained for usage by standard passenger cars that are not in the inventory are also eligible, subject to a local match.

FHWA Hurricane Sandy Emergency Relief

Transportation infrastructure plays a critical role in maintaining mobility for the American public, supporting our residents, our businesses, and our economy. The importance of our infrastructure comes into its sharpest focus after a natural disaster, like Hurricane Sandy. When a natural disaster or catastrophe strikes, FHWA's ER program is available to provide assistance to clear a roadway and reopen highways to traffic and to make permanent repairs to restore a damaged highway facility.

From the moment Hurricane Sandy hit in late October 2012 along the East Coast from North Carolina to Maine, particularly impacting New York and New Jersey, Federal, State, and local agencies worked together with an unprecedented level of cooperation to help impacted States rebuild and recover. I am proud to say that the Department and FHWA have been front and center in that effort. Our priority was to provide needed aid quickly to help get the region back on its feet and moving again by restoring the transportation system—roads, bridges, subways, railroads, and airports.

At FHWA, our response started less than 24 hours after the storm made landfall as we began to process the region's first requests for ER funding to rebuild roads and bridges. Less than 48 hours after Sandy made landfall, FHWA made available the first quick release funds: $10 million to New York and $3 million to Rhode Island. Days later, FHWA made additional quick release funds available: $4 million to North Carolina, $10 million for New Jersey, and $2 million for Connecticut. About a month later, we provided an additional $20 million to New York and an additional $10 million to New Jersey. These funds represented a down payment on our commitment to the States affected by Hurricane Sandy.

We are keeping our commitment, and to date, FHWA has provided nearly $671 million in ER funding to States and for Federal lands impacted by the storm. This includes funding to reopen a nationally significant landmark, Liberty Island, as well as funding for critical coastal routes, including 15 miles of Ocean Parkway on New York's Long Island and 12 miles of Route 35 along the coast of New Jersey.

We provided $39 million for the Ocean Parkway project, including the total cost of the repairs

and the temporary detours. The Ocean Parkway is vital to the quality of life and the economy on Long Island, providing access to the beach and jobs for many people in stores and shops bustling with summer tourists. FHWA assistance helped Ocean Parkway fully reopen on April 25 just in time for the summer on the South Shore.

The State of New Jersey used $235 million in ER funds for Route 35, the gateway to many of the barrier islands that make up the Jersey Shore. Route 35 opened to traffic in February with temporary lanes, and permanent repairs are progressing, including features to protect it against future storms.

These are just a few examples of how States have used ER funds in the past year to restore important transportation facilities damaged by Hurricane Sandy. Emergency Relief funds are helping States across the country undertake the massive job of restoring damaged roads and bridges so that the public can travel safely and communities can rebuild. For example, in response to the recent flooding across Colorado, FHWA made an initial allocation of $5 million in ER funds on September 13, followed by a second allocation of $25 million on September 19. FHWA will provide additional funds in the future as the State identifies permanent repairs and completes its cost estimates.

In addition, on February 12, FHWA provided $28 million through the ERFO program to repair roads and bridges in Federal parks and recreation areas located in New York and New Jersey that were damaged by Hurricane Sandy. Of that amount, $6 million was made available to the National Park Service for the Statue of Liberty National Monument to begin dock repairs at Liberty Island. In total, we have allocated approximately $15 million to replace all the docks at Liberty Island destroyed by the storm, helping the park reopen in time for Independence Day 2013.

Enhancing Resiliency and Accelerating Project Delivery

In addition to implementing the ER program, FHWA is looking ahead to determine how we can help our infrastructure better withstand natural disasters and how we can deliver projects more quickly. We need to provide transportation agencies with better information, new designs, and tools to enhance the resilience of their infrastructure where economically justified to prevent future recurring damage. We are engaged in activities across the country to identify vulnerable highway infrastructure and minimize the effects of natural disasters and catastrophic events on the infrastructure.

In collaboration with State and local transportation agencies in Connecticut, New Jersey, and New York, we have launched an initiative that will assess the damage from Hurricane Sandy on the region's transportation systems and enhance their resiliency to extreme weather in the long term. The initiative will leverage lessons learned from Sandy and other recent storms, as well as future climate projections, to develop feasible, cost-effective strategies to reduce the transportation system's vulnerability to future extreme weather events. To date, FHWA has established a group of State and local project partners and, in coordination with the Federal Transit Administration and Federal Railroad Administration, this group is currently working to collect and analyze information on transportation assets damaged by Hurricane Sandy and to identify specific assets for further study. Additionally, FHWA is complying with the

recommendation of the Hurricane Sandy Task Force by requiring States to use the best available flood risk design standard – the Advisory Based Flood Elevation plus one foot standard developed by FEMA – for all Sandy-related highway rebuilding projects that are using FHWA ER funding.

FHWA is actively working to develop the information and tools transportation decision makers in all areas of the country need to enhance the resiliency of our infrastructure. For example, we have developed a climate resilience framework that State and local agencies in 19 locations are currently implementing. These agencies are evaluating the vulnerability of transportation assets to a wide range of climate stressors—from extreme surface temperatures and dust storms in Arizona to heavy precipitation and sea level rise in Maine—and identifying ways to increase resilience to these threats. In addition, FHWA has been working with transportation agencies in the Mobile, Alabama region to better understand the potential impacts on specific critical components of infrastructure and to develop risk management tools to help determine which systems and assets to protect and how to do so. These tools are intended to be transferable to other regions throughout the country.

We have also made some changes to our financial management practices and quick release process to help States receive ER funds even more quickly. FHWA has coordinated with States to implement a full spectrum of mitigation methods (including enlarging culverts, relocating roadways, lengthening or raising bridges, and other protective measures) to secure roadways from future extreme weather events. We also have a focused research and development program to create further hazard mitigation technologies and methodologies to improve the capability of our highway bridges and structures to resist flooding and scour, storm surges, and wind hazards. In addition, we will work with our State partners to explore creative solutions to address flood and storm risks in vulnerable repetitive loss locations as well as evaluate transportation infrastructure for latent defects.

FHWA also provides States with access to the Freight Analysis Framework modeling tool, which can help States prepare for freight traffic shifts resulting from major road closures after natural disasters. Knowing the potential changes in regional freight travel patterns in times of crisis helps States establish detours, prepare alternative routes to handle additional traffic, and adjust signals and message signs. It can help ensure traffic continues to flow smoothly and safely for travelers on the highways. The tool works by removing the closed or damaged highway from the network model, rerouting the freight traffic on undamaged highways, and then displaying routes the freight traffic likely would take.

As we look for ways to enhance the resiliency of our Nation's highways and bridges, we also need to utilize innovative technologies and methods to deliver projects faster and allow the public to enjoy the benefits of upgraded infrastructure sooner. This becomes particularly important in an emergency event. FHWA's Every Day Counts (EDC) initiative is designed to further increase innovation and improve efficiency, effectiveness, and accountability in the planning, design, engineering, construction and financing of transportation projects. Getting projects completed sooner helps reduce congestion and improve air quality. EDC promotes making greater use of technologies—like assembling bridges from prefabricated elements as was done to rebuild the I-5 bridge in Washington State earlier this year—to allow critical parts of our infrastructure to be built more quickly and with much less disruption to the traveling public.

Conclusion

In the year since Hurricane Sandy struck, the FHWA has stood shoulder-to-shoulder with our Federal, State, and local partners to help restore highway infrastructure in the region. As we continually brace for new natural disasters and catastrophic failures, FHWA remains committed to helping States repair and reconstruct infrastructure damaged by such events. We will continue to explore innovative technologies and other tools to help highway infrastructure better withstand the effects of extreme weather events.

I thank you for the opportunity to discuss FHWA's Hurricane Sandy response efforts. I will gladly answer any questions at this time.

November 14, 2013 Hearing on Hurricane Sandy Recovery
Questions for the Record

Question #1:
Mr. Mendez, in your written testimony you indicate there are two methods for processing a State request for ER funding- "traditional" and "quick release."

a. What are the differences in process between these two methods?
b. What types of projects are eligible for quick release funds?
c. How much faster does funding get to a State through quick release versus your traditional methods?

Answer #1:

a. The first method, the "traditional" or "standard" method, is the general process to apply for and receive ER funds. The second, the "quick release" method, is intended to quickly provide limited, initial ER funds for disasters. Quick release funds are intended as a "down payment" to immediately provide funds for emergency operations. Most quick release allocations have been in the $1 million to $3 million range, although larger amounts have been approved for very large events such as Hurricane Sandy and the 2013 Colorado floods.
b. Quick release funds may be used like any other ER fund allocation on any eligible repairs for an ER event. However, quick release funds are usually used for immediate emergency repair needs, such as opening a roadway to essential traffic or providing traffic control.
c. Quick release funds are usually provided within one or two days after the occurrence of a disaster. Traditional ER allocations will follow a quick release allocation at a later date once the State has better estimates of repair costs and has submitted an application with a comprehensive list of all eligible project sites and repair costs. ER requests for prior events will be added to the nationwide ER obligation plans and will typically be provided on a 6 month cycle. The amount of the allocation will be made based on the ER fund balance available for allocation and the State's relative share of national ER needs.

Question #2
Your testimony states that FHWA is requiring states to use the best available flood risk design standard for all Sandy-related highway rebuilding projects that use ER funding. Is this a new requirement and if so, under what authority is FHW A implementing it?

a. Will this standard be applied to other federal-aid highway projects?

Answer #2
The FHWA floodplain regulation (23 CFR 625) provides such authority, including requirements regarding design standards for projects in floodplains (23 CFR 650.115). The FHWA floodplain regulation requires States to consider as part of their assessment of capital costs and risks, the overtopping flood (which in this case is Hurricane Sandy) or the base flood, whichever is greater, as well as the greatest flood which must flow through the highway drainage structure(s). Determining this "greatest flood" is subject to the state-of-the-art capability to estimate (23 CFR 650.115(a)(1)). The Hurricane Sandy Task Force recommended that States use the best available flood risk design standard - the Advisory Based Flood Elevation plus one foot (ABFE+1)

standard developed by FEMA - for all Sandy-related rebuilding. In this case, the ABFE+1 standard became the state-of-the-art capability to estimate the greatest flood and it incorporates information about the overtopping flood (i.e., Hurricane Sandy); therefore, it is consistent with the design standards and floodplain regulations. FHWA used similar risk and resilience approaches to allow State DOTs to rebuild bridges destroyed by Hurricanes Ivan (2004) and Katrina (2005).

Question #3
Has the Secretary utilized his new authority to extend the 180-day period for 100 percent federal share of emergency work yet and if so, what were the circumstances?

Answer #3
Approval to extend the 180-day period, if granted, is done by the individual FHWA Division Office in the affected State. Such approval is based on the ability to access facilities to evaluate damages and repair costs. Because this is location specific, it is necessary for a State to request FHWA Division Office approval on a case-by-case basis. Such approvals are not tracked on a national level; however, this authority has not been utilized yet.

Question #4
Each of the emergency relief programs within your agencies carry different requirements as conditions for receiving federal funding. If a recipient does not want to follow the requirements one program should it be permitted to apply for funding under another program assuming the project is eligible under both?

a. Should Congress amend these programs to ensure that there is no overlap in eligibilities?

Answer #4
FHWA's Emergency Relief Program and FEMA's Public Assistance Program each have different eligibility requirements that do not provide an opportunity for overlap. The eligibility under each program is dependent on the type of emergency declaration and the functional classification of the damaged highway. A State cannot arbitrarily choose one of these two programs for a given damage scenario since eligibility will only fall under one program.

Statement of the
Honorable Joseph C. Szabo
Administrator
Federal Railroad Administration – US DOT

Before the
Committee on Transportation and Infrastructure
United States House of Representatives

"Progress Report: Hurricane Sandy Recovery – One Year Later"

November 14, 2013

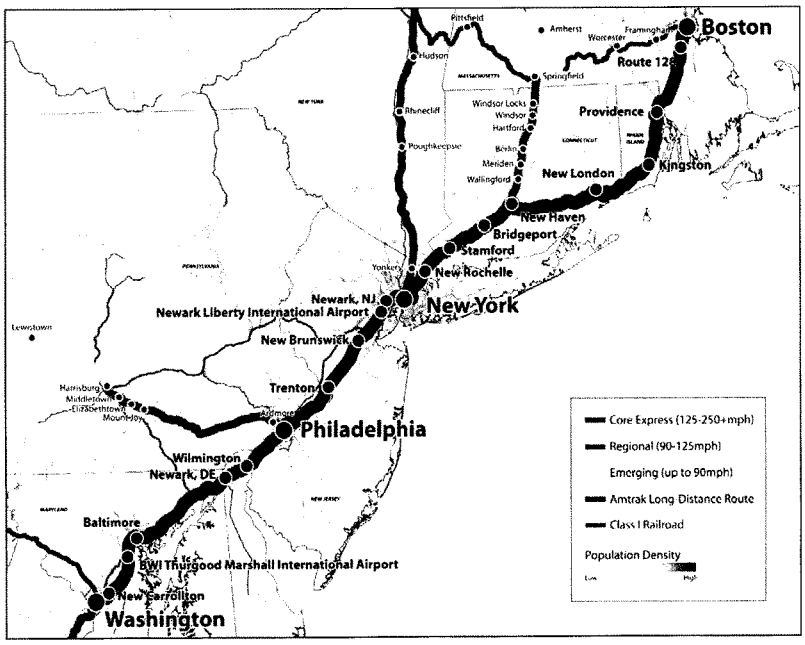
Chairman Shuster, Ranking Member Rahall and members of the Committee: It is my honor to testify with my colleagues from the Department of Transportation and other Federal agencies and discuss the Federal Railroad Administration's Sandy Recovery efforts since the storm hit more than a year ago. In this testimony, I will summarize the Northeast Corridor's role from a national perspective, offer a summary of safety concerns and actions we took following the storm, give an update on our management of recovery funding to date, and an overview of our NEC FUTURE study.

The Northeast Corridor – A Unique American Asset

The Northeast Corridor (NEC or Corridor) has an extensive history, one which spans nearly 175 years. Long before Logan, John F. Kennedy, or Reagan National airports were built, and long before Interstate 95 came into being, the Northeast Corridor was the key artery for moving Americans among the major metropolitan areas of the Northeast. The first segments were constructed in the 1830s, and most of the significant sections were in place by the 1870s. The major bridges and tunnels built in the early 20th Century (and still in use) unified these segments into the Corridor we know today.

The NEC is a not a single, simple rail line – rather, it is a complex rail system in a complex ecosystem that is shared by interlocking networks of intercity, commuter and freight operations. It is one of the most heavily traveled rail corridors in the world, with more than 260 million annual passengers and over 250 businesses shipping freight over the line. The NEC serves an area that includes four of the ten most populous U.S. metropolitan areas, and that produces twenty percent of our gross domestic product while occupying less than two percent of the country's land mass.

Northeast Corridor – By the Numbers



Length:	457 miles
States Served:	8 + Washington, D.C.
Daily Passenger Trains:	2,200+ (spine) | 225+ (connecting corridors)
Daily Freight Trains:	50+ (operated by 7 freight rail companies)
Annual Amtrak Passengers:	11.4M (spine) | 3.6M (connecting corridors)
Annual Commuter Passengers:	247M (operated by 9 commuter railroads)
Market Share Rail/Air:	75%/25% (New York-Washington, DC)

Today, the Northeast region faces a series of challenges that must be addressed if the region is to maintain its global economic competitiveness and quality-of-life:

- **Population growth:** By 2040, an additional 6 million people are projected to live in the areas directly served by the NEC.

- **Mobility:** The Northeast is home to many of the United States' most-frequently-delayed airports, including four of the top five in 2011: Newark Liberty, LaGuardia and John F. Kennedy (New York), and Boston Logan. Highways in the Northeast are also highly congested; Interstate 95, which largely parallels the NEC, is routinely listed among the busiest and most congested roadways in the Nation.

- **Air quality:** Nearly 75 percent of residents in the region served by the NEC live in a nonattainment area for ozone pollutant levels.[1]

The economic vitality of the Northeast depends on our ability to meet these challenges. Substantial investments in the region's airports, transit systems, ports, and roadways are all part of the answer, but the Administration firmly believes that improving the Northeast Corridor should be central to the region's long-term mobility strategy. The NEC is currently capacity-constrained, however, and the region lacks an integrated, consensus-based plan for coordinated Federal and State rail investments. The Northeast Corridor FUTURE program, discussed further below, is intended to fill that gap.

Hurricane Sandy

In late 2012, America found out what life would be like without the Northeast Corridor when Hurricane Sandy came ashore, devastating the livelihoods of citizens all along the Eastern Seaboard.

Amtrak was fully shut down in the New York area for two days, and full service was not restored for weeks. Four of Amtrak's tunnels flooded, causing significant damage to its signal systems and burning out pumps. Track was damaged by washouts, debris slides, and damage to ballast, and six hi-rail and work trucks were lost. Amtrak had $2 million in damage to one of its power stations, and had to remove 80 trees from its right-of-way, including 15 that had damaged the catenary. Overall, Amtrak had $31 million in infrastructure and equipment damage, and $41 million in lost revenues. Freight railroads in the region generally did not have serious damage, except for the New York/New Jersey Railroad (formerly the New York Cross Harbor Railroad), which had four trailers housing office space swept into the harbor, two float barges destroyed, and a float bridge damaged. The New York/New Jersey Railroad's total losses have been estimated at $39.5 million.

[1] FRA staff analysis of data from the Environmental Protection Agency, National Ambient Air Quality Standards (NAAQS) database, for 2008 eight-hour ozone standards (http://epa.gov/air/criteria.html)

FRA had been making preparations prior to the storm, and helped coordinate with various agencies to move along repair and recovery actions before the last drop of rain had fallen. FRA activated its Emergency Relief Docket in anticipation of Hurricane Sandy's landfall. This action allowed railroads to apply for expedited, temporary relief from certain FRA regulations to aid in timely response and recovery. For example certain periodic inspection requirements were waived temporarily because inspection facilities were damaged or unreachable for a period of time.

FRA also coordinated a series of technical assistance conference calls during the week after the Sandy's landfall. Individual railroads, the Association of American Railroads (AAR), American Short Line and Regional Railroad Association (ASLRRA), and American Public Transportation Association (APTA) offered resources to the affected carriers. FRA facilitated these needs-assessment discussions, and coordinated requests for emergency regulatory relief. On these calls, each railroad provided a status report and identified needs for recovery. Those listening had the opportunity to identify and/or offer resources. The cooperation between the public and private sector railroads and FRA allowed for a safe and expedited recovery for the movement of people and goods in the Northeast after the storm.

FRA's Hurricane Sandy Recovery Grants

Hudson Yards

During the weeks following Hurricane Sandy, the limitations of the current set of tunnels under the Hudson River into Penn Station became apparent as crews attempted to repair and empty the flooded and damaged infrastructure from water. The Hudson Yards right-of-way preservation project provides an opportunity to secure a path to Penn Station that would otherwise be unavailable. Preserving the ROW supports Amtrak's efforts to improve the resiliency of the passenger rail system in response to disasters, particularly flooding, improve intercity and commuter rail system safety and reliability, and create options for expanding rail services to meet future demand. In addition to incorporating modern design features, the anticipated additional tunnels made possible by this ROW will be designed to withstand flood levels at the new ABFE+1 standard, meaning the flooding experienced during SuperStorm Sandy of the existing North River tunnels would not occur in these new tunnels. FRA received a transfer of $185 million from Federal Transit Administration (FTA) Sandy Recovery funding for the right-of-way preservation project, which will benefit intercity passenger and transit systems by providing much needed increased capacity in the future.

Prior to receiving a transfer of Hurricane Sandy Relief funds from FTA to FRA for Amtrak's Hudson Yards Right of Way Preservation Project, FRA requested that the U.S. Department of Transportation's Volpe Center conduct an independent cost validation of the Project. Volpe has done similar cost estimating and oversight work over the years for FRA on numerous Amtrak capital projects. For the Hudson Yards Project, the Volpe Team determined that the project methodology, design, and construction approach were logical and appeared to be the most feasible and best selection of the options available. Due to the constraints and nature of the project, including the non-competitive design-build approach, the project runs a risk of inflated costs. However, the Volpe Team concurred with Amtrak's decision to use Turner Construction

Company as an independent consultant to validate the project general contractor's (Tutor Perini's) cost estimate.

Overall, the costs provided to FRA by Amtrak for the Project were determined by Volpe to be fair and reasonable. Volpe provided additional recommendations to FRA on more detailed cost issues that should continue to be monitored. FRA has assigned a project manager in the field along with support staff in FRA headquarters and Volpe support staff to carry out the monitoring of the project. FRA's work with Volpe continues to be a successful collaborative relationship that leverages the expertise of resources within DOT.

$30 Million Repair Grant

Hurricane Sandy affected the entire U.S. Mid-Atlantic coastal region. Between October 26th and 29th, 2012, public transportation was shut down across the region including Amtrak's Northeast Corridor operations. During and immediately following this time, Amtrak mobilized vendors and staff to inspect damages, remove debris, dewater tunnels, restore signals and take other actions needed to repair equipment and restore operations as quickly as possible. The effort sought to uncover the full scope of damage to electrical systems, signals, lighting, emergency call boxes, etc. caused by wind, heavy rains and saltwater. Amtrak expects to experience continued equipment issues, failures and problems due to latent defects caused by saltwater. Repairs will attempt to address the expected latent defects that are now starting to present issues.

Amtrak has estimated repair work that totals $65,622,500. The first $30,248,000 (previously $32 million before sequestration) of total repair expenses that are not reimbursed by a third party are included in the FRA grant.

$81 Million Resiliency Grant

The Sandy Appropriations Act included $86 million for resiliency on the Northeast Corridor (now $81 million after the FY 2013 sequester reduction) which could be put to use immediately to prevent such widespread effects from a natural disaster in the future. However, the legislation also includes a restriction on Amtrak's ability to use its working capital funding for operating expenses in accordance with existing authority provided in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

Amtrak needs to have the flexibility to temporarily use the capital funds for operating expenses in order to manage the day to day cash flow needs of the corporation. Revenues and expenses don't necessarily match up exactly with the timing of the distribution of Amtrak's quarterly distribution of operating funding. With the temporary transfers, FRA and Amtrak assure that final expenditures for the year are in accordance with the appropriations act designated of funding for operating and capital expenses.

The Sandy Act provides that as a condition of eligibility for receipt of the $81 million grant, Amtrak shall not, after the date of enactment of the Sandy Act, use any funds provided for capital and debt service grants in the Sandy Act *or any other act* (e.g., the FY 2013 continuing resolution) for operating expenses which includes temporary transfers of such funds.

FRA and Amtrak concur that the best option for addressing the issue would be to include an amendment in an Appropriations bill to amend the Sandy Act to delete the prohibition on fund transfers. This could be simply accomplished by deleting the phrase "or any other Act" so that the restriction would apply only to the Sandy Act funding.

See below a current accounting of FRA's funding for Sandy Recovery:

Hurricane Sandy Relief Status

Project Name	Allocated Amount	Obligation Status	Obligated Amount	Amount Outlaid To Date	Expenses Incurred But Not Paid*
Hudson Yards Concrete Encasement Project	$185,000,000	Obligated	$185,000,000	$27,894,601	$13,000,000
Amtrak Sandy Repair	$30,248,000	Obligated	$30,248,000	$19,983,279	$0
Amtrak Sandy Resiliency	$81,291,500	Unobligated	$0	$0	$0

*Amtrak reports that it has an additional $13million in expenses incurred on the Hudson Yards project for which they have not yet submitted an invoice to FRA.

The devastating effects of Hurricane Sandy raise important questions about how we can mitigate the effects of similar storms in the future. As we rebuild, we need to focus our attention on ensuring that our transportation system is more resilient, on building more redundancy into the system, and on approaching the transportation planning process in a more regional way so as to coordinate the plans of the affected states.

Moving Forward: Status of the Northeast Corridor FUTURE Study

In February 2012, FRA initiated a comprehensive planning effort to define, evaluate and prioritize future investment alternatives for the NEC through 2040, and to develop a new Environmental Impact Statement (EIS) that is aligned with this vision. This effort – named NEC FUTURE – is one of the largest transportation planning programs ever undertaken, spanning hundreds of political jurisdictions across one of the most complex transportation, infrastructure, and land use environments in the world.

The NEC FUTURE program will establish a roadmap for future investment on the Corridor. NEC FUTURE consists of two coordinated documents: 1) a Tier 1 EIS that will assess the broad corridor-wide impacts of proposed rail improvements and 2) a Service Development Plan (SDP) that will define the vision for the NEC rail network.

NEC FUTURE will result in a comprehensive, immediately-actionable plan that accomplishes many objectives. FRA is focused on working with the railroads and states to examine the operations of the NEC and try to arrive at solutions that optimize the operational environment and provide for efficiencies – in how we invest, operate and maintain the region's railroad. The phased and incremental approach is a key component of NEC FUTURE. We must be focused on high priority projects that achieve benefits for regional travelers.

NEC FUTURE Objectives

- Upgrade & build capacity on mainline to meet 2040 commuter and intercity travel growth
- Evaluate options for more efficient railroad operations
- Evaluate needs and options for high-speed rail service
- Accommodate projected freight demand

Next Steps

The NEC FUTURE team continues to be focused on advancing technical work to define the Tier 1 EIS Alternatives, which will be further analyzed in the Tier1 Draft EIS in the months ahead.

The NEC FUTURE project currently has enough funding to get the team through February 2014. Maintaining momentum and forward progress beyond this date is critical to the ultimate success of NEC FUTURE, especially considering the complexity of the program and the number of stakeholders involved.

Without this funding, the program will have to be put on-hold, stalling momentum in public outreach and agency coordination efforts, as well as resulting in the potential loss of top-tier transportation experts who have built important relationships and technical expertise over the past year. Pausing and then restarting the effort at a later date would increase costs and result in an inefficient process, with potential duplications of effort in data collection/analysis and stakeholder coordination.

Now is the time to complete this program, especially in the aftermath of Hurricane Sandy – the right pieces and people are in place, we've generated substantial momentum and public focus on the effort, and the need for a coordinated and comprehensive blueprint to guide investment decisions has never been greater. We have seen how critical the rail infrastructure is to our economy and we cannot afford to not have a solid plan moving forward.

Conclusion

In closing Mr. Chairman, as one of our Nation's most vital transportation assets, the Northeast Corridor must receive the investments necessary to make it a secure, efficient asset for the future. We are proud of the substantial NEC service improvements that have been achieved in recent years, and are excited to proceed with the NEC FUTURE effort and continue prudent management of taxpayer funding for Hurricane Sandy recovery.

I would be happy to address any questions the Committee might have.

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JOSEPH C. SZABO
ADMINISTRATOR
FEDERAL RAILROAD ADMINISTRATION

QUESTIONS FOR THE RECORD
FROM THE NOVEMBER 14, 2013 HEARING:
"PROGRESS REPORT:
HURRICANE SANDY RECOVERY — ONE YEAR LATER"

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
U.S. HOUSE OF REPRESENTATIVES

Questions from Chairman Shuster:

1. Mr. Szabo, was the $185 million that the FTA transferred to FRA for the Amtrak Hudson Yards Project competitively awarded? If not, what justification does DOT have for setting aside funding especially for this project?

As part of the $10.9 billion Congress appropriated to FTA for its Emergency Relief Program, Congress provided that the Secretary of Transportation may transfer up to $5.383 billion "to the appropriate agencies to fund programs authorized under titles 23 and 49, United States Code, in order to carry out projects related to reducing risk of damage from future disasters in areas impacted by Hurricane Sandy." *See* Title X, Chapter 9 of Division A of the Disaster Relief Appropriations Act (Pub. L. No 113-2, January 29, 2013) (the "Act").

As the Department has stated in Notices of Funding Availability ("NOFA") for Sandy funds, the Department intends to allocate these disaster resiliency funds primarily through formula and competition. At the same time, the Department recognized that there may be some projects that are statutorily eligible for funding where it may be more expedient for the Secretary to use his authority under the Act to directly transfer resiliency funds to other agencies for particular projects ("Direct Transfers"). To fund a project through a Direct Transfer, the Department established discretionary justification factors for the Secretary to consider, including: (1) Necessity, (2) Urgency, (3) Cross-Modal Benefits, (4) Regional Investments, (5) Network Enhancement, (6) Project Readiness, (7) Finance Availability, (8) Jurisdictional and Stakeholder Collaboration, and (9) Floodplain Management. The Department used these factors to award funds to the Hudson Yards project.

Prior to selecting the Hudson Yards project, the Department first determined that the project was eligible to be funded with resiliency funds. The project met the requirements for transfer set forth in the Act; that is, FRA and Amtrak are both authorized under title 49, the Hudson Yards project is related to reducing the risk of damage from future disasters, and the Hudson Yards Project is located in an area impacted by Hurricane Sandy. After determining FRA's

eligibility to receive resiliency funds, the Department evaluated whether the Hudson Yards Project met the Departmental criteria for transfer, which the Department determined it did. In particular, DOT determined that the project was urgent and necessary because an imminent overbuild project would have permanently precluded the use of the right of way for a future tunnel. In addition, the project demonstrates cross-modal benefits, regional investment, and network enhancement because potential future enhancement of the rail service between New York and New Jersey would permit both Amtrak and commuter railroads to expand and meet future demand. Finally, all prerequisites, including environmental work, had been completed prior to award of the funds.

2. In your written testimony you indicate that DOT's Volpe Center conducted an independent cost validation of the Hudson Yards Project and that they concluded the project design and methodology is reasonable. However, you also indicated that the project runs a risk of inflated costs due to its design-build approach. What safeguards does FRA have in place to avoid cost overruns on this project?

As with all large construction projects, especially in an operating railroad's territory, there are risks associated with project delivery. To manage risks associated with the Hudson Yards project, FRA has established frequent and recurring communications with all project partners, including Amtrak, Long Island Railroad (LIRR), Related Companies, and project contractors. FRA/Volpe participate in weekly construction status meetings with the project team and bi-weekly overall project status meetings with project principals. In addition, Amtrak and DOT leadership meet frequently on Hudson Yards. As risks are identified or projected, the project partners develop mitigation strategies and closely manage any potential budget implications. FRA also has an agreement with Volpe for the life of the Hudson Yards project to assist with oversight and technical support, which includes targeted technical reviews and risk analysis. Additionally, FRA's grant agreement for the Hudson Yards Project includes a 9 percent ($15 million) contingency for potential cost overruns, which is a typical amount for projects of this size.

Although FRA has legitimate concerns about cost over-runs that justify vigilant oversight, the use of design-build generally reduces the risk of cost over-runs because it shifts significant risks to the design builder for costs that the owner would ultimately have to bear, such as any need for redesign or reconstruction in the event that the owner's design was inadequate or incorrect in any way. As a result, the owner obtains a higher degree of cost certainty early in the project life. This is particularly important for large complex projects with limited funding for which this contracting method is generally viewed as a best practice.

3. The $32 million provided for Amtrak expenses was to reimburse costs the railroad incurred immediately following the hurricane. Is it correct that Amtrak has insurance policies for damages from natural disasters? If so, how will DOT ensure that Federal funds do not go towards costs that insurance will ultimately cover? What happens to the funding that the insurance provides? Does it go back to the treasury?

Per the Grant Agreement between FRA and Amtrak ("Agreement") for the $32 million award referenced above ($30,248,000 after deducting authorized withholdings), Amtrak is required to notify FRA in writing of the receipt of any income, rebate, allowance or other credit, including insurance proceeds, that Amtrak receives or which accrues to Amtrak relating to any allowable cost reimbursed under the Agreement. Amtrak must credit the FRA through a cost reduction, cash refund, or in the event Amtrak receives insurance proceeds for any portion of a task or project funded by the Agreement, the Agreement also allows FRA and Amtrak to work together to reallocate the credited amount to other eligible tasks or projects.

In accordance with the Agreement, Amtrak notified FRA on November 13, 2013, that it had received $7.2 million in insurance proceeds to date and anticipates the receipt of another $2.8 million for a total of $10 million in "interim and partial" payments from insurers. Amtrak also advised FRA that it assigned this "interim and partial" payment to lost business income, its largest category of insurance funding requested. FRA has scheduled a briefing with Amtrak to learn about this insurance payment and Amtrak's insurance coverages and claims in more detail. Following the full briefing from Amtrak, FRA will evaluate its next steps.

4. Can you explain further the coordination and preparation FRA undertook with various agencies and operators before the storm? Did you notice any improvements needed during that process? What can be done more efficiently next time?

On October 26, 2012, FRA opened the Emergency Relief Docket ("Docket") to provide an expedited process by which railroads could seek and FRA could approve waivers from specific safety rules, regulations, or standards to facilitate storm-related repairs and related operational recovery and restoration efforts. FRA directly advised the Association of American Railroads ("AAR") and the American Short Line and Regional Railroad Association ("ASLRRA") of the Docket's opening and posted an update on the FRA public website. Railroad requests for relief were expedited and FRA provided responses back to the railroad within 2-3 days of receipt. FRA also established daily teleconferences with the AAR, the ASLRRA, and their members that operate in the Northeast United States.

On the weekend before the storm made landfall (October 27-28, 2012), FRA contacted the passenger railroads, Amtrak, and the commuter railroads in the affected regions and identified points of contact with each. Then, FRA gathered information on storm

preparedness from each of the railroads and provided twice-daily updates to FRA's Emergency Coordinator.

According to railroads and other stakeholders, FRA's communication efforts and storm preparation helped railroads prepare for the storm and minimize disruption once the storm hit. To further improve FRA's storm operations in the future, FRA would consider establishing a teleconference line and conducting periodic teleconferences as a more efficient method of obtaining status reports from each of the railroads. In addition, FRA would notify key railroad managers and their appropriate points of contact of the method used for emergency waivers even farther in advance.

STATEMENT

OF

ELIZABETH ZIMMERMAN
DEPUTY ASSOCIATE ADMINISTRATOR
OFFICE OF RESPONSE AND RECOVERY
FEDERAL EMERGENCY MANAGEMENT AGENCY
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

"PROGRESS REPORT: HURRICANE SANDY RECOVERY – ONE YEAR LATER"

Submitted
By

Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20472

November 14, 2013

Introduction

Chairman Shuster, Ranking Member Rahall and Members of the Committee, I am Elizabeth Zimmerman, Deputy Associate Administrator of the Office of Response and Recovery of the Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA). I am grateful for the opportunity to be here today.

When Hurricane Sandy made landfall, battering dozens of states along the East Coast with strong winds and record storm surges, FEMA was there. We were on the ground before and during Hurricane Sandy supporting our state and local partners, and we will be there for as long as it takes to help the survivors and their communities rebuild.

To help communities rebuild, FEMA works through its programs and within its authorities to find creative ways to meet needs. To date, more than $1.4 billion of Individual Assistance (IA) has been approved for individuals and households, as well as over $3.2 billion in Public Assistance (PA) for state and local governments impacted by Hurricane Sandy. The U.S. Small Business Administration (SBA) has approved an additional $2.4 billion in low-interest disaster loans. The Disaster Relief Appropriations Act of 2013 also included $16 billion in Community Development Block Grant (CDBG) program-Disaster Recovery funding provided by the U.S. Department of Housing and Urban Development (HUD).

It is important to note that FEMA acts in support of its partners on the state, local, tribal, and territorial levels during disaster recoveries. Disaster response and recovery begins at home, and is a responsibility that is shared among our whole community partners – federal, state, local, tribal, and territorial governments as well as non-governmental entities and individuals – and is guided by the National Response Framework (NRF) and the National Disaster Recovery Framework (NDRF). We value our partners for the unique talents and resources they bring to survivors and recovery efforts, and will continue to work with them to strengthen our communities.

This testimony will discuss our response and recovery efforts related to Hurricane Sandy, as well as how FEMA is helping communities build back stronger and more resiliently.

Pre-staging Commodities, Capabilities and Employees

The Post-Katrina Emergency Management Reform Act (PKEMRA) gave FEMA the authority to pre-stage initial response resources in preparation for response operations and prior to a disaster declaration. We are grateful to Congress, and in particular to members of this Committee, for those authorities, which have made us even more effective in carrying out our mission of helping communities prepare for, respond to, and recover from disasters.

In the days before the storm hit, the Agency worked with threatened communities to update incident response plans and pre-stage supplies to support response efforts, in addition to working with our public and private partners to assist citizens and first responders as they prepared for the

storm. On October 28, 2012, one day before the storm made landfall, President Obama signed emergency declarations for Connecticut, the District of Columbia, Maryland, Massachusetts, New Jersey, and New York, making federal support available to save lives, as well as to protect property, public health, and safety. On October 29, 2012, the President signed disaster emergency declarations for Delaware, Rhode Island, Pennsylvania, Virginia, and West Virginia. These declarations allowed FEMA to provide resources directly to the state, tribal, and local governments affected by the storm.

Before the storm made landfall, FEMA and its emergency management partners also prepared for the establishment of shelters, Disaster Recovery Centers (DRCs), and Joint Field Offices (JFOs) in the affected areas.

To ensure resources were available quickly throughout the region, FEMA established Incident Support Bases in Massachusetts and New Jersey, as well as five federal Staging Areas in New York – pre-staging commodities, generators and communications vehicles. Pre-staged commodities available to survivors included: 892,000 liters of water; 561,000 meals; 11,900 blankets and cots; 183 generators; 30 infant and toddler kits, which each support up to 10 infants or toddlers with items such as diapers, baby food and formula; two Durable Medical Equipment (DME) kits; and two Consumable Medical Equipment (CME) kits.

This level of preparedness is no accident. Over the past several years, FEMA has worked closely with state, local, tribal, and territorial governments across the country – including those directly in Hurricane Sandy's path – to develop catastrophic, worst-case scenario plans that are flexible and scalable for incidents of all magnitudes.

The day before the storm made landfall, FEMA had also deployed 1,032 personnel in anticipation of the hurricane's impacts.

As a result of these efforts, the Agency was able to support a prompt, coordinated response that brought to bear the full resources of federal, state, local, and tribal governments, in conjunction with our private sector partners.

Response

In Hurricane Sandy's immediate aftermath, more than 23,000 people sought refuge in temporary shelters and more than 8.5 million customers lost power. The storm flooded numerous roads and tunnels, blocked transportation corridors, deposited extensive debris along the coastline, and displaced hundreds of thousands of people.

In response, the President expedited disaster declarations, speeding federal response and recovery support to affected states, localities, and tribes in the immediate aftermath of the storm. FEMA coordinated the federal government's response to the storm and support for the critical emergency needs of the affected states.

These disaster declarations allowed FEMA to quickly organize a massive and coordinated federal, state, local, and tribal response to Hurricane Sandy, guided by the National Response Framework, and within seven days 17,000 federal responders were on the ground, including more than 5,000 FEMA employees – representing one of the largest personnel deployments in FEMA's history. Those 17,000 staff also included 1,100 DHS Surge Capacity Force personnel, composed of employees who volunteered from across the Department and its components, marking the first time deployment of this resource. Efforts were also made to ensure the safety and health of first responders and recovery workers who must work in extremely dangerous and unpredictable environments in order to restore services and meet the critical needs of the community.

The Agency coordinated with its partners to provide federal resources to the response effort, and to develop innovative programs to address power restoration, transportation, fuel distribution, and housing needs. To ensure federal coordination, FEMA and its federal partners tapped into an online crisis management system to communicate and plan the response effort.

The Agency moved to meet long-term survivor needs, working with state, local, tribal governments, partners from the public, the disability community, and private partners to respond quickly. In response to the storm, FEMA provided 20 million liters of water, 16 million meals, nearly two million blankets, and roughly 80,000 cots for survivors and responders, including the resources that were pre-staged prior to the storm making landfall.

At the peak of the response, 716 shelters were open with a population of nearly 27,000 in 16 states. FEMA, in collaboration with our interagency partners, moved to transition survivors out of shelters and into long-term housing solutions as quickly as possible.

FEMA also developed and implemented new ways to deliver services more efficiently. Following the storm, FEMA analyzed satellite and aerial imagery to determine what areas were inaccessible and expedited short-term rental assistance to residents that needed it most. In addition, FEMA employees – supplemented by DHS Surge Capacity Force and FEMA Corps members – went door-to-door, in some areas using tablet computers, to help residents sign up for disaster relief without leaving their homes, even if they had lost power and internet access.

FEMA also established the Energy Restoration Task Force to better coordinate federal, state, local, tribal, and private sector efforts to restore power to the impacted areas as quickly as possible. The Task Force assisted in supplementing a massive private power restoration effort. Electric utilities from across the nation executed mutual aid agreements to deploy more than 70,000 workers to the impacted areas – the largest ever dispatch of utility workers.

Today, FEMA supports the U.S. Department of Energy, institutionalizing these lessons learned in emergency management from Hurricane Sandy and ensuring key energy issues are addressed quickly.

Recovery: Individual and Public Assistance

The recovery from Hurricane Sandy is guided by the NDRF, which was fully implemented following the storm. The NDRF is a guide that describes how the whole community works together following a disaster to best meet the recovery needs of individuals and families, communities, states, and tribes. Published in September 2011, the NDRF established a coordination structure for all of the interagency partners, called the Recovery Support Functions, to work together to solve problems, improve access to resources, and foster coordination among governmental and private stakeholders. The six Recovery Support Functions are led by the Departments of the Interior, Commerce, Health and Human Services, HUD and the U.S. Army Corps of Engineers. FEMA appointed a Federal Disaster Recovery Coordinator (FDRC) to work closely with each affected state and provide leadership for the Recovery Support Function agencies as they support state and local recovery efforts.

When a major disaster strikes, the first steps agencies take are health and safety related – controlling damage, minimizing casualties, and meeting immediate needs of displaced survivors, including feeding, sheltering, reunification services, assistance to survivors with access and functional needs, as well as to survivors with household pets. FEMA also provided tele-registration services in 56 languages and distributed more than one million multilingual fliers, helping to ensure key messages reached a variety of audiences.

FEMA established a multi-agency task force that coordinated the delivery of sheltering and feeding resources – utilizing community-based local, state, and federal resources to their fullest potential. When these needs have been met, the focus shifts to helping survivors and businesses obtain vital information on recovery plans and available assistance from all potential sources – including non-governmental.

Individual Assistance

FEMA's Individuals and Households Program (IHP) has provided assistance to more than 182,000 disaster survivors in New York, New Jersey, and Connecticut. Forms of assistance included financial assistance for eligible home repair or replacement, personal property loss, as well as medical and funeral expenses resulting from the disaster.

Through the IHP, FEMA has approved over $1.4 billion including more than $1.2 billion for housing assistance and over $200 million in assistance for other needs. Housing in many communities was significantly impacted due to the widespread effects of Hurricane Sandy, which presented a considerable challenge given that many of those communities were in densely populated areas where housing resources are scarce. FEMA deployed several programs to accomplish the overarching goal of helping people move back into their homes or, as appropriate, identify alternative housing solutions, as quickly as possible.

First, to address the high cost of living in the region, FEMA increased the amount of rental assistance available to survivors in New York and New Jersey to 125 percent of the published Fair Market Rent rate, increasing the assistance by 25 percent to account for unique circumstances. This increase made an additional 3,000 rental resources available to survivors across New York and New Jersey.

Second, FEMA convened a Hurricane Sandy Catastrophic Disaster Housing Task Force to support the state-led task forces' efforts to plan for survivors' temporary and long-term housing needs on November 6, 2012. Task force areas of activity included the identification and assessment of existing federal housing resources and the use of geospatial analysis to model damaged housing areas and map available resources.

Third, due to the high cost of available rental resources, the length of lease agreements required in many New York counties and other factors, FEMA and HUD entered into a Sandy-specific interagency agreement to deliver the Disaster Housing Assistance Program (DHAP). DHAP, which was designed based on lessons learned from Hurricanes Katrina, Ike, and Gustav, aimed to assist survivors in finding intermediate affordable housing solutions as they rebuilt their lives.

Fourth, FEMA authorized an emergency pilot program to enable survivors to shelter themselves in their damaged homes. The pilot program, Sheltering and Temporary Essential Power (STEP), paid for those temporary and necessary repairs that helped restore power, heat, and hot water to primary residences prior to permanent repairs, such as securing broken windows and covering damaged roofs. As a result of the program, thousands of survivors were able to return to their homes prior to making these permanent repairs, also helping FEMA to address housing needs in the densely populated areas that the storm impacted.

Public Assistance

The PA program awarded grants to assist state, local, and tribal governments, as well as certain private nonprofits, with response and recovery efforts. As of November 5, 2013, FEMA has obligated over $3.2 billion in Hurricane Sandy PA grants.

In addition to assistance for emergency protective measures and debris removal, FEMA's PA program provides funding for the repair, restoration, reconstruction, or replacement of infrastructure that is damaged or destroyed by a disaster.

As of November 5, over 3,400 PA projects have been approved and more than $2.1 billion has been obligated in New York. In New Jersey, over 5,000 PA projects have been approved and over $950 million has been obligated. Eleven additional states were declared for Public Assistance due to the effects of Sandy and have been obligated approximately $150 million in assistance.

Given the significant structural damage that Hurricane Sandy left in its wake, debris removal – which is funded through FEMA's PA program – was paramount in getting hard hit communities on the road to recovery as quickly as possible.

To enable and incentivize more rapid recovery, FEMA implemented a rule that allowed for reimbursement of salaries for state and local employees performing Sandy debris removal work over a 30 day period following the storm. This rule contributed to the success of debris removal in the affected areas, with more than 95 percent of debris removed within approximately three months of the storm hitting New York and New Jersey.

To date, FEMA has approved 2,371 projects in these two states alone to help remove storm debris and restore disaster-damaged roads, bridges, and other infrastructure.

FEMA is working through its PA program to support communities in other ways as well, providing financial reimbursement to local governments through Expedited Payments, which help local communities recover more quickly. FEMA obligates a portion of the federal share of the estimated cost of work under Category A (Debris Removal) and Category B (Emergency Protective Measures), as estimated during the preliminary damage assessment.

Additionally, FEMA is supporting local governments whose budgets became strained as a result of the storm, offering Community Disaster Loan Program (CDL) funding for affected communities. The CDL program provides federal loans to local governments that are having difficulty providing government services because of a loss in tax or other revenue following a disaster. Thus far, FEMA has provided 60 loans totaling $174 million to communities impacted by Hurricane Sandy.

To aid in the recovery, FEMA and the Army Corps of Engineers also worked with state and local governments to reopen 97 percent of public beaches from New Jersey through Connecticut by Memorial Day 2013 – sending a strong message to thousands of Americans that the shore was open for business.

FEMA is also aggressively applying the Sandy Recovery Improvement Act (SRIA) programs as they relate to Public Assistance, which I will discuss shortly.

Recovery: Sandy Task Force

The Hurricane Sandy Rebuilding Task Force was established to provide an additional level of cabinet-level coordination and synchronize the efforts of federal agencies to support local communities as they rebuild.

Under the leadership of the Secretary of HUD Shaun Donovan, the Task Force developed, and published on August 19, 2013, a rebuilding strategy that lays out a series of recommendations that will ensure unified federal assistance to the Sandy-impacted region – and that will encourage resilient rebuilding approaches for communities across the country.

As a member of the Task Force, FEMA has worked closely with its federal partners, and within the NDRF, to complement Recovery Support Functions (RSF) and FDRC field efforts to leverage solutions to interagency issues. An advisory group comprised of state, local, and tribal elected officials from the most heavily-impacted jurisdictions was established to advise the Task Force, and ensure that the rebuilding and recovery effort reflected the input of those communities. Thirty-four elected officials or their designees provided input and local perspectives for the Rebuilding Strategy. A scaled-back element of the Task Force's Program Management Office will continue to function within the construct of the NDRF, with HUD leadership and with FEMA staffing support. It has four primary objectives:

1. Coordinate across agencies on financial management policy;
2. Track financial and performance information about the 60 programs funded in the supplemental appropriation;
3. Present analyses of these data to the public; and
4. Support the oversight community in their efforts to prevent waste, fraud, and abuse.

As part of its role in the Task Force, FEMA is working closely with HUD to identify housing resources, provide the best housing support to disaster survivors, support underserved communities with any required new standards, and serve as a crucial base of knowledge and guidance in disaster housing missions. FEMA looks forward to continuing to work with the Task Force in its mission to help survivors recover from Hurricane Sandy.

Recovery: The Sandy Recovery Improvement Act (SRIA)

In January 2013, Congress passed and President Obama signed SRIA into law, authorizing several significant changes to the way FEMA delivers disaster assistance. SRIA is one of the most significant pieces of legislation impacting disaster response and recovery since the Post-Katrina Emergency Management Reform Act of 2006 and builds upon the Robert T. Stafford Emergency Relief and Disaster Assistance Act.

The Act, and the additional authorities it provides, aided the ongoing recovery efforts associated with Hurricane Sandy, as well as in the recent floods in Colorado.

SRIA's various provisions are intended to improve the efficacy and availability of FEMA disaster assistance and make the most cost-effective use of taxpayer dollars.

To date, thirteen of the seventeen provisions FEMA is tracking in SRIA and the accompanying Disaster Relief Appropriations Act of 2013 have been completed, implemented as pilot programs, or made otherwise available for immediate use. These provisions include:

- **Public Assistance Alternative Procedures for Permanent Work:** This pilot program provides substantially greater flexibility in how applicants can formulate and execute public assistance projects. For instance, this pilot will allow FEMA to accept project cost estimates that have been verified by licensed engineers, and the agency can fund an entire

project based on these estimates rather than actual costs. Applicants may also combine projects or pursue alternate projects without penalty. The alternative procedures are designed to expedite assistance, increase flexibility, lower administrative costs, and speed recovery.

- **Public Assistance Alternative Procedures for Debris Removal:** This package of incentives is designed to speed debris removal and encourage pre-disaster debris planning, including sliding scale cost share adjustments for rapid debris removal; a one-time, two percent additional cost share adjustment if an acceptable debris management plan is in place before the disaster; reimbursement for force account labor used in conducting debris removal; and retention of proceeds from recycling debris by the applicant. FEMA first implemented these procedures following the devastating tornadoes in Oklahoma in May 2013, and the statutorily-authorized pilot was implemented nationwide on June 28, 2013. With these incentives in place, in Oklahoma, more than 40 percent of the debris was removed within the first 30 days, allowing the community to start rebuilding more quickly.

  The debris pilot will last for one year, with the option to extend the pilot if operations warrant. The pilot program will serve as a bridging strategy and data collection effort to inform any development of federal regulations promulgated pursuant to the Administrative Procedure Act, which affords interested members of the public an opportunity to participate in the rulemaking and submit comments.

- **The Hazard Mitigation Grant Program (HMGP):** SRIA amended the statutory provision for HMGP to enable FEMA to: (1) set up a pilot program to enable states to administer certain aspects of the program if specific conditions are met; (2) provide no more than 25 percent of the amount of the estimated cost of hazard mitigation measures before eligible costs are incurred; and (3) streamline environmental and historic preservation review processes. FEMA issued guidance for all of these procedures in the spring of 2013.

- **Federally-Recognized Tribal Governments:** SRIA provided federally-recognized tribal governments the option of requesting an emergency or major disaster declaration directly from the President, through the FEMA Regional Administrator, instead of through a state. Thus far, the President has issued major disaster declarations for five tribes: the Eastern Band of Cherokee Indians; the Navajo Nation; the Standing Rock Sioux Tribe; the Karuk Tribe; and the Santa Clara Pueblo Tribe. With these declarations, Public Assistance and/or Hazard Mitigation Grant Program funding is being provided directly to the tribes.

- **Dispute Resolution/Arbitration:** SRIA mandated FEMA to establish a Dispute Resolution/Arbitration pilot program for Public Assistance disputes. A final rule implementing the program was published in the Federal Register on August 16, 2013. This

program will be available for disputes of at least $1,000,000, where the applicant bears a non-federal cost share, arising from disasters declared after October 30, 2012, and the applicant has completed a first appeal with FEMA. Requests for arbitration may be made until December 31, 2015. At the same time, FEMA has established a new Public Assistance Appeals Branch at FEMA Headquarters to ensure timely, specific and well-reasoned first and second appeals decisions, and to provide a feedback loop to Public Assistance Program management.

- **Recommendations for Reducing Future Losses:** SRIA required FEMA to submit to Congress recommendations for the development of a national strategy for reducing future costs, loss of life, and injuries associated with extreme disaster events in vulnerable areas of the United States. FEMA provided these recommendations to Congress in September 2013.

In addition to these achievements, FEMA is currently developing specific implementation procedures for each new authority and will continue implementation through a combination of a grantee engagement, potential rulemaking and/or the development of policy or other guidance documents.

Hazard Mitigation and the National Flood Insurance Program

Three additional federal programs are making significant contributions to whole community recovery and rebuilding efforts: the National Flood Insurance Program (NFIP), the Risk Mapping, Assessment and Planning Program (Risk MAP) and the Hazard Mitigation Grant Program (HMGP).

NFIP

Established by Congress in 1968, the NFIP was created to provide affordable flood insurance to help lessen the devastating consequences of flooding.

In the aftermath of Hurricane Sandy the NFIP has serviced over 143,000 insurance claims totaling over $7.8 billion dollars. More than 99 percent of the homeowners who made the decision to protect themselves by investing in flood insurance have received payments that are helping them to rebuild their homes, businesses, and communities.

In New Jersey alone, 99 percent of the 74,000 flood insurance claims made have been closed and over $3.7 billion paid to New Jersey residents.

The NFIP's ability to respond to the post-disaster needs of its policy holders was demonstrated by the creation of a rapid claims process and a series of programmatic changes that significantly reduced the procedural burden on policyholders. These changes included allowing advance payments of claims prior to inspections and written estimates to preserve health and safety, which

authorized the advance of up to $25,000 for certain mechanical elements of the building and an additional $5,000 for necessary doors and windows. The grace period was also extended for payment of NFIP renewal premiums.

In addition, the NFIP established community Flood Response Offices to service policyholders as well as Adjuster Certification Workshops and on-site Adjuster Briefings that educated an expanded corps of Insurance Adjusters on program changes made specifically to meet the needs of communities impacted by the storm.

Risk MAP

FEMA's Risk MAP program provides communities with flood information and tools they can use to enhance their hazard mitigation plans and take action to better protect their citizens.

Two of the principal tools developed and distributed by this program are the Nation's Flood Insurance Rate Maps and the associated Base Flood Elevation (BFE) and Advisory Base Flood Elevation (ABFE) information.

In both New York and New Jersey, FEMA worked with the FDRC to ensure senior management and partners at the federal, state, and local levels were aware of the development and release of flood advisory data that could significantly influence rebuilding and restoration decisions.

The Task Force is working with state and local partners to evaluate and use advisory data to understand the impacts of rebuilding decisions on insurance rates and to use the data in considering building codes and other intermediate and permanent efforts to recover, reduce and mitigate future risk.

HMGP

FEMA and its partners also recognize the need to work together to ensure the post-storm recovery efforts, and the rebuilding that is taking place across the region, take into account our best understanding of future risks. Thus, these efforts are designed to minimize these risks and ensure the long term safety, resilience and prosperity of the affected communities.

Informed by State and Local Hazard Mitigation Plans, as well as tools provided by the Risk MAP program, the HMGP provides grants to states, local governments and tribes for long-term hazard mitigation projects following a major disaster declaration. The purpose of the program is to reduce the loss of life and property in future disasters by funding hazard mitigation measures during the recovery phase of a natural disaster.

Funding is available to implement projects in accordance with state, local, and tribal priorities and may be used for projects that will reduce or eliminate losses from future disasters – in short, for projects that help us rebuild stronger.

Thus far, the HMGP has provided nearly $75 million to communities impacted by Hurricane Sandy, helping impacted communities integrate sound building practices and risk analysis in their rebuilding efforts.

In both New York and New Jersey, FEMA hazard mitigation staff is working closely with State Hazard Mitigation Officers to discuss the states' priorities, types of projects available and how best to proceed within that framework. We are also coordinating efforts with several of the other 11 declared States.

In partnership with other members of the whole community, FEMA is also supporting the implementation of hazard mitigation efforts at every available opportunity. For example, FEMA is providing technical assistance, updated maps and guidance to communities along the shore that are creating redevelopment plans, helping them to rebuild stronger based on sound advice and best available data.

Lessons Learned from Hurricane Sandy

Earlier this year, the DHS Office of the Inspector General released its report on FEMA's response to Hurricane Sandy. FEMA was pleased that the Inspector General praised the Agency for how we assisted our state and local partners. Administrator Fugate also asked the Agency's senior leadership team to conduct our own review of FEMA's efforts. In July of this year, FEMA released a Hurricane Sandy After-Action Report that reviewed all aspects of the Agency's preparations for, immediate response to, and initial recovery from the October 2012 storm.

Administrator Fugate established the Sandy Analysis Team to develop the Agency's after-action report. The team compiled an event chronology, analyzed more than 40 FEMA component submissions on lessons learned from the storm, and interviewed more than 200 personnel from FEMA and other federal departments, as well as state and local governments. The Hurricane Sandy After-Action Report identifies the Agency's strengths and, more importantly, provides recommendations to improve FEMA's response and recovery efforts. The report identifies four central themes for improvement:

- **Ensuring Unity of Effort Across the Federal Response:** The severity of the storm underscored several areas for improvement related to FEMA's ability to coordinate federal operations, including integrating senior leader communications into response and recovery operations; coordinating resources through the Emergency and Recovery Support Functions (ESF and RSF respectively); refining the mission assignment process; and using analysis to drive operational decision-making.

  Next steps include developing appropriate training, exercises, and outreach programs to foster greater coordination and communication among ESFs and RSFs, making the mission assignment process as efficient and transparent as possible, and improving efficiencies in the way FEMA provides support to large-scale events. Additional

recommendations address implementation of the Agency's Lessons Learned/Continuous Improvement Program (LL/CIP).

In support of this effort, FEMA's National Exercise Division recently supported the National Security Staff in conducting of a Principals' Level Exercise (PLE) for Cabinet members to review their roles, responsibilities, and authorities within the NRF, the NDRF, and the National Continuity Policy (NCP). Conducted prior to the start of the 2013 hurricane season, the exercise examined issues identified during previous incidents, including interagency coordination during the 2012 hurricane season and, in particular, Hurricane Sandy. The discussion-based exercise focused on two central issues: the actions and mechanisms required to ensure a coordinated and rapid delivery of federal support prior to and following a major storm threatening the U.S. mainland and the actions and requirements necessary to ensure continuation of the National Essential Functions (NEFs) and Primary Mission Essential Functions (PMEFs) in each department and agency.

- **Being Survivor-Centric:** Leadership at FEMA adopted a "cut the red tape" posture to better serve survivors and communities, but opportunities remain, including meeting survivors' needs during initial interactions with FEMA; ensuring all survivors have equal access to services; and reducing the complexity of the public assistance program.

- **Fostering Unity of Effort Across the Whole Community:** Sandy highlighted the need for FEMA to improve coordination with tribal governments and clarify how the agency interacts with local governments in disasters affecting large urban areas.

  Recommendations include anticipating cities' resource requirements and understanding their capabilities, coordinating directly with local jurisdictions when it supports a forward-leaning response, promoting better integration between states and large urban governments, including encouraging local and tribal participation in the Unified Coordination Group where appropriate, and preparing response teams to handle incidents where state, local and tribal jurisdictions require clarification of the roles and responsibilities or have differing priorities during an incident.

- **Developing an Agile, Professional, Emergency Management Workforce:** In response to Sandy, FEMA completed one of the largest personnel deployments in its history. FEMA is committed to supporting disaster survivors and their communities through the most effective and efficient means possible. In support of this commitment, FEMA has sought to expand, improve, and diversify its disaster workforce. One example of a successful improvement is the DHS Surge Capacity Force (SCF), which is comprised of employees who volunteered from various DHS components that are activated during catastrophic or large scale events when required. Currently the SCF has nearly 4,000 volunteers, all of

whom receive basic FEMA disaster assistance training prior to deployment. Sandy marked the historic inaugural activation of the SCF, with more than 1,100 SCF volunteers deploying in support of response and recovery efforts. The contributions of the SCF volunteers and other FEMA personnel in the areas of Community Relations and IA resulted in more than 182,000 survivors receiving more than $1.4 billion in assistance.

Further, beginning in April 2013, FEMA undertook a one-year pilot project to restructure its Incident Management Assistance Teams (IMATs) to provide increased capability by representing more FEMA programs and interagency representatives and by leveraging the hiring flexibilities provided by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In order to boost its capacity to support disaster-affected states, tribes, and territories, FEMA re-structured and established two National and one Regional Pilot IMATs. The re-structured IMAT Pilot teams have been expanded to include 34 positions on the National teams and 15 positions on the Regional team. These teams completed a rigorous 12 week training program and are prepared to deploy now. These teams will represent 13 different FEMA offices with the potential for including up to nine representatives from ESFs and interagency partners. ESF partners have begun assigning personnel to these teams. This broad range of program representation at the field level will provide FEMA and its federal partners with increased capability to support its state and local partners in helping disaster survivors. At the completion of the one year pilot period, FEMA will review the pilot IMAT team performance in consultation with DHS, the National Security Staff (NSS), and the Office of Management and Budget (OMB) and determine whether the program should be revised or expanded.

FEMA is continuing implementation of the FEMA Qualification System, improving plans and processes to support the logistical and administrative needs of a large deployed workforce, and improving continuity of operations and devolution plans to account for large-scale deployments.

FEMA has established a senior-level Continuous Improvement Working Group to track implementation of the recommendations and next steps included in the report. Fifty-six percent of the report's recommendations already have been implemented, with 90 percent expected to be completed by year's end.

Conclusion

Responding to and recovering from any disaster is a whole community effort that relies on the strength of federal, state, local, and tribal governments as well as non-governmental entities and individuals, in addition to FEMA – and Hurricane Sandy is no exception.

I would also like to take this opportunity to thank Congress for the PKEMRA, which made us even more effective in our efforts to help states and communities respond to Hurricane Sandy, as well as for SRIA, which is making a positive impact on the recovery process in affected regions.

While we are pleased by what has been accomplished so far in this whole community effort, there is still much work left to do.

We look forward to continuing to work with this Committee, Congress, and our partners to help the impacted communities recover.

Thank you, I look forward to your questions.

Question#:	1
Topic:	Public Assistance pilot program
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Bill Shuster
Committee:	TRANSPORTATION (HOUSE)
Name:	Elizabeth Zimmerman, FEMA Deputy Associate Administrator for the Office of Response and Recovery
Organization:	U.S. Department of Homeland Security

Question: Ms. Zimmerman, as you know, earlier this year we enacted reforms to the recovery process through the Sandy Recovery Improvement Act. The Act was intended to simplify and speed up the rebuilding process.

How many applicants have been accepted into the Public Assistance pilot program to date, and of that number, how many were those affected by Hurricane Sandy?

Response: As a part of the Sandy Recovery Improvement Act of 2013, FEMA was authorized to implement the Public Assistance Alternative Procedures pilot program. The pilot program pertains to permanent work and debris removal and is designed to reduce costs to the Federal government, while increasing administrative flexibility, and expediting assistance to grantees.

Permanent Work

47 applicants accepted the pilot program to date, of which five applicants were affected by Hurricane Sandy. There have been a total of 90 Fixed Estimated Projects.

Number of Applicants	47
Applicant Affected by Hurricane Sandy	5
Number of Projects	90

The below chart details the five permanent work projects affected by Hurricane Sandy, all falling under Category E, the Public Buildings and Equipment category for Public Assistance work.

Question#:	1
Topic:	Public Assistance pilot program
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Bill Shuster
Committee:	TRANSPORTATION (HOUSE)
Name:	Elizabeth Zimmerman, FEMA Deputy Associate Administrator for the Office of Response and Recovery
Organization:	U.S. Department of Homeland Security

Applicant Name	Application Title	Standard Project Number	Alternative Procedures	Project Amount	Total Obligated
LONG BEACH CITY SCHOOLS	PAAP - 0599306 - Administration Bldg Replacment	520 - Repair Damages to Public Buildings and Facilities Alternative Procedures	• PAAP Single Site Fixed Estimate	$4,354,472.00	$397,366.20
NASSAU (COUNTY)	NAS0008 - Wastewater Facilities PAAP	603 - Treatment Plants (Water/Sewer)	• PAAP Consolidated Fixed Estimate • PAAP Estimate Developed by Subgrantee Certified Engineer	$810,708,377.00	$0.00
NEW YORK	510HH22 Draper Hall Permanent Repairs	503 - Building Contents/Equipment	• PAAP Single Site Fixed Estimate • PAAP Estimate Developed by Subgrantee Certified Engineer • PAAP Expert Panel Estimate Validation	$7,633,332.28	$6,869,999.05
OHEL CHILDREN'S HOME AND FAMILY SERVICES, INC.	PAAP - U8IUG05 - 545 Arlington Road Repairs	502 - Damaged Building	• PAAP Single Site Fixed Estimate	$772,686.50	$632,125.80
ST. JOHN'S UNIVERSITY	UO8HX07- E- Queens- Oakdale- Staten Island (3 sites)	520 - Repair Damages to Public Buildings and Facilities Alternative Procedures		$434,143.66	$0.00

Debris

702 applicants (910 projects) accepted the pilot program to date, and of that number no applicants were affected by Hurricane Sandy.

Number of Applicants	702
Applicant Affected by Hurricane Sandy	0
Number of Projects	910

Question: Are there any regulatory or legislative hurdles or challenges preventing applicants from accessing this program?

Response: FEMA has encountered no regulatory or legislative obstacles that appear to prevent participation in the Alternative Procedure Pilot Programs for either debris removal or permanent work. FEMA initially observed lower than expected levels of participation when the pilots were initially rolled out, but based on reviews of the data collected during the intervening period, we believe that this was due to a combination of major disaster declarations with lower than normal disaster damage and unfamiliarity

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Organization:	U.S. Department of Homeland Security

with the potential benefits of the alternative procedures. To increase familiarity with alternative procedures, as of the first week of June 2014, FEMA conducted 53 training sessions and trained a total of 1,706 FEMA, state, tribal, and local emergency management staff. Participation in alternative procedures for both debris removal and permanent work continue to steadily increase.

Question#:	2
Topic:	Sandy Recovery Improvement Act
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Bill Shuster
Committee:	TRANSPORTATION (HOUSE)

Question: The Sandy Recovery Improvement Act created a dispute resolution arbitration program. Has this new program been used to date, and if so, how has it been working?

Response: On August 16, 2013, FEMA published the regulation governing the Dispute Resolution Pilot Program (DRPP). See 44 C.F.R. §206.210. To date, there have been no requests for arbitration under the DRPP.

Question#:	3
Topic:	hazard mitigation
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Bill Shuster
Committee:	TRANSPORTATION (HOUSE)

Question: One of the reforms we enacted was intended to provide for advance funding for hazard mitigation efforts. This provision allows up to 25 percent of hazard mitigation funds to be advanced for mitigation measures. The intention of the provision was to provide incentives and funding for States to incorporate mitigation measures as communities rebuild. In your written testimony, you highlight that in both New York and New Jersey, hazard mitigation staff is working closely with State Hazard Mitigation Officers to discuss the states' priorities, types of projects and how best to proceed within that framework. How is that process coming along, and how much mitigation funding has been advanced to date for Hurricane Sandy recovery?

Response: Advance Assistance is authorized by the Sandy Recovery Improvement Act (SRIA). FEMA has implemented an Advance Assistance pilot initiative which allows advancing up to 25 percent of the Hazard Mitigation Grant Program ceiling or $10 million to applicants, whichever is less. FEMA has worked with the State of New York to identify possible eligible uses of the Advance Assistance and the State is currently looking at potential mitigation activities that will best allow them to fully utilize this initiative. When the State submits an Advance Assistance application, FEMA will review it and determine eligibility.

Currently, in the State of New Jersey, forty percent of the funding available from FEMA for Hurricane Sandy Recovery (under DR-4086) for Advance Assistance has been awarded.

DR-4086 (Advance Assistance)	
Maximum Amount of Advance Assistance Available	$10M
Advance Assistance Project (904.1) Status	Approved
Total Federal Share Approved under Advance Assistance Project	$4M
Total Amount of Advance Assistance Obligated	$4M
Number of Projects that use Advance Assistance	47
Number of Approved Projects using Advance Assistance	39
Number of Pending Projects using Advance Assistance	8

Question#:	4
Topic:	reforms 1
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Bill Shuster
Committee:	TRANSPORTATION (HOUSE)

Question: Can you explain to the Committee what, if any, new oversight and accountability measures have been implemented internally at FEMA since the reforms in the Sandy Recovery Improvement Act were enacted?

Response: The existing oversight and accountability measures for the Public Assistance (PA) Program remain in place for the PA Pilot programs. Grantees and subgrantees must continue to comply with the requirements outlined in 44 C.F.R. Part 13. FEMA did not waive any compliance requirements. Additionally, FEMA has implemented new oversight measures in order to oversee and assess the success of the pilots, FEMA has developed and implemented new project titles and cost codes to track projects in our data tracking system (EMMIE – Emergency Management Mission Integrated Environment). These new project titles and cost codes are available on-line:

- *Public Assistance Alternative Procedures EMMIE Cost Codes* – This document explains the cost codes and project titles for permanent work associated with the PA Alternative Procedures Pilot Program. http://www.fema.gov/media-library/assets/documents/32632?id=7523

- *Public Assistance Alternative Procedures Pilot Program (PAAP) EMMIE Project Titles and Cost Codes for Debris Removal* – The PAAP EMMIE Cost Code will be used for any of the alternative procedures projects for debris removal. http://www.fema.gov/media-library/assets/documents/34213

Question#:	5
Topic:	reforms 2
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Thank you for being here today. With the help of Chairman Shuster, included in the Disaster Relief Appropriations Act was a bill I authored entitled the Sandy Recovery Improvement Act. I understand that FEMA has been attempting to implement these reforms very quickly and I'd like to commend you for that.

One of the things the bill did was enable FEMA to issue fixed price grants on the basis of damage estimates instead of its traditional entitlement guarantee to cover all cost increases over time. In this way, a local government would have greater flexibility to consolidate or rebuild facilities differently in exchange for bearing the full risk of cost overruns. Has this provision had an impact in the Sandy Recovery? Can you expand on issues associated with the previous framework of entitlement guarantee?

Response: Yes, the provision has had a beneficial impact on Sandy Recovery. The new provisions allow FEMA greater flexibility in accepting applicant generated estimates, lowering FEMA's up front administrative burden for formulating and estimating project worksheets, which subsequently will result in an overall more efficient process for the applicant. The Public Assistance Alternative Procedures guidance allows the Public Assistance (PA) program to accept applicant generated professionally certified estimates which reduces/eliminates divergence between applicants and FEMA estimates of eligible costs. The removal of the 10% and 25% penalties for Alternate Projects on public entities and private non-profits has also been helpful in allowing FEMA to better support applicants that need the flexibility in expending funds that Section 428 offers. The 428 program also allows applicants to keep cost underruns from their capped projects for use on other PA eligible projects, thus incentivizing greater cost controls and offering the opportunity to increase resiliency with the additional funds. FEMA recognizes that this procedure will also change the closeout process for the agency and states/applicants, and that the administrative burden on the backend will be similarly reduced.

Question#:	6
Topic:	victims of Sandy
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Also included in the legislation was a provision allowing unified federal environmental review, requiring the President to establish and expedited review process for environmental and historic requirements when rebuilding damaged infrastructure. Obviously what's most important to the victims of Sandy is returning home to their lives as quickly as possible, can you discuss the status of this provision?

Response: As directed by Congress, the development of a Unified Federal Environmental and Historic Preservation Review (UFR) process is being led by a steering group consisting of the Council on Environmental Quality (CEQ), the Department of Homeland Security (DHS), including the Federal Emergency Management Agency (FEMA), and the Advisory Council on Historic Preservation (ACHP). The Steering Group is responsible for developing and implementing a process that enhances and improves efficiencies related to federal environmental and historic preservation reviews for disaster recovery projects.

The steering group, in conjunction with an interagency working group, has developed several mechanisms for establishing the UFR process:

- A Memorandum of Understanding establishing the process and committing agencies involved in disaster recovery projects to roles and responsibilities.
- A Unified Federal Review Guidance for Environmental and Historic Preservation (EHP) Practitioners document which explains the UFR Process to EHP practitioners and gives them guidance to use the UFR process tools, mechanisms and best practices for more efficient EHP reviews during disaster recovery.
- An Environmental and Historic Preservation Guidance for Federal Disaster Recovery Assistance Applicants document which provides an overview of the EHP review process for applicants applying for Federal funds to support projects or other needs to recover from a major disaster. It provides applicants with answers to questions about EHP requirements and the UFR process, including roles and responsibilities, guidance for submitting EHP information in project applications, potential funding sources and an overview of the most common EHP requirements that may apply to a project.
- A webpage on FEMA.gov to serve as a "one stop shop" for all UFR information.

These products are being reviewed.

Question#:	7
Topic:	Sandy Recovery Improvement Act
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Under the Sandy Recovery Improvement Act, Tribal Governments will for the first time be able to request a disaster declaration directly from the federal government instead of going through a state government. I know there have been some requests since this was enacted and am wondering how that process is going and if there is anything Congress can do to further strengthen the relationship of Tribal governments to the Federal government?

Response: In October 2013, FEMA developed a proposed FEMA Tribal Consultation Policy and engaged tribes in consultation. During a five month consultation period (October 2013 – March 2014), FEMA received input from tribes at numerous face-to-face meetings, conferences, regional meetings, through conference calls, webinars, and written comments. FEMA is in the process of adjudicating this tribal input and finalizing the agency's Tribal Consultation Policy.

In order to facilitate tribes being able to choose to use the new authority immediately, FEMA is processing tribal declaration requests using current regulations used for state declaration requests. FEMA seeks to develop declarations procedures specifically for Tribal Governments that would take into account the unique authority and circumstances that affect tribal communities.

As a first step in developing tribal-specific procedures, FEMA developed a first draft of the Tribal Declarations Pilot Guidance using input from Tribal Governments last year. FEMA is conducting a second round of consultation with Tribal Governments through working meetings throughout the country. During this tribal consultation, FEMA is asking Tribal Governments for their thoughts and comments on a working draft of the Tribal Declarations Pilot Guidance. The guidance will describe how FEMA processes and evaluates requests for assistance under the Stafford Act from federally recognized Tribal Governments. The input provided during the tribal consultation will inform the further development of the pilot guidance.

Question#:	8
Topic:	wildfire
Hearing:	Progress Report: Hurricane Sandy Recovery - One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Switching gears, recently the federal government denied requests in my home state of California to help mitigate the costs associated with the Yosemite RIM fire that devastated countless acres of National forest land and habitat, and destroyed homes, and property in Tuolomne and Mariposa Counties. Can you explain why this decision was made by the Federal government, to deny assistance in the wake of this devastating and record breaking wildfire?

Response: FEMA's primary vehicle for providing assistance for wildfires is the Fire Management Assistance Grant (FMAG) Program. The FMAG Program provides grant funding to state, local, tribal, and territorial governments for mitigation, management, and control of a declared fire. Eligible activities may include associated emergency work and fire management assistance.

On August 23, 2013, the State of California requested and received a FMAG declaration for the Rim Fire (FEMA-5049-FM). The FMAG declaration was intended to cover the firefighting and emergency protective measure costs for the fire. Mariposa and Tuolumne Counties were designated to receive assistance based on the threat posed by the fire during the period of August 20 to September 8, 2013.

On October 8, 2013, Governor Edmund G. Brown requested a major disaster declaration due to the Rim Fire during the period of August 20 to September 8, 2013. The Governor requested all categories of Public Assistance for Mariposa and Tuolumne Counties and Hazard Mitigation statewide. The Governor's request for a major disaster declaration included extensive costs for emergency protective measures that were already covered by the FMAG declaration. As such it was determined that additional assistance was not necessary at that time and on November 4, 2013, Governor Brown was notified that his request was denied.

Governor Brown appealed the denial on December 2, 2013, and included a request to extend the incident period from August 17 to October 24, 2013. Information from the U.S. Forest Service confirmed that the Rim Fire began on August 17, 2013, and was not 100 percent contained until October 24, 2013. Since the Rim Fire continued to burn for 46 additional days, a subsequent joint Preliminary Damage Assessment (PDA) was conducted to support the Governor's appeal. The PDA found significant infrastructure damage that was not identified in the first request and would not be eligible under the FMAG declaration. On December 13, 2013, President Obama declared a major disaster FEMA-4158-DR for the State of California. The declaration authorized Public Assistance for Tuolumne County and

Question#:	8
Topic:	wildfire
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Hazard Mitigation statewide. It was determined that the impact to Mariposa County was not of the severity and magnitude for designation under the major disaster declaration.

Question#:	9
Topic:	FTA program
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Ms. Zimmerman, unlike every other disaster program we know about, the new Federal Transit Administration's disaster program requires FEMA to pay to fix transit systems if the FTA's program is out of appropriations. This creates a rather complicated situation where FEMA may start transit repair projects – using FEMA guidelines and eligibility rules – and then have to transfer the ongoing project to the FTA – who has different rules – if and when the FTA program receives funding.

In the future, how are FEMA and the FTA going to manage these projects when they move back forth between agencies based upon who has money?

Wouldn't it make more sense to treat transit like we do every other program and draw a bright line between what FEMA pays for and what FTA pays for? We do that for roads, and it works well.

Response: Throughout the Hurricane Sandy response and recovery efforts FEMA and FTA have worked together continuously, including the exchange of applicant and grant information, monthly leadership meetings, and regular staff level interactions in order to ensure effective implementation of both agencies' grant programs and to avoid duplicative funding. Currently, FTA is finalizing its program's regulations and policy guidance. In the future, FEMA and FTA will work to develop specific guidelines to monitor, evaluate and report on projects between the programs.

There are advantages and disadvantages to having a bright line between federal agencies' authority. Specifically, the grant recipient knows up front which program will be applicable and can plan accordingly based upon the appropriate process and eligibility criteria. The disadvantages could potentially include no funding for certain damaged facilities in cases where the lead federal agency does not receive an appropriation to fund projects but the project is clearly outlined as eligible in the federal agency's authority.

Question#:	10
Topic:	emergency relief programs
Hearing:	Progress Report: Hurricane Sandy Recovery – One Year Later
Primary:	The Honorable Jeff Denham
Committee:	TRANSPORTATION (HOUSE)

Question: Each of the emergency relief programs within your agencies carry different requirements as conditions for receiving federal funding. If a recipient does not want to follow the requirements of one program should it be permitted to apply for funding under another program assuming the project is eligible under both?

Should Congress amend these programs to ensure that there is no overlap in eligibilities?

Response: Generally, FEMA's Public Assistance Program (PA) defers to other federal agencies when those agencies have specific authority to provide assistance to restore disaster damaged facilities, as outlined in 44 CFR § 206.226(a)(1). In those instances where there is an overlap in authorities, close coordination between the agencies during steady state is necessary to identify potential issues and develop Memoranda of Understanding or policies to avoid possible duplications of benefits following declared events. Efforts to minimize the overlap by modifying program parameters or alternately, identifying which program has primary, secondary, or tertiary authority reduces both the necessary coordination as well as the potential for duplication of benefits. A prime example of legislation that effectively ensures that there is no overlap in eligibilities is in the Moving Ahead for Progress in the 21st Century Act (MAP 21) (P.L. 112-141), MAP 21 clarified the roles and responsibilities of both FEMA – PA and the Federal Highway Administration's Emergency Relief Program with respect to the removal of debris from a Presidentially declared event on federal-aid roads.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT OF

LIEUTENANT GENERAL THOMAS P. BOSTICK
CHIEF OF ENGINEERS
U.S. ARMY CORPS OF ENGINEERS

BEFORE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

PROGRESS REPORT: HURRICANE SANDY RECOVERY ONE YEAR LATER

NOVEMBER 14, 2013

Mr. Chairman and Members of the committee, I am Lieutenant General Thomas P. Bostick, Commanding General and Chief of Engineers, U.S. Army Corps of Engineers. Thank you for the opportunity to testify today on the U.S. Army Corps of Engineers (Corps) continued work on the recovery from Hurricane Sandy.

INCIDENT

Hurricane Sandy struck the Atlantic coastline in late October 2012 resulting in loss of life, severe damage to the coastline, power outages, and damage to infrastructure, businesses and private residences. The storm affected communities as far south as Florida, as far north as Maine, and as far west as Ohio. The north Atlantic coastline bore the brunt of the storm's energy and damages, with the New York City metropolitan area, Long Island, and the New Jersey Shore among those particularly hard hit.

RESPONSE ACTIVITIES

The support from the federal government during the response to Sandy was unparalleled, and the Corps was part of the larger team that provided technical assistance and rapid response activities across the impacted areas. In the days and weeks following the storm, the Corps mobilized more than 800 experts from around the Nation to respond to and support 68 Federal Emergency Management Agency (FEMA) mission assignments totaling more than $350 million in New York, New Jersey, Massachusetts, Delaware, Ohio, Pennsylvania, Connecticut, West Virginia, and Rhode Island.

The Corps worked closely with the local, state, Tribal, and federal stakeholders and partners to remove almost 500 million gallons of salt water from flooded infrastructure, install more than 200 generators at facilities such as hospitals and police stations, remove millions of cubic yards of debris (900,000 in New York City alone), refurbish 115 transitional housing units, provide more than nine million liters of bottled water, and begin measures to repair damaged Corps projects along the coast. The Corps worked closely with the U.S. Coast Guard (USCG) to assess the impacts on our commercial navigation projects, and the affected ports were cleared and returned to operation.

The success of these efforts was a result of a dedicated and determined interagency team–including the Corps, the Navy, the USCG, the Department of Transportation, state and local governments, the New York City Metropolitan Transportation Authority, and many others.

RECOVERY EFFORTS

Congress passed and the President signed into law the Disaster Relief Appropriations Act of 2013 on January 29, 2013, Public Law 113-2 (P.L. 113-2). The Act appropriated

$5.35 billion for the Corps to address damages caused by Hurricane Sandy and reduce future flood risk in ways that will support the long-term sustainability of the coastal ecosystem and communities and reduce the economic costs and risks associated with large-scale flood and storm events in areas along the Atlantic Coast within the boundaries of the North Atlantic Division of the Corps that were affected by Hurricane Sandy. That amount includes approximately $3.46 billion for Construction, $1.01 billion for Flood Control and Coastal Emergencies (FCCE), $821 million for Operation and Maintenance (O&M), $50 million for Investigations, and $10 million for Expenses. The Corps has made significant progress in the year since Hurricane Sandy and in the time since P.L. 113-2 was enacted.

The Corps Hurricane Sandy recovery program is structured with three components: a Near-Term component that supports emergency operations and repair and restoration of previously constructed Corps projects along the coastline with FCCE funding and dredging of Federal navigation channels and repair of Corps operated structures with O&M funding; an Investigations component that expedites completion of ongoing studies at full federal expense and also funds the North Atlantic Coast Comprehensive Study (Comprehensive Study); and a Construction component to rehabilitate, repair and/or construct projects to reduce future flood and storm damage risk in a smarter and more sustainable way. We continue to make progress on all these efforts.

NEAR-TERM

Beach repair and restoration of existing projects along the Atlantic coast began in February 2013 and is scheduled to conclude by the fall of 2014. To date, the Corps has placed approximately 12 million cubic yards of sand to repair dunes and berms and work continues to ensure that these projects are restored to their original design conditions. In addition, investigations are underway as part of the North Atlantic Coast Comprehensive Study to determine what modifications may be needed in the future to further enhance the resilience and long-term sustainability of these risk reduction measures. Thus far, the Corps has obligated over $390 million of FCCE funding and projects are being completed on schedule. Of the total 33 FCCE projects, seven are completely restored, 22 have awarded construction contracts and four are in design or pre-award stage. The O&M repair of navigation channels and structures damaged in the storm, from Maine to Florida and inland to the Great Lakes, began in February 2013 and most projects are scheduled for completion by Spring 2015. At the end of Fiscal Year 2013, over $160 million of the O&M funding was obligated and 35 projects have been completed with another 28 in construction.

INVESTIGATIONS

A portion of the Investigations funding is being used to expedite and complete flood and storm damage reduction studies for 17 areas that were underway when Sandy occurred. Up to $20 million of the Investigations allocation is funding the North Atlantic

Coast Comprehensive Study to assess the flood risks of vulnerable coastal populations in areas affected by Hurricane Sandy within the North Atlantic Division's boundaries. The Comprehensive Study team has developed a draft framework that currently is under review. The Study team will also develop various tools to assist with future planning efforts including economic depth-damage estimations, community resilience surveys, and regional sediment budgets.

A Performance Evaluation Study was conducted using Investigations funds. This report evaluated the effectiveness of completed Corps projects during Hurricane Sandy and included summary recommendations for further improvements.

CONSTRUCTION

The third component of the program uses appropriated Construction funding to implement projects that (1) previously were authorized but not constructed at the time of Hurricane Sandy's landfall, (2) projects identified for implementation following the Investigation process, and (3) projects that fall within the Continuing Authorities Program. Planning, design and expedited reevaluations are underway for the 18 authorized but not yet constructed projects and construction is anticipated to begin in early 2014. Construction work on roughly half of these flood risk reduction projects is expected to be completed by mid-2015. Of the identified Continuing Authority Projects, Massachusetts, Connecticut, New York, New Jersey, Delaware, Maryland and Virginia are currently scheduled to receive beach erosion and coastal storm damage risk reduction projects. We expect 70% of this work to be completed by 2016.

INTERAGENCY COLLABORATION

The Corps routinely collaborates and coordinates with federal, state, local and Tribal partners to construct Corps projects and studies. The Corps is leading a unique collaboration with partners and stakeholders with the Comprehensive Study bringing together experts in coastal planning, engineering and science representing more than 90 governmental, academic, and non-governmental entities to develop a risk reduction framework for the 31,000 miles of coastline within the North Atlantic Division that were affected by Sandy. Entities represented on the team include Department of Homeland Security/FEMA, Department of the Interior/U.S. Geological Survey and Fish and Wildlife Services, Environmental Protection Agency, U.S. Department of Housing and Urban Development, Department of Commerce/National Oceanic and Atmospheric Administration, New Jersey Department of Environmental Protection, New York Department of Environmental Conservation, Ducks Unlimited, The Conservation Fund, and many, many more.

CHALLENGES FACED BY AFFECTED COMMUNITIES

In the year since Hurricane Sandy, we have seen and heard from residents in impacted communities on some of the challenges with completing this risk reduction work. Most appreciate what the Corps and other federal, state and local teams have been able to accomplish during the response and recovery efforts.

Residents in some coastal communities have expressed concern that coastal storm damage risk reduction features such as dunes may negatively impact their property value due to the loss of ocean views. Additionally, there is a misconception that granting easements to private property to allow the construction of coastal storm damage risk reduction features could lead to the future construction of public boardwalks, bathrooms, or other amenities, which could further impact property value. The Corps and non-federal sponsors continue to communicate with the local communities on the purpose of the dunes and berms, which is to absorb wave energy and reduce the risk of wave overtopping that could damage property and infrastructure situated behind them; and to clear up misconceptions about the use of the real estate, which explicitly is for construction and maintenance of the storm damage risk reduction features. In addition, the local sponsors are preparing floodplain management plans for each project that will be provided to various zoning and regulatory agencies for their use to reduce the impacts of future floods and storms. These plans should help guide those agencies in preventing unwise future development in areas with high flood risks.

Tourists and seasonal residents who use beaches for recreation also may experience short-term impacts related to the Corps construction work. We are mindful of their concerns and strive to reduce the impacts to recreation by working with partners and contractors to close only small portions of beaches at a time for restoration work. The Corps is committed to providing sustainable, resilient risk reduction as quickly and safely as possible.

RESIDUAL RISK

There will always be a residual risk for Americans who live in coastal regions. Over the long term, expected changes in sea-level rise, extreme weather, and other impacts due to climate change are likely to increase the risks facing these areas. Please keep in mind that regardless of how many storm damage risk reduction features are put in place—no matter how high, wide or strong they are constructed--there will always be those risks. We continue to communicate that to residents along the coast, so that they fully understand this residual risk.

Collaborative efforts on all levels continue to explore and implement solutions that reduce risk from coastal storms, such as appropriate land use planning, non-structural solutions (including elevating buildings and selective buy-outs) and well-communicated evacuation planning. Consistent with P.L. 113-2, the Corps' efforts are incorporating current science and engineering standards to construct new projects and modify

existing projects to provide a sustainable flood and storm damage risk reduction system that is technically feasible, economically justified and environmentally acceptable.

CONCLUSION

Mr. Chairman, Members of the Committee, this concludes my testimony. I am happy to answer any questions you or other Members of the Committee may have.

Lieutenant General Thomas P. Bostick, Commanding General and Chief of Engineers, U.S. Army Corps of Engineers
Responses to Questions for the Record issued by the Committee on Transportation and Infrastructure
Hearing on "Progress Report: Hurricane Sandy Recovery- One Year Later"
November 14, 2013

Questions from Rep. Shuster:

1. General Bostick, Under Section 5 of the Flood Control Act of 1941, the Chief of Engineers has broad discretion in rehabilitating flood damage reduction projects after storm events. For instance, while the Chief has the authority to repair the damage to a project to its pre-event condition, the Chief also has the authority to strengthen, raise, extend, or modify a project.

a. Can you explain to the Committee how you exercised this authority after the Sandy event?

Response: The Corps did not rely solely on Section 5 of the Flood Control Act of 1941, as amended (33 U.S.C. 701n) following Hurricane Sandy. Rather, Congress enacted specific legislation (Public Law 113-2) that authorized the Corps to restore certain projects impacted by Hurricane Sandy to their authorized design profiles.

b. Can you explain to the Committee how the Chief exercised this authority during previous storm events like Katrina?

Response: Generally, the Corps will repair a project to ensure its adequate functioning or will restore the project to its pre-storm condition, whichever is less costly. In the case of Katrina, Congress enacted specific legislation (Public Law 109-148) that authorized the Corps to modify certain projects based on the level of risk reduction that the Corps estimated they would provide when it first designed them.

c. What are some of the tradeoffs associated with repairing projects to their pre-event condition versus repairing and improving projects?

Response: There are tradeoffs associated with choosing to repair projects to pre-storm conditions as compared to repairing a project to something that is beyond pre-storm conditions. These include cost, time for implementation, whether the taxpayer should pay for the additional costs (beyond just restoring to pre-storm conditions), and effects of the investment in limiting the options for rebuilding in a different way in the future.

The additional cost of rebuilding to a level greater than pre-storm conditions is potentially offset by the efficiencies gained in a one-time mobilization to provide coastal communities with the authorized level of risk management.

Any additional improvements above and beyond the authorized project would need to be evaluated based on the benefits and costs of the additional investment, potentially leading to a new authorization.

d. Are non-federal project sponsors amenable to paying the increased costs associated with improving projects?

Response: In the past, the non-federal sponsors have used information developed during a feasibility study to evaluate the benefits associated with improved project features and to determine whether the associated increased costs exceeding federal authorizations/appropriations are justified. Some sponsors have been amenable to paying for additional work or betterments for certain projects.

2. General Bostick, in addition, Section 5 of the Flood Control Act of 1941 gives the authority to the Corps to carry out non-structural projects at the request of a non-federal sponsor. Can you give the Committee an example how the Corps exercised this authority after the Sandy event and other previous storm events like Katrina?

Response: The authority under Section 5 of the Flood Control Act of 1941, as amended, to implement a non-structural alternative, in lieu of repair, is limited to flood damage reduction projects and does not currently apply to hurricane and storm damage reduction projects. After Sandy and Katrina, no sponsor requested a nonstructural alternative in lieu of repair of the existing project. Requests from non-federal sponsors for non-structural alternatives in lieu of repair are limited; there were three non-structural alternative projects undertaken in California after the 1997 floods and there are several potential non-structural projects being looked at in Iowa, Illinois and Indiana.

3. General Bostick, are there any resources or authorities you need from the Administration or from the Congress that would allow you to carry out your recovery mission quicker and more efficiently?

Response: At this time, the Corps believes that it has sufficient resources, authorities, and procedures to carry out our responsibilities to help in the Sandy rebuilding effort, consistent with the need for safety and quality.

4. General Bostick, you describe in your testimony the fact that no matter how much protective infrastructure we put in place along the coast, there will always be some residual risk to those who live there.

a. Do you believe there is a certain "right amount" of protection that the federal government should provide along coastal areas?

Response: No. There is no uniform level of risk reduction that the Federal government or others should provide to address the impacts of a coastal storm. For example, the

level of risk reduction in Corps projects varies from project to project. Our projects are site-specific, based on the benefits and costs, under the projected trends in sea level rise over the planning horizon that we use, which is typically 50 years. We are also working to better convey the extent of the uncertainties during and beyond this 50-year time horizon.

While the Federal government plays a role in flood risk reduction in coastal areas through the programs of agencies such as the Corps and FEMA, managing flood risks is a shared responsibility of the local, state, and federal governments and of the people who live and work in these communities. The states and local communities have the primary responsibility for emergency response and land use planning.

The separate authorities and responsibilities of each agency and each level of government for risk reduction actions are interrelated. A long-term risk reduction strategy is best realized when public and private interests work together to develop and coordinate the implementation of comprehensive solutions – which could involve a mix of structural, non-structural, and natural and nature-based elements – that will buy down risks to an acceptable level for that community.

The Corps has constructed projects to help reduce the risk of loss of life and property damage from a large storm. However, that is all such projects can do. The forces in a large coastal storm can be very strong. No plan, project, or strategy can "protect" a shore, or a coastal community and its resources, in all storms. While actions taken can reduce the flood risks, there will always be residual risks, which can be significant and should be identified and explained to decision-makers and the public. In a heavily developed area, the potential losses from these residual risks can be large.

Where the Corps or local community has constructed a beach, the people who live onshore should not assume that they, their homes, and their businesses will necessarily be protected. As the beach absorbs the initial effects of the storm surge, the sand will begin to erode. At some point, the cumulative forces of the wave and tidal action can overwhelm the project, resulting in widespread flooding onshore beyond the beach.

b. What level of protection do you believe is the appropriate federal role and what is more appropriately state, local, and personal responsibility?

Response: Managing flood risk is a shared responsibility involving the local, state, and federal governments, with each level of government having its own authorities and responsibilities for risk reduction actions. There is no simple rule on the level of risk reduction for which the Federal government, a state, a locality, or individuals should be responsible.

5. General Bostick, you indicated in your written testimony that a performance evaluation study was conducted on the effectiveness of completed Corps projects during Hurricane Sandy and included summary recommendations for

further improvements. What were those recommendations, and how far along are those recommendations in being implemented?

Response: The recommendations from the Hurricane Sandy Coastal Projects Performance Evaluation Study are grouped into three phases: future project planning, design/construction, and renourishment/maintenance. A general summary of the implementation status of those recommendations can be found below (the full list of recommendations including details of the evaluation can be found in the "Hurricane Sandy Coastal Projects Performance Evaluation Study" that was completed and submitted to Congress on November 6, 2013).

Future Project Planning:

- While in the past, projects were developed to specifically address coastal risks, their scopes often did not consider how to address the impacts of back-bay flooding of barrier islands.

- The efficacy of natural and engineered dunes in reducing risks of coastal storm damages should be further evaluated. Some projects with either high storm berms or those with berms backed by significant dunes generally performed better than projects involving a berm alone.

- A broader range of project benefits should be considered to more accurately evaluate the impacts of extreme storm and flooding events. These include community resilience and recovery, which would be enhanced by explicitly protecting critical infrastructure and basic services.

Consideration of these issues is currently being made through the ongoing studies being conducted under P.L. 113-2 as well as the North Atlantic Coast Comprehensive Study to ultimately provide a more comprehensive, system based risk reduction system.

Design/Construction:

The Corps is working with other federal, state and local agencies and partners to improve the pre- and post-storm event information including conducting regular surveys of those projects (such as before storm season and after significant storms).

Improvements to project design, such as combining features to produce more practical or economical risk reduction (e.g., rock seawalls and beach fill in urban areas), are being evaluated during the design of the projects being constructed under P.L. 113-2.

Renourishment/Maintenance:

The Coastal Structures Asset Management Program is starting to look at the effectiveness of engineered beaches and other flood risk reduction strategies, which could identify improved practices and inform funding decisions on renourishment and/or maintenance.

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