



Report to the Chairman, Subcommittee  
on Transportation, Housing and Urban  
Development, and Related Agencies,  
Committee on Appropriations,  
House of Representatives

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May 2014

# EMERGENCY TRANSPORTATION RELIEF

Agencies Could  
Improve Collaboration  
Begun during  
Hurricane Sandy  
Response

# GAO Highlights

Highlights of [GAO-14-512](#), a report to the Chairman, Subcommittee on Transportation, Housing, and Urban Development and Related Agencies, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

In October 2012, Hurricane Sandy devastated portions of the Mid-Atlantic coast causing severe damage to transit facilities and infrastructure and disrupting mobility in the New York metropolitan region. In January 2013, the President signed the DRAA, which provided approximately \$50.5 billion in federal aid for expenses related to Hurricane Sandy. GAO was asked to examine DRAA emergency relief assistance for transportation.

This report addresses (1) the progress DOT has made allocating, obligating, and disbursing DRAA surface transportation funds, (2) how FTA's new Public Transportation Emergency Relief program compares to FEMA's and FHWA's emergency relief programs, and (3) the extent to which FTA and FEMA have implemented their memorandum of agreement to coordinate their roles and responsibilities when providing assistance to transit agencies. GAO analyzed relevant laws, regulations, and agency documentation, and interviewed DOT, FEMA, and New Jersey and New York area transit officials.

## What GAO Recommends

GAO recommends that DOT and the Department of Homeland Security (DHS) direct FTA and FEMA to establish specific guidelines to monitor, evaluate, and report the results of collaborative efforts—including their communications program and protocol as contemplated in their memorandum of agreement. DHS agreed with our recommendation, and DOT took no position. DHS and DOT also provided technical comments, which we incorporated as appropriate.

View [GAO-14-512](#). For more information, contact Dave Wise at (202) 512-2834 or [wise@gaio.gov](mailto:wise@gaio.gov)

May 2014

## EMERGENCY TRANSPORTATION RELIEF

### Agencies Could Improve Collaboration Begun during Hurricane Sandy Response

## What GAO Found

The Department of Transportation (DOT) is in the process of allocating, obligating, and disbursing the \$13 billion appropriated by the Disaster Relief Appropriations Act, 2013 (DRAA) for surface transportation relief. Most of the DRAA surface transportation funds—over \$10 billion—were appropriated to the Federal Transit Administration's (FTA) new Public Transportation Emergency Relief Program. An FTA damage assessment in January 2013 estimated the costs of repairing facilities damaged by Hurricane Sandy in New York and New Jersey to be about \$5.7 billion. To date, FTA has obligated about \$1.5 billion for 15 grants and disbursed about \$499 million to reimburse transit agencies for emergency response, recovery, and repair costs. These disbursements are consistent with Congressional Budget Office estimates, and transit projects can take years to complete. Furthermore, FTA plans to use nearly half of its DRAA appropriation for resiliency projects (or projects to protect facilities from future damage), most of which will be carried out through a competitive grant process. FTA was evaluating applications when GAO completed its review.

FTA's new Public Transportation Emergency Relief Program has more flexibility and fewer restrictions in funding projects compared to the Federal Emergency Management Agency's (FEMA) Public Assistance and Hazard Mitigation programs and the Federal Highway Administration's (FHWA) Emergency Relief Program. For example, FEMA's Hazard Mitigation program places limits on the amount of emergency relief funds that can be used for resiliency projects, while FTA's program does not. FTA's program also has more flexibility in how funds can be used for repairs, allowing transit agencies to improve facilities beyond pre-disaster conditions. The use of emergency relief funds for projects that go beyond recovery efforts is not new—activities funded by FHWA's Emergency Relief Program have also expanded beyond repair and reconstruction. The expanding scope of emergency relief assistance illustrates the fiscal exposure the federal government faces and the challenges of establishing long-term sustainable funding for disaster relief and recovery.

Although FTA and FEMA have a memorandum of agreement for assisting transit providers during emergencies, they are limited in their ability to delineate specific roles and responsibilities for future disasters. This limit is because while FEMA receives funding on an ongoing basis, FTA, to date, has only received a supplemental appropriation for Hurricane Sandy and does not know what resources it will have for future disasters. Because FTA and FEMA have the authority to fund many of the same activities by law, transit agencies may experience confusion when seeking assistance under some circumstances. FTA and FEMA have not determined how collaborative efforts, including their communications program and protocol contemplated in the memorandum of agreement, will be monitored, evaluated, and reported, but instead rely on informal communication. As GAO has previously concluded, creating a means to evaluate the results of collaborative efforts can enhance and sustain them, and informal communications between federal agencies do not ensure that collaboration is effective. Establishing more formal monitoring and evaluation of combined efforts could help FTA and FEMA ensure effective collaboration.

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**Abbreviations**

CBO	Congressional Budget Office
CRS	Congressional Research Service
DHS	Department of Homeland Security
DOT	Department of Transportation
DRAA	Disaster Relief Appropriations Act, 2013
DRF	Disaster Relief Fund
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
MAP-21	Moving Ahead for Progress in the 21st Century Act
NORTA	New Orleans Regional Transit Authority
OIG	Office of Inspector General

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May 28, 2014

The Honorable Tom Latham  
Chairman  
Subcommittee on Transportation, Housing and  
Urban Development, and Related Agencies  
Committee on Appropriations  
House of Representatives

Dear Mr. Chairman:

Public transportation agencies are vulnerable to natural and man-made disasters that can disrupt transit operations and destroy vehicles and facilities. This presents a range of challenges, as transportation infrastructure is a key resource before, during, and after a major disaster or emergency. Before a disaster, public transportation infrastructure and resources can be used to assist with evacuating residents. During a disaster, the loss of transit can worsen the disaster's impact by impeding a community's access to emergency relief services and medical care. After a disaster, public transportation can be used to return people to their homes by restarting normal operations and allowing people to return to their jobs and daily activities.

In October 2012, Hurricane Sandy hit the Mid-Atlantic coast during high tide, bringing with it a storm surge and flooding. The President issued disaster declarations under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)<sup>1</sup> for the following areas: Connecticut, Delaware, District of Columbia, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Virginia, and West Virginia. Parts of New York and New Jersey were the hardest hit, and mobility in the greater New York City metropolitan area was temporarily crippled, including its transit systems, which normally carry more customers than all other systems in the United States combined. In January 2013, the President signed the Disaster

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<sup>1</sup>The Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended April 2013, establishes the authority under which states request a presidential disaster declaration. The act also established the programs and process through which the federal government provides disaster assistance to state and local governments, tribes, and certain nonprofit organizations and individuals. 42 U.S.C. §§ 5121-5207.

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Relief Appropriations Act, 2013 (DRAA), which provided approximately \$50.5 billion in supplemental appropriations to 61 programs at 19 federal agencies for expenses related to Hurricane Sandy.<sup>2</sup> DRAA provided over \$13 billion to the Department of Transportation (DOT), most of it to the Federal Transit Administration's (FTA) new Public Transportation Emergency Relief Program, which had gone into effect 28 days before Hurricane Sandy struck the United States. However, not all of the funds appropriated to FTA under DRAA were available until DOT signed a memorandum of agreement on March 4, 2013, with the Department of Homeland Security (DHS) to coordinate the roles and responsibilities of the two departments in providing assistance for public transportation.<sup>3</sup> The Federal Emergency Management Agency (FEMA), within DHS, is the lead agency responsible for preparing the federal response plans and programs for future disasters, coordinating the federal response when a disaster is declared, and providing grants to assist state and local governments during the response and recovery phases of a disaster. Within DOT, the Federal Highway Administration (FHWA) also has an Emergency Relief Program that provides funds for the repair and reconstruction of roads on the federal-aid highway system that have suffered serious damage as a result of either a natural disaster or a catastrophic failure from any external cause.

Given the amount of funds distributed and the number of agencies involved, you requested that we study emergency relief for transportation facilities and the services being carried out under the DRAA. We reviewed DOT's progress in disbursing DRAA funds to address Hurricane Sandy—with a focus on FTA's new Public Transportation Emergency Relief Program, how it compares to other federal agencies that provide emergency relief funding to surface transportation, and implications for responding to future disasters. Specifically, this report addresses (1) the progress DOT has made allocating, obligating, and disbursing DRAA

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<sup>2</sup>Pub. L. No. 113-2 div. A, 127 Stat. 4 (Jan. 29, 2013).

<sup>3</sup>The Moving Ahead for Progress in the 21st Century Act (MAP-21) requires that the Secretaries of the Departments of Homeland Security and Transportation enter a memorandum of agreement to improve coordination between the two departments in providing assistance for public transportation and expedite the provision of federal assistance relating to a major disaster or emergency declared by the President under the Stafford Act. Pub. L. No. 112-141, § 20017(b), 126 Stat. 405, 705 (July 6, 2012). FTA and the Federal Emergency Management Agency (FEMA) entered into the memorandum of agreement on behalf of DOT and DHS respectively.

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surface transportation funds; (2) how FTA's new Public Transportation Emergency Relief Program compares to FEMA's and FHWA's emergency relief programs; and (3) the extent to which FTA and FEMA have implemented their memorandum of agreement to coordinate their roles and responsibilities when providing assistance to transit agencies affected by Hurricane Sandy or future disasters.

To address all objectives, we reviewed and analyzed relevant laws and regulations; our previous reports; FTA, FHWA, and FEMA guidance; and interviewed officials from DOT and FEMA. We interviewed officials from seven of the 13 transit agencies that received grants from FTA. We selected the transit agencies that received FTA's four largest funding allocations (all located within New York and New Jersey) and selected three agencies that received smaller funding allocations but were located outside of New York and New Jersey. Our findings from interviews with these selected agencies provide insights and illustrate FTA's emergency transit-relief grant process; however, the results of our review should not be used to make generalizations about all FTA emergency transit relief grants. We also interviewed officials from Amtrak,<sup>4</sup> which received funds from the Federal Railroad Administration (FRA) within DOT.

To determine the progress DOT has made with DRAA surface transportation funds, we obtained information from the DOT surface-transportation agencies—FTA, FHWA, and FRA—on the amount of DRAA funds that have been allocated, obligated, and disbursed from March 2013 to April 2014. We obtained FTA's damage assessment of public transit agencies in New York and New Jersey affected by Hurricane Sandy. We reviewed the Congressional Budget Office's (CBO) 2012 analysis of the DRAA. To assess the reliability of the allocation, obligation, and disbursement data we received from DOT, we reviewed relevant documentation, interviewed knowledgeable officials, and reviewed internal controls related to the handling of the data. We found the data to be sufficiently reliable for our purposes. To determine how FTA's Public Transportation Emergency Relief Program compares to FEMA's and FHWA's emergency relief programs, we reviewed and analyzed relevant statutes and regulations, as well as documents pertaining to FTA, FHWA, and FEMA emergency relief programs to determine similarities and differences between the programs' eligibility

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<sup>4</sup>The National Railroad Passenger Corporation (Amtrak).

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rules, requirements, and funding.<sup>5</sup> To determine the extent to which FTA and FEMA have coordinated their roles and responsibilities when providing disaster assistance to transit agencies, we reviewed and analyzed their memorandum of agreement and compared the agencies' efforts to practices that we have found can enhance collaboration among federal agencies.

We conducted this performance audit from April 2013 to May 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Appendix I provides a more detailed description of our scope and methodology.

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## Background

When a disaster overwhelms the ability of state, local, and voluntary agencies to adequately provide essential services on their own, the federal government generally plays a central role in disaster response, providing selected resources where they are needed. The federal government has provided significant funds for transit services following past catastrophic disasters. For example, about \$4.7 billion was provided in emergency supplemental appropriations for emergency transit services in response to the September 11, 2001, attacks and \$232 million in response to the 2005 Gulf Coast hurricanes.

After Hurricane Sandy, Congress enacted and the President signed into law the DRAA, which provided supplemental appropriations to federal agencies to assist, improve, and streamline Hurricane Sandy recovery efforts, including efforts to address damage to public transportation

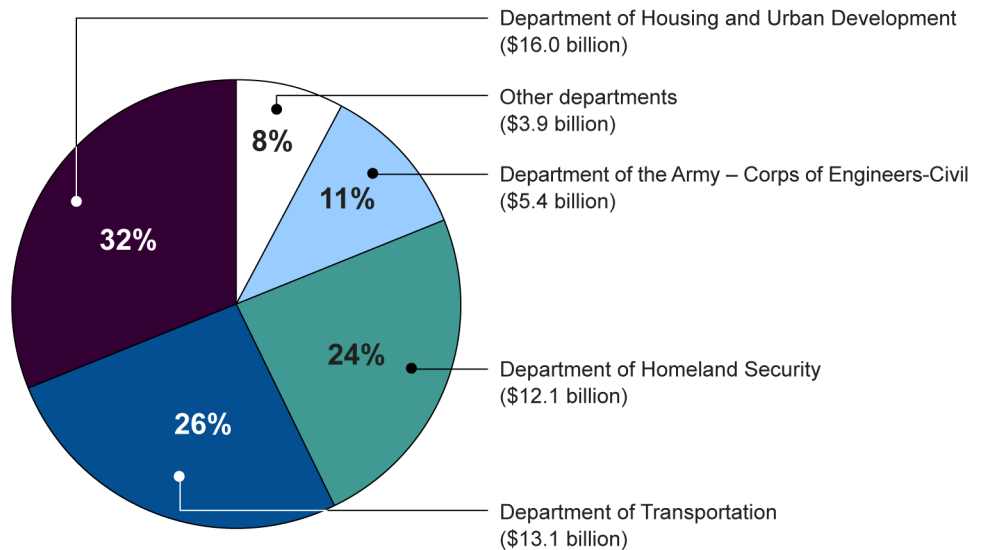
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<sup>5</sup>During the review the team held coordination meetings with the DOT OIG. We learned they are conducting an extensive multi-phase review of how FTA's Public Transportation Emergency Relief program is being set up and FTA's efforts to ensure that DRAA funds are distributed appropriately. Thus, the team made a decision to focus our review on how the program is structured compared to previously established emergency relief programs in FEMA and FHWA instead of conducting an in-depth evaluation of FTA's Public Transportation Emergency Relief Program at this time.



systems. Figure 1 shows the funding provided by the DRAA by agency, including over \$13 billion to DOT.<sup>6</sup>

**Figure 1: \$50.5 Million in DRAA Funding by Agency (As Enacted on January 29, 2013)**



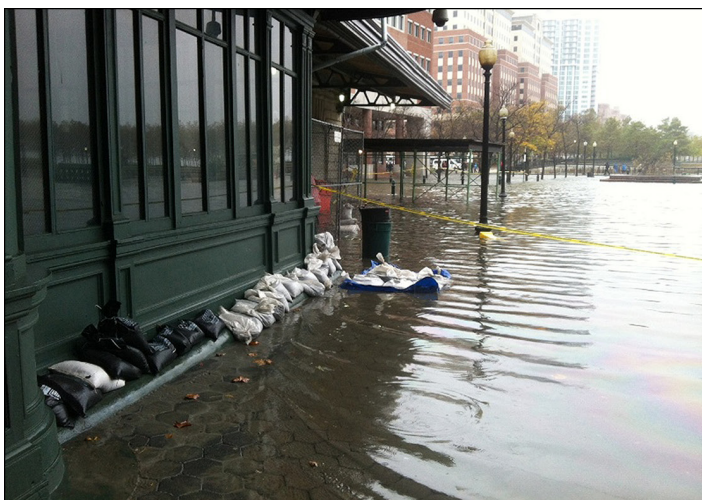
Source: GAO analysis of the Disaster Relief Appropriations Act, 2013.

Note: Percentages do not add to 100 due to rounding.

Most of DOT's DRAA funding was made available to assist transit agencies, especially in New York and New Jersey, which experienced substantial damage to their infrastructure and incurred significant costs to restore operational service after the storm. All of these transit systems experienced the temporary suspension of service and most sustained serious, widespread damage, which affected the region's entire transportation network. As alternative modes of travel were sought, the use of the region's roadway network far exceeded capacity. The ripple effects were felt by many residents of the region who were not able to travel. Figure 2 below illustrates some of the damage to regional transportation systems as a result of Hurricane Sandy.

<sup>6</sup>According to CBO, this law increased nondefense discretionary appropriations for fiscal year 2013 by more than \$50 billion and defense discretionary appropriations by over \$100 million.

**Figure 2: Examples of Damage from Hurricane Sandy**



Sandbags at the entrances of Port Authority Trans-Hudson rail transit station in Hoboken, N.J.

Source: Port Authority of New York and New Jersey.



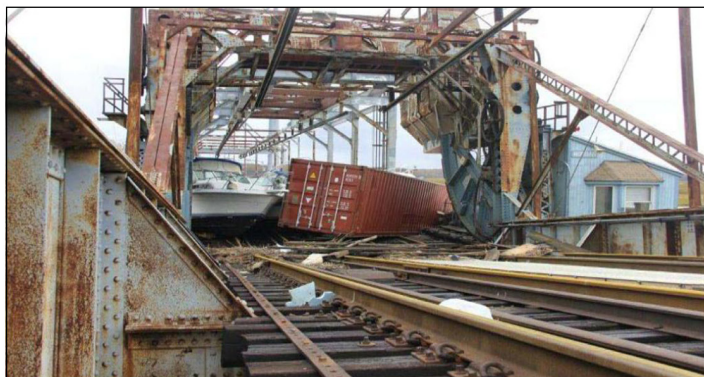
Damage to the Metropolitan Transit Authority Rockaway Line

Source: New York Metropolitan Transportation Authority (MTA).



Flood waters pouring into the Hoboken Station on the Port Authority Trans-Hudson (PATH) System

Source: Port Authority of New York and New Jersey.



Damage to the Morgan Drawbridge on the New Jersey Transit System

Source: New Jersey Transit.

FEMA is the federal government's primary agency for disaster response and has primary responsibility for administering the provisions of the Stafford Act and for carrying out activities for national preparedness. Specifically, FEMA (1) funds and coordinates eligible prevention, protection, and mitigation activities; (2) provides and coordinates the immediate federal response to save lives and property; (3) funds the reconstruction of disaster-damaged public infrastructure; and (4) provides individual assistance to stricken families. In addition to coordinating

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disaster response and recovery operations, FEMA's Public Assistance Program provides funding to state and local governments and some nonprofit organizations for recovery efforts after a disaster, including removing debris, implementing emergency protective measures, and repairing or replacing damaged public equipment or facilities. FEMA also provides grants to states and local governments to implement mitigation measures that reduce or permanently eliminate future risk to lives and property from natural hazards under its Hazard Mitigation Grant Program. This program funds projects in accordance with priorities identified in state, tribal, or local hazard mitigation plans and enables mitigation measures to be implemented during the immediate recovery from a disaster.

DOT also has two emergency relief programs to assist with damage to surface transportation infrastructure and facilities after a disaster, both of which received a share of DOT's DRAA funding for Hurricane Sandy.

- FHWA's Emergency Relief Program provides funding for emergency and permanent repairs or reconstruction of roadways on the federal-aid highway system and on federal lands that have suffered serious damage as a result of a natural disaster or catastrophic failure from an external cause. Emergency repairs are completed during and immediately following a disaster to quickly restore essential highway traffic service and protect remaining facilities, for example, establishing emergency detours and providing temporary bridges or ferry service. Permanent repairs are undertaken after emergency repairs have been completed to restore damaged facilities to pre-disaster conditions, for example, restoring pavement surfaces or reconstructing damaged bridges. FHWA only provides funding under its Emergency Relief Program for highways that are either federal-aid highways or on federal lands. FEMA's Public Assistance Program provides funding to repair disaster damage to other roads.
- FTA's Public Transportation Emergency Relief Program was authorized by the Moving Ahead for Progress in the 21st Century Act (MAP-21).<sup>7</sup> MAP-21 provides FTA with the primary responsibility for reimbursing emergency response and recovery costs after an emergency or major disaster affects a public transportation system. The FTA program is a reimbursable grant program and allows FTA to

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<sup>7</sup> Pub. L. No. 112-141, § 20017(a), 126 Stat 405, 703, codified at 49 U.S.C. § 5324.

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make grants for capital projects to protect, repair, reconstruct, or replace equipment and facilities of a public transportation system as well as for eligible operating costs. Such costs include reestablishing, expanding, or relocating public transportation route service in the event of a natural disaster that affects a wide area or a catastrophic failure from any external cause.

Most of the \$13 billion that DRAA made available to DOT for surface transportation relief was appropriated to FTA for the Public Transportation Emergency Relief Program.<sup>8</sup> The DRAA provides this funding for eligible transit operating expenses, capital projects to repair or reconstruct damaged facilities, and projects to protect facilities from future damage (resiliency projects). According to FTA's interim program regulations, resiliency projects are designed and built to address a transit system's future vulnerabilities due to emergencies or major disasters that have occurred and are likely to reoccur in the geographic area in which the public transportation system is located, or projected changes in development patterns, demographics, or extreme weather or other climate patterns.<sup>9</sup> For example, MTA is planning a resiliency project to increase New York City's pumping capacity by converting existing rolling stock into pump trains. The project is intended to shorten the period of time it takes to pump water out of the subway system to prevent major damage from saltwater infiltration into the subway system. The DRAA also provided the DOT Secretary authority to transfer up to \$5.4 billion for resiliency efforts to other DOT agencies, such as FHWA and FRA.<sup>10</sup>

In January 2013, FTA, FEMA, and affected transit agencies worked together after Hurricane Sandy to assess the damage in the New York and New Jersey region. The damage assessment estimated that the damage to public transit was about \$5.7 billion. About 99 percent of the

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<sup>8</sup>FTA's DRAA appropriation has "no-year authority." No-year authority or no-year funding refers to appropriations that do not restrict the time by which funds must be obligated. The DRAA requires that funds for surface transportation grants be expended by grantees within 24 months following the obligation of funds for the grant, unless the Director of the Office of Management and Budget (OMB) waives the requirement and notifies the congressional Committees on Appropriations. On July 9, 2013, OMB waived this requirement for FTA, FRA, and FHWA.

<sup>9</sup> 49 C.F.R. § 602.5.

<sup>10</sup> These projects must be authorized under titles 23 or 49 of the United States Code, which primarily pertain to highways and bridges, and rail and transit, respectively.

estimated damage was sustained by four transit agencies, as shown in table 1.

**Table 1: Estimated Damage to New York and New Jersey Transit Agencies, As Assessed by FTA, FEMA, and Transit Agencies (January 31, 2013)**

(Dollars in millions)

Agencies	Restoration/Recovery
New York Metropolitan Transportation Authority (MTA)	3,904
Port Authority of New York/New Jersey	1,286
New Jersey Transit	459
New York City DOT	36
Other New York/New Jersey Agencies	4
<b>TOTAL</b>	<b>\$5,689</b>

Source: FTA.

FTA officials said that the damage assessment only covered damage in New York and New Jersey because this was the area with the most extensive damage. Rather than identify total damage in other areas, FTA established a process for potential recipients to identify their damage and to apply for funds. FTA made initial grants to recipients outside of New York and New Jersey, but those grants account for less than 1 percent of all allocations made as of April 30, 2014. For example, FTA awarded a \$5,352 grant to the Milford Transit District (MTD) in Connecticut for evacuation services performed during Hurricane Sandy, transportation after the storm, and debris cleanup. Beyond that, FTA has not estimated an amount of repair and recovery outside of New York and New Jersey but has set aside funds for future allocations (approximately \$28 million) as needed if there are eligible response and recovery expenses from agencies that may not have received pro-rated allocations.

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## FTA Has Allocated over Half of DOT's DRAA Funds While Setting Up the Public Transportation Emergency Relief Program

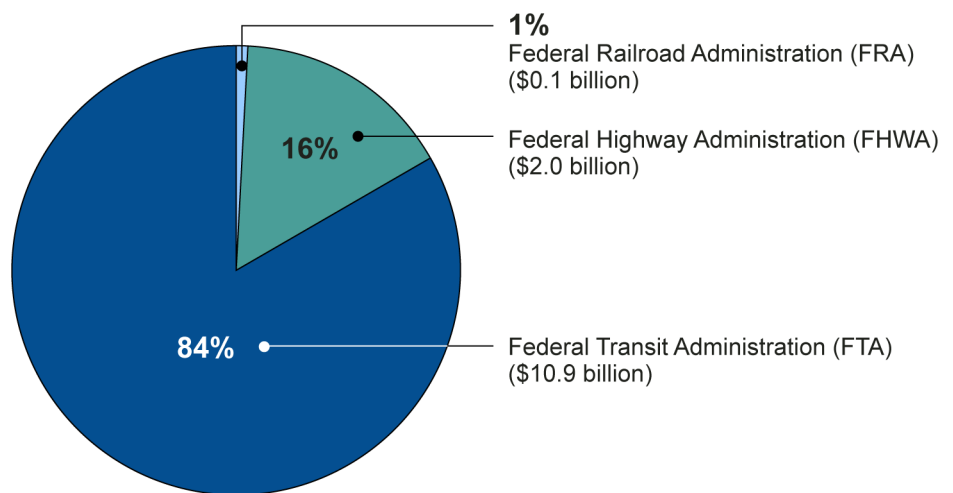
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### Overall DOT Progress

As figure 3 shows, the approximately \$13 billion that DRAA appropriated to DOT for surface transportation relief was divided among several DOT agencies including FTA, FHWA, and FRA—but the vast majority of it was appropriated to FTA.

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**Figure 3: DRAA Appropriations for Surface Transportation (As Enacted on January 29, 2013)**



Source: GAO analysis of the Disaster Relief Appropriations Act, 2013.

Note: Percentages do not add to 100 due to rounding.

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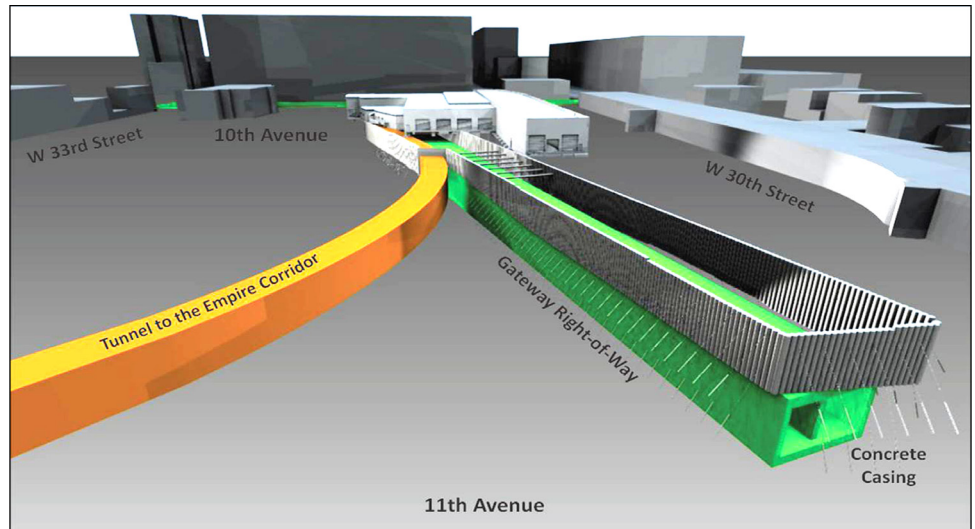
Two events have affected the amount of funds available to the DOT agencies. First, all DRAA funds were reduced by 5 percent—from approximately \$13 billion to almost \$12.4 billion—on March 1, 2013, as a result of sequestration.<sup>11</sup> Second, the DOT Secretary exercised his transfer authority under DRAA and approved a transfer in May 2013 of \$185 million from FTA to FRA. This transfer was used to award a grant for Amtrak to install a concrete casing that preserves the right of way in the New York City Hudson Yards for the potential alignment of a future trans-Hudson tunnel. This concrete casing would allow access for a future project to install an additional railway tunnel under the Hudson River and increase train capacity for commuter, regional, and long distance intercity services going in and out of New York City (see fig. 4). The Gateway Tunnel project has been planned since 2010, and with this funding, Amtrak is able to preserve a possible right-of-way for the project. DOT officials told us that there are no plans at this time to make any other transfers using this authority.

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<sup>11</sup>The absence of legislation to reduce the federal budget deficit by at least \$1.2 trillion by fiscal year 2021 triggered the sequestration process in section 251A of the Balanced Budget and Emergency Deficit Control Act of 1985 as amended. On March 1, 2013, the President ordered a sequestration of \$85.3 billion in discretionary appropriations and direct spending for fiscal year 2013. OMB calculated that this would amount to a 5 percent reduction in nonexempt nondefense discretionary funding for the fiscal year.



**Figure 4: Depiction of the Amtrak Gateway Tunnel Project between New York and New Jersey**



Source: Amtrak.

DOT surface transportation agencies have allocated about \$6.3 billion (51 percent), obligated about \$2.2 billion (17 percent), and disbursed about \$721 million (6 percent) of the roughly \$12.4 billion available DRAA funds for transportation relief as of April 30, 2014.<sup>12</sup> The available funds for each agency shown in table 2 reflect the impact of sequestration, and the DOT Secretary's transfer from FTA to FRA.

<sup>12</sup>For purposes of this report, "allocated" reflects the amount of available funds that have been assigned by DOT to a grantee from which grants may be awarded. "Obligated" reflects the amount of funds legally committed by DOT to a grantee for awarded grants. "Disbursed" reflects the amount of payments that have been made to a grantee.



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**Table 2: DOT DRAA Funding Status (\$ millions) as of April 30, 2014**

<b>DOT Surface Transportation Administrations</b>	<b>Available funds</b>	<b>Allocated</b>	<b>Obligated</b>	<b>Disbursed</b>
Federal Highway Administration	1,921	616	473	120
Federal Railroad Administration	297	— <sup>a</sup>	215	102
Federal Transit Administration	10,170	5,679	1,463	499
<b>TOTAL</b>	<b>\$12,388</b>	<b>\$6,295</b>	<b>\$2,151</b>	<b>\$721</b>

Source: DOT.

<sup>a</sup>FRA funds are not allocated to grantees as they are for FHWA and FTA programs; FRA grants are awarded from available funds.

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## FTA Progress

FTA is in the process of allocating and distributing DRAA funds while facing unique challenges setting up its Public Transportation Emergency Relief Program. The program was new when Hurricane Sandy struck, and FTA received its first funds for the program through the DRAA just 3 months after the storm. As a result, as of April 2014, FTA was finalizing its program rules at the same time it was distributing billions of dollars of DRAA funds to affected transit agencies. Furthermore, the amount of funds that FTA is distributing through the emergency relief program (over \$10 billion) is almost as much as FTA's total budgetary resources were in fiscal year 2012 (approximately \$12.1 billion).

FTA's over \$10 billion in DRAA funding is more than enough to address the costs of repairing transit facilities damaged by Hurricane Sandy in New York and New Jersey (see table 1). The January 2013 damage assessment estimated Hurricane Sandy damage in New York and New Jersey to public transit to be about \$5.7 billion, but also identified about \$10 billion in potential resiliency projects to guard against future disasters. As of April 30, 2014, FTA has allocated almost \$5.7 billion of its DRAA funding to transit agencies affected by Hurricane Sandy and obligated a total of about \$1.5 billion for 15 grants for emergency response, recovery,

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repair and reconstruction activities.<sup>13</sup> When we completed our review, transit agency officials we spoke with were generally positive about the FTA Public Transportation Emergency Relief Program and told us that, in their experience, FTA has not caused them any delays in receiving funding. Of the amount allocated, FTA made \$1.3 billion available for what it called “locally prioritized” resiliency funding. This funding is primarily intended for resiliency improvements completed in tandem with recovery and rebuilding projects that will improve cost effectiveness and can be implemented quickly.

As of April 30, 2014, FTA has only disbursed \$499 million of its DRAA funds, but this does not indicate a lack of progress for several reasons. FTA’s progress is in line with expenditure estimates. In December 2012, CBO estimated that only 3 percent of FTA’s DRAA funds would be expended in the first year and forecasted that it would take over a decade for FTA to disburse all the funds based on historical patterns.<sup>14</sup> As of January 29, 2014—one year after DRAA was enacted—FTA had disbursed almost 3 percent of its DRAA funds, approaching CBO estimates. In addition, transit projects are long-term investments that typically take years to complete. For example, the MTA Long Island Rail Road’s West Side Storage Yard—which undertakes inspections, repairs, maintenance, and cleaning for the railroad’s fleet—suffered severe damage due to the tidal surge and resulting intrusion of salt water during Hurricane Sandy. The project to repair it will replace numerous assets in the yard, including switch machines, signal components, third-rail components, switch heaters, and fire alarm systems. According to officials, MTA plans to complete this work in phases and estimates a February 2018 completion. Finally, FTA plans to use about 42 percent of

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<sup>13</sup>In March 2013, FTA allocated \$2 billion (less almost \$21 million to fund expenses for FTA administration and oversight by the DOT OIG) to affected recipients for eligible emergency response and recovery costs including (1) \$576.6 million to reimburse affected transit agencies for emergency response and recovery costs incurred or budgeted to date and (2) \$1.4 billion primarily to the four agencies most severely impacted (see table 1) for repair and reconstruction projects. These reimbursements are proportional to each agency’s estimated overall recovery costs. The \$1.4 billion includes the FTA set-aside of approximately \$28 million for other affected agencies that may have additional response and recovery expenses not reimbursed to date. In May 2013, FTA allocated an additional \$3.7 billion to the four agencies most severely affected, based on a percentage of the anticipated full cost of recovery and rebuilding.

<sup>14</sup>Congressional Budget Office, *Estimate of the Disaster Relief Appropriations Act, 2013*, as Posted on the website of the Senate Committee on Appropriations on December 12, 2012 (Washington, D.C.: Dec. 12, 2012).

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its DRAA appropriation for resiliency projects, most of which will be carried out through a competitive grant selection process, and FTA was evaluating applications when we completed our review.

Specifically, in December 2013, FTA issued a Notice of Funding Availability for approximately \$3 billion in funding to be awarded for resiliency projects on a competitive basis.<sup>15</sup> This funding differs from the \$1.3 billion that has been obligated for locally prioritized resiliency funding. Any transportation agency<sup>16</sup> within the declared Hurricane Sandy disaster area can apply for these funds,<sup>17</sup> and they can be used to protect either a facility or system that has been repaired or replaced after Hurricane Sandy, or that is at risk of being damaged or destroyed by a future emergency or natural disaster.<sup>18</sup> Among the other criteria, FTA will evaluate and award competitive resiliency funding based on the cost-effectiveness of the project, implementation strategy, extent to which improvements will protect vulnerable existing infrastructure, availability of local financial commitments, and the technical capacity of grantees. According to FTA's notice, in developing FTA guidelines for resiliency projects, it considered recommendations made by the Hurricane Sandy Rebuilding Task Force.<sup>19</sup> The Task Force specifically recommended that

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<sup>15</sup>78 Fed. Reg. 78486 (Dec.26, 2013).

<sup>16</sup>These funds are available for states, local governmental authorities, tribal governments, and other FTA recipients within the declared Hurricane Sandy disaster area. Entities that provide public transportation service and are not current recipients of FTA funding are only eligible to receive emergency relief funding as a subrecipient of an FTA recipient.

<sup>17</sup>This is defined as areas for which the President declared a major disaster under the Stafford Act in response to Hurricane Sandy.

<sup>18</sup>The Notice of Funds Availability defines resiliency projects as those projects designed and built to address current and future vulnerabilities to a public transportation facility or system due to future occurrence or recurrence of emergencies or major disasters that are likely to occur in the geographic area in which the public transportation is located; or projected changes in development patterns, demographics, or climate change and extreme weather patterns.

<sup>19</sup>In December 2012, the President signed an executive order creating the Hurricane Sandy Rebuilding Task Force to ensure that the federal government continues to provide appropriate resources to support affected State, local, and tribal communities to improve the region's resilience, health, and prosperity by building for the future. 77 Fed. Reg. 74341 (Dec. 14, 2012). The Task Force is chaired by the Secretary of Housing and Urban Development and is comprised of representatives from other federal agencies.

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infrastructure rebuilt with DRAA funds be designed to increase the resilience of the region.<sup>20</sup>

The DRAA appropriation to FTA provided funding for the DOT Office of Inspector General (OIG) to conduct oversight of FTA's DRAA funds. In the initial report, the OIG stated that FTA's initial response to Hurricane Sandy was noteworthy, but that FTA has yet to fully address challenges in its oversight plans and procedures.<sup>21</sup> The OIG made several recommendations to FTA, including specifying the required time frames for completing risk assessments for all grantees and finalizing program guidance that incorporates lessons learned from emergencies and best practices from emergency relief guidance. According to the OIG's report, FTA has provided appropriate planned actions and timeframes for completion for most of the OIG recommendations.

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## FTA's Relief Program Is More Flexible Than FEMA's and FHWA's but Has Not Received Ongoing Funding

Compared to FEMA's Public Assistance and Hazard Mitigation Grant Programs and FHWA's Emergency Relief Program, FTA's new Public Transportation Emergency Relief Program has more flexibility and fewer restrictions in funding emergency relief projects. For example, FEMA's Hazard Mitigation Grant Program places limits on the amount of emergency relief funding that can be allocated toward resiliency projects, whereas FTA's program does not. However, unlike FEMA's and FHWA's programs, FTA's program has not received funding on an ongoing basis, which could limit some transit providers' ability to respond immediately after a disaster.

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## FTA's Program Has More Flexibility and Fewer Restrictions

FTA's Public Transportation Emergency Relief Program provides funding for similar types of activities as FEMA's and FHWA's emergency relief programs, such as emergency protective measures, permanent repairs, and resiliency projects, but the legislation authorizing FTA's program placed no limits on the amount that can be awarded for resiliency projects. Based on this flexibility, FTA is awarding about 42 percent of the

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<sup>20</sup>Hurricane Sandy Rebuilding Task Force, *Hurricane Sandy Rebuilding Strategy: Stronger Communities, A Resilient Region* (Washington, D. C.: August 2013).

<sup>21</sup>Department of Transportation, Office of Inspector General, MH-2014-008, *Federal Transit Administration: Initial Assessment of FTA's Oversight of the Emergency Relief Program and Hurricane Sandy Relief Funds* (Washington, D. C.: Dec. 3, 2013).

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funding it received for Hurricane Sandy, \$4.3 billion, for resiliency projects.

In contrast, FEMA has limits on the percentage of emergency funding that may be used for resiliency projects. FEMA's Hazard Mitigation Grant Program provides funding for resiliency projects (referred to as hazard mitigation projects) but the amount of funding available for this program for a particular disaster declaration is limited. For example, under this program a state may be eligible to receive up to 15 percent of the estimated total of federal assistance for hazard mitigation grant assistance. States that meet higher mitigation planning criteria may qualify for up to 20 percent of assistance.<sup>22</sup> Of the \$119.7 billion that FEMA has obligated for disaster assistance over a 10-year period—from 2004 through 2013—FEMA has obligated \$4.9 billion (about 4 percent) for its Hazard Mitigation Grant Program activities to prevent or ease the impact of natural disasters.

Besides having greater flexibility in funding resiliency projects, FTA's Public Transportation Emergency Relief Program has fewer restrictions and greater flexibility to fund emergency relief projects compared to FHWA's and FEMA's programs, as discussed below:

*FTA's program funds have more flexibility in how they can be used for repairs.* FTA's Public Transportation Emergency Relief Program allows transit agencies to use response and recovery awards to improve facilities beyond pre-existing conditions by 1) replacing damaged assets with new assets that incorporate current design standards, 2) replacing obsolete equipment, or 3) bringing assets to a state of good repair as part of its recovery effort. By comparison, FEMA's Public Assistance Program will generally provide funding for permanent repairs to restore a facility based on the adopted codes and standards to its pre-disaster design,

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<sup>22</sup>The amount of Hazard Mitigation Grant Program funding available to an applicant is based upon the estimated total of Federal assistance, subject to the sliding scale formula outlined in section 5170c(a) of title 42, that FEMA provides for disaster recovery under the Presidential major disaster declaration. The formula provides for up to 15 percent of the first \$2 billion of estimated aggregate amounts of disaster assistance, up to 10 percent for amounts between \$2 billion and \$10 billion, and up to 7.5 percent for amounts between \$10 billion and \$35.333 billion. For States with enhanced plans—FEMA approved state plans identifying policies and actions that can be implemented over the long term to reduce risks and future losses—the eligible assistance is up to 20 percent for estimated aggregate amounts of disaster assistance not to exceed \$35.333 billion.

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function, and capacity.<sup>23</sup> FEMA's Public Assistance Program may provide funding to replace the facility to current applicable codes and standards, if the grantee can demonstrate that the estimated repair cost exceeds 50 percent of the estimated replacement cost. FEMA's Public Assistance Program also provides some funding to be used for hazard mitigation measures. This funding, along with FEMA's Hazard Mitigation Program funding, can be used to improve facilities beyond pre-disaster conditions if applicants can demonstrate that the project is cost-effective. Like FTA's program, FHWA's Emergency Relief Program will also provide emergency relief funding to restore or replace a facility or bridge to current geometric and construction standards. However, FHWA limits this funding only to portions of the facility that are damaged and requires applicants to show that the improvement is cost-effective, prevents future recurring damage, or is technically feasible. In addition, FTA has more flexibility in how it can support emergency transit operations. For example, FTA's emergency relief program provides funding for emergency operations such as evacuations; rescue operations; ferry service to replace inoperable rail service or to detour around damaged areas; returning evacuees to their home after Hurricane Sandy; and for the net project costs related to reestablishing, expanding, or relocating public transportation service before, during or after Hurricane Sandy. By comparison, under FEMA's Public Assistance Program, financial assistance for transit and transportation operations are limited to those operations that are necessary to save lives and protect public health, such as evacuation or transportation of evacuees to emergency shelter. According to FEMA officials, FEMA does not have the authority to reimburse state or local transit agencies for expenses associated with emergency transit operations.

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<sup>23</sup>FEMA may provide discretionary hazard mitigation funding under Section 406 of the Stafford Act which refers to FEMA's Public Assistance Program. Section 406 is applied to the parts of the facility that were actually damaged by the disaster and the mitigation measure provides protection from subsequent events. The mitigation work must be cost effective and be reasonably performed as part of the work or measure that will reduce the potential for damage to a facility from a disaster event. In addition, Community Development Block Grant Program (CDBG) funds—including Community Development Block Grant Disaster Recovery (CDBG-DR) funds may be used for the payment of the non-federal share required in connection with a federal grant-in-aid program (e.g., the FEMA Public Assistance Program) that provides funding for a CDBG-eligible activity.

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*FTA emergency relief funds have no restrictions on funding projects included in statewide transportation improvement programs.* FTA emergency relief funds can be used to fund projects that are included in statewide transportation improvement programs. In comparison, under MAP-21, FHWA emergency relief funds may not be used to repair or reconstruct a bridge if the construction phase of a replacement structure is already included in the approved statewide transportation improvement program at the time of an eligible event. Similarly, according to FEMA's Public Assistance Program guidance, funding may not be used to replace a facility if the facility is already scheduled to be replaced using federal funds, and work is scheduled to begin within 12 months of the time the disaster struck. According to FTA officials, funding for projects in statewide transportation improvement programs are not limited because FTA does not believe such plans constitute a firm commitment of funding. However, projects for which funds were obligated in an FTA grant prior to the declared emergency or disaster are not eligible to receive FTA emergency relief funds.<sup>24</sup>

*FTA's cost-sharing arrangements and rules for non-federal sharing commitments are less restrictive.* As shown in table 3, cost-sharing arrangements vary among FTA's, FEMA's, and FHWA's emergency relief programs. Under FTA's program, for example, the federal share for capital and operating costs is generally up to 80 percent, and the non-federal share is generally not less than 20 percent of the project cost. However, the DOT Secretary is authorized to waive in whole or in part FTA's non-federal share. Pursuant to the Stafford Act, the cost-sharing arrangements for FEMA's Public Assistance Program can also be adjusted, but only by the President at a governor's request.

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<sup>24</sup>49 C.F.R. § 602.13(C)(5).

**Table 3: Federal and Non-Federal Cost-Sharing Arrangements for FTA's, FEMA's, and FHWA's Emergency Relief Programs**

Agency	Program	Federal share	Non-federal share
FTA	Public Transportation Emergency Relief Program	Up to 80 percent of the project cost. <sup>a</sup>	Not less than 20 percent of the project cost.
FEMA	Public Assistance Program	Not less than 75 percent of the eligible project cost. <sup>b</sup>	Not more than 25 percent of the project cost.
	Hazard Mitigation Program	Up to 75 percent of the eligible activity costs.	Not less than 25 percent of eligible activity costs.
FHWA	Emergency Relief Program	Up to 100 percent for emergency repairs completed within 180 days after a disaster. <sup>c</sup> For permanent repair costs and emergency repair costs incurred after the first 180 days, the federal share is based on the type of federal-aid highway being repaired. <sup>d</sup>	Varies depending on the type of federal aid highway.

Source: GAO analysis of FTA, FEMA, and FHWA information.

<sup>a</sup>The DOT Secretary is authorized to adjust cost shares for the program and to waive in whole or in part the non-federal share requirement.

<sup>b</sup>Sections 403, 406, 407, and 502 of the Stafford Act provide that the Federal share of assistance shall be not less than 75 percent of the cost of the eligible work. FEMA regulations at section 206.47 of title 44, C.F.R., allow FEMA to recommend an increased cost-share. For example, in response to Hurricane Sandy, for the state of New York, the President authorized federal funds for all categories of the Public Assistance Program at 90 percent of total eligible costs, except assistance previously designated at 100 percent Federal share. In addition, FEMA recommends raising the usual 75 percent federal share for the Public Assistance Program to 90 percent when federal obligations, excluding FEMA administrative costs, meet a qualifying threshold.

<sup>c</sup>Emergency repairs completed within 180 days after a disaster to restore essential travel, minimize the extent of damage, or protect the remaining facilities are eligible for a 100 percent federal share.

<sup>d</sup>For example, for interstate highways, the federal share is 90 percent. For federal-aid facilities that meet the definition of a federal land access transportation facility, the federal share is 100 percent and for all other highways, the federal share is 80 percent. In addition, MAP-21 provided authority for the Secretary of Transportation 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.

In addition, FTA's program permits recipients to waive local matching requirements by applying toll credits toward the non-federal match. Recipients of FHWA's Emergency Relief Program funds are specifically prohibited from using toll credits to reduce or eliminate the non-federal share.<sup>25</sup> States and localities that receive federal formula funds for highway or transit projects may apply "toll credits" to reduce or eliminate

<sup>25</sup>23 U.S.C. § 120(i)(1)(A).



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the funding they are required to provide to match federal funds for projects. These toll credits are earned when the state, a toll authority, or a private entity funds a capital transportation investment with toll revenues earned from existing toll facilities. FEMA's Public Assistance and Hazard Mitigation Programs also do not allow for applicants to apply toll credits toward the local match but have other ways of meeting the non-federal share amount, for example, through in-kind contributions.<sup>26</sup>

*FTA's program does not require a presidential declaration of disaster to release emergency relief funds.* Under both FTA's and FHWA's programs, for a natural disaster or other event to be eligible for emergency relief funding, either the governor of a state has to declare an emergency and the Secretary of Transportation has to concur, or the President has to declare a major disaster under section 401 of the Stafford Act. However, a Presidential Declaration of a Major Disaster or Emergency is required for funding to be available for FEMA's Public Assistance Program. Likewise, FEMA's Hazard Mitigation Program requires a presidential declaration of a major disaster for funding to be available for that program.

*FTA's program has flexibility to provide funds directly to the grantee.* Under FEMA's and FHWA's programs, funding is distributed to the states. FEMA provides funding under its Public Assistance Program to eligible applicants through state and tribal government grantees. In our prior work, we found instances where funding from state grantees to transit agencies was delayed.<sup>27</sup> FHWA's Emergency Relief Program similarly provides funding to states, Puerto Rico, the District of Columbia, and territories. The program is administered through the state DOTs in close coordination with FHWA's division offices in each state. In contrast, FTA funding can be provided directly to transit agencies. Officials from the grantee agencies we spoke to told us that working with FTA is easier than

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<sup>26</sup>For some disasters, non-cash contributions referred to as "in-kind donations" may be credited toward the non-federal share of grant costs under FEMA's Public Assistance and Hazard Mitigation programs. In order for an in-kind contribution to be eligible for the non-federal share, several conditions must apply such as that the contribution be necessary to accomplish the project objectives. Examples of in-kind contributions include property, services, equipment, and donated materials.

<sup>27</sup>GAO, *Emergency Transit Assistance: Federal Funding for Recent Disasters, and Options for the Future*, [GAO-08-243](#), (Washington D.C.: Feb. 15, 2008) and GAO, *Disaster Recovery: FEMA's Public Assistance Grant Program Experienced Challenges with Gulf Coast Rebuilding*, [GAO-09-129](#) (Washington, D. C.: Dec. 18, 2008).

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working with FEMA, in part because of their ongoing grantee relationship with FTA and because FTA's personnel are transit specialists and its processes are better suited for complicated transit projects.

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## Recent Changes Have Expanded the Scope of Activities FHWA and FEMA May Fund

Even though FTA has more flexibility, particularly in the amount of funding it can allocate to resiliency projects, several recent changes to FHWA and FEMA program requirements have further expanded the scope of activities eligible for funding under these programs.

- MAP-21 expanded FHWA's scope of activities to allow its emergency relief funds to be used to expand the capacity of a structure—such as bridges, highways, or roads—being repaired or replaced to accommodate the volume of traffic that the structure will carry over its design life.<sup>28</sup> Prior to MAP-21, FHWA's Emergency Relief Program could only be used to expand the capacity of bridges to accommodate future traffic.
- The Sandy Recovery Improvement Act of 2013<sup>29</sup> revised the Stafford Act, establishing a new set of alternative procedures for FEMA's Public Assistance Program, allowing applicants to receive funding based on fixed estimates, rather than being reimbursed for actual costs. Under these new procedures, applicants can use grant funding that exceeds actual costs toward mitigation activities.

Use of emergency relief funds for projects that go beyond recovery efforts is not new. In our 2007 report on FHWA's Emergency Relief Program, we found that FHWA's use of Emergency Relief Program funds was not always limited to rebuilding facilities back to original conditions—the original intent of the program—and were used for projects that had grown in size and scope in response to public and community concerns.<sup>30</sup> For example, emergency relief funds were used to fund the reconstruction of the U.S. Highway 90 Biloxi Bay Bridge in Mississippi, a four-lane

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<sup>28</sup>The total cost of a project funded through FHWA's Emergency Relief Program may not exceed the cost of repairing or constructing a facility that meets the current geometric and construction standards required for the types and volume of traffic that the facility will carry over its design life. Pub. L. No. 112-141, § 1107, codified at 23 U.S.C. § 125(d)(2).

<sup>29</sup>Pub. L. No. 113-2, div. B, 127 Stat. 4, 39-50.

<sup>30</sup>GAO, *Highway Emergency Relief: Reexamination Needed to Address Fiscal Imbalance and Long-term Sustainability*, [GAO-07-245](#) (Washington D.C.: Feb. 23, 2007).

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drawbridge between the cities of Biloxi and Ocean Springs, Mississippi. According to the Mississippi DOT officials, DOT initially proposed replacing the drawbridge with one that would provide an 85-foot clearance above Biloxi Bay. During a public comment period on the proposed bridge design, a local shipbuilder expressed concern that the height was not sufficient to allow for future ships to pass under the bridge. Mississippi DOT revised its proposed bridge design to provide a 95-foot clearance, which increased the cost of the bridge from an estimated \$275 million to \$339 million. We have also found that Congress has, on occasion, expanded FHWA's and FEMA's emergency relief eligibility criteria, an expansion that has resulted in projects receiving funding beyond what FHWA's and FEMA's emergency relief programs would otherwise have funded.<sup>31</sup> For example, in 2003, following the September 11, 2001, terrorist attack, Congress appropriated supplemental funding expanding FEMA's authority to allow it to fund recovery efforts and rebuild infrastructure beyond pre-disaster conditions to substantially improve commuter mobility.

While we have previously raised concerns about the expanding scope of activities eligible for emergency relief funding, we have also noted that building resiliency into infrastructure planning is important.<sup>32</sup> Enhancing the resilience of physical infrastructure, such as roads and bridges, vulnerable to extreme weather conditions can help reduce future economic losses and result in more efficient infrastructure planning. Federally funded road and bridge projects are typically expensive long-term investments. We have previously concluded that as the nation makes these investments, it faces the choice of paying more now, or potentially paying a much larger premium later to repair, modify, or replace infrastructure ill suited for future conditions.<sup>33</sup>

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<sup>31</sup>[GAO-08-243](#).

<sup>32</sup>GAO, *Climate Change: Future Federal Adaptation Efforts Could Better Support Local Infrastructure Decision Makers*, [GAO-13-242](#) (Washington, D.C.: Apr. 12, 2013).

<sup>33</sup>[GAO-13-242](#).

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## FTA's Public Transportation Emergency Relief Program Does Not Currently Receive Funding on an Ongoing Basis

FEMA and FHWA have funds available to provide recovery assistance when a disaster or emergency occurs:

- Funding for FEMA's Public Assistance and Hazard Mitigation Programs is available from the Disaster Relief Fund (DRF) after the President declares a disaster under the Stafford Act.<sup>34</sup> The DRF receives emergency-designated funding through both the regular appropriations process and through supplemental appropriations. The amount requested each year for the DRF in the President's Budget Request is based on the use of the fund (amount obligated from the fund) in prior years.<sup>35</sup> Once funds are appropriated to the DRF, they are available until expended, which means they carry forward from one year to another.
- Budget authority for FHWA's Emergency Relief Program is provided through contract authority, which authorizes FHWA to make commitments in advance of an appropriation.<sup>36</sup> FHWA is authorized to obligate up to \$100 million each fiscal year for the program. Any unobligated balance remains available until expended.<sup>37</sup> In recent years, annual demands on FHWA's Emergency Relief Program have exceeded the \$100 million annual authorization. For example, on average, the program's needed allocations for ordinary events—disaster events requiring under \$100 million in federal funding—are

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<sup>34</sup>FEMA has several Hazard Mitigation Assistance Grant Programs that provide funding for pre- and post-disaster mitigation. Some of FEMA's other hazard mitigation programs are not funded by the DRF. These programs include the Pre-disaster Mitigation Program and Flood Mitigation Assistance.

<sup>35</sup>For example, the President's Budget Request for the DRF for fiscal year 2009 was based on the 5-year average obligational level for non-catastrophic disaster activity (less estimates of funds carried forward and the amount of funds deobligated in prior years that can be used for new obligations for authorized purposes).

<sup>36</sup>Contract authority is the statutory authority to incur obligations in advance of an appropriation. Contract authority is unfunded, and a subsequent appropriation is needed to liquidate the obligation. FHWA obligates funds for a state project once FHWA approves a project. Subsequently, FHWA reimburses states out of the Highway Account of the Highway Trust Fund ("Highway Account") or the General Fund, depending on the source of funding. Congress can and has provided FHWA with supplemental appropriations, such as the DRAA, which are not funded through the Highway Trust Fund. The FHWA Emergency Relief Program is a reimbursable program—meaning FHWA reimburses the state for the federal share of the cost of the completed work assuming all federal requirements are met.

<sup>37</sup>23 U.S.C. § 125.

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2.7 times the annual authorization, or \$271 million. As a result, from 2005 to 2011, FHWA received about \$7 billion in additional funding from general revenues through supplemental appropriations.

To date, Congress has not provided an annual appropriation for FTA's Public Transportation Emergency Relief Program, and FTA must rely on Congress to appropriate funds for a specific event. FTA's program has only received funds that Congress made available exclusively for Hurricane Sandy through the DRAA. Since it takes time for appropriations to be enacted, FTA is unable to release funding immediately after a disaster to transit providers which, in turn, could limit the ability of transit agencies that do not have resources to respond immediately after a disaster. However, annual budgeting for FTA's emergency relief program through regular appropriations would involve trade-offs with other funding priorities in a challenging budget environment. Events requiring the use of FEMA and FHWA emergency funds generally occur every year; however, transit disasters requiring FTA emergency relief funding may occur with less frequency. Ultimately, deciding how to allocate funding among competing demands is a policy decision for the Congress.

We discussed transit-funding challenges in our 2008 report, which highlighted the impact of challenges on the timeliness and effectiveness of FEMA's and FTA's assistance to transit agencies following the 2005 Gulf Coast hurricanes.<sup>38</sup> We found that neither FEMA nor FTA had mechanisms in place to provide transit funding immediately after the disasters. Transit officials from the New Orleans Regional Transit Authority (NORTA) told us that a lack of financial resources immediately after Hurricane Katrina delayed their disaster response efforts. Based on this work, we presented a range of possible options for Congress to consider for providing immediate financial assistance to transit agencies in response to a disaster, including that Congress create an emergency relief program in FTA for transit assistance modeled after FHWA's program with a "quick release mechanism"—a mechanism used to approve and release emergency funds within 1-2 days to begin the

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<sup>38</sup>[GAO-08-243](#).

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immediate flow of funds.<sup>39</sup> FHWA's program provides for a quick release of funding for larger disasters, wherein extensive damage is readily evident and state and federal level agencies need funds to flow quickly to the state. However, as we previously stated, to date, FTA has not received funding. If FTA's emergency relief program continues to receive only supplemental appropriations, FTA will not be able to quickly release funding for transit operations during and immediately after a disaster occurs.<sup>40</sup>

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## Long-standing Challenges of Identifying Long-term Sustainable Funding for Emergency Relief Efforts Remain

The expanding scope of emergency relief assistance and FTA's funding issues illustrate the long-standing challenges of establishing long-term sustainable funding for disaster relief and recovery.

- In 2013, we concluded that the federal government does not fully budget for emergency response and recovery costs and runs the risk of facing a large fiscal exposure at any time.<sup>41</sup> Over recent decades, the scope of emergency relief assistance has expanded, with disaster declarations increasing to a record of 98 in fiscal year 2011, compared with 65 in 2004, resulting in increased federal disaster costs. Over that period, FEMA obligated over \$80 billion in federal assistance for disasters.<sup>42</sup> The federal government's fiscal exposure will only increase with the financial risks posed by extreme weather events. For this and other reasons, limiting the federal government's

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<sup>39</sup>We also presented other options for Congress to consider such as 1) making permanent the temporary authorities that FTA was given to respond to the 2005 Gulf Coast hurricanes and (2) incorporating transit assistance as an eligible activity within FHWA's Emergency Relief Program. We also found that at the local and state level, mutual aid agreements between states and others can direct needed resources to transit agencies following a disaster.

<sup>40</sup>FEMA's Public Assistance Program does have an expedited payment process for debris removal and emergency protective measures. Under this process, FEMA will make payments for these activities within 60 days of completion of the estimated preliminary damage assessment and no later than 90 days after the pre-application was submitted. However, this funding is only available on a project-by-project basis, and FEMA is only able to release less than \$1 million. Funding beyond \$1 million would require OMB and congressional approval.

<sup>41</sup>GAO, *High Risk Series: An Update*, [GAO-13-283](#) (Washington, D.C.: February 2013).

<sup>42</sup>GAO, *Federal Disaster Assistance: Improved Criteria Needed to Assess a Jurisdiction's Capability to Respond and Recover on its Own*, [GAO-12-838](#) (Washington, D.C.: Sept. 12, 2012).

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fiscal exposure by better managing climate change risks was added to GAO's High-Risk List.

- In our 2007 review of the FHWA Emergency Relief Program, we cited concerns about the use of emergency relief funds on an expanding scope of activities, noting that this gradual expansion of eligibility criteria was exacerbating the problem of longer-term sustainability.<sup>43</sup> We found that monies authorized from the Highway Trust Fund were not sufficient to cover the costs of ordinary events states experienced and that since 1990, the program had relied on supplemental appropriations to make up for the funding shortfall. We recommended that to put the Emergency Relief Program on a sound financial footing, additional alternatives to address the fiscal imbalance needed to be considered and that Congress could consider tightening the eligibility criteria for Emergency Relief funding, either through amending the purpose of the Emergency Relief Program, or by directing FHWA to revise its program regulations. We also recommended that Congress consider the expected future demands of the program and reexamine the appropriate level and sources of funding to address disasters—including whether to increase the \$100-million annual authorized funding and whether the Highway Trust Fund, general revenues, or some combination would allow the program to accomplish its purpose in a fiscally sustainable matter.
- In another 2008 report, we reviewed supplemental emergency appropriations from fiscal years 1997–2006 and stated that to the extent possible, funds should be provided through the regular appropriations process to ensure that trade-offs are made among competing priorities, especially in an environment of increasingly constrained resources.<sup>44</sup>

Others have also commented on the process of funding emergency relief efforts in a fiscally sustainable manner. In its 2010 Report, the National Commission on Fiscal Responsibility and Reform<sup>45</sup> recommended that

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<sup>43</sup>GAO-07-245. In order to help put the FHWA Emergency Relief Program on a sustainable and more sound financial footing, we recommended among other things, that FHWA should, within its authority, tighten eligibility standards, recapture unused funds, and seek rescission of unneeded funds.

<sup>44</sup>GAO, *Supplemental Appropriations: Opportunities Exist to Increase Transparency and Provide Additional Controls*, GAO-08-314, (Washington D.C.: Jan. 31, 2008).

<sup>45</sup>Ersine Bowles, Alan Simpson et al., *The Moment of Truth, Report of the National Commission on Fiscal Responsibility and Reform* (December 2010).

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Congress explicitly set aside funds for disaster relief to better prepare for disasters. In a 2003 report, the Congressional Research Service (CRS) cited various challenges and benefits to having an emergency relief fund.<sup>46</sup> For example, according to CRS, maintaining emergency funds at a level that more accurately reflects emergency needs instead of relying on supplemental funding would foster fiscal responsibility and help ensure disaster response funding is budgeted with existing funds. However, CRS noted that, because disasters cannot always be anticipated, emergency supplemental appropriations can facilitate funding recovery efforts for disasters, the timing and severity of which are unpredictable.

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## FTA and FEMA Have Limited Ability to Assign Responsibilities in Their Memorandum of Agreement but Could Do More to Ensure Effective Collaboration

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### FTA's and FEMA's Ability to Clarify Specific Responsibilities for Future Disasters Is Limited

On March 4, 2013, FTA and FEMA signed a memorandum of agreement, as required by MAP-21, to coordinate their roles and responsibilities when providing assistance for public transportation in areas in which the President has declared a major disaster or emergency. We have found that by working together to define roles and responsibilities in collaborative efforts, federal agencies can clarify understanding about who will do what, organize their joint and individual efforts, and facilitate decision making.<sup>47</sup> However, in this memorandum of agreement, FTA and

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<sup>46</sup>CRS, *Disaster Relief Funding and Supplemental Appropriations for Disaster Relief*, CRS Report, R40708 (Washington D.C.: Aug. 5, 2013).

<sup>47</sup>GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, [GAO-06-15](#) (Washington, D.C.: October 2005).



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FEMA have limited ability to clarify who will do what related to their respective responsibilities when providing emergency transportation relief in future disasters. This is because, as we stated previously, FTA lacks the funding to assume costs for future disasters unless and until Congress provides an appropriation, either on an ongoing basis or for a specific disaster. Lacking information on the resources it will have, FTA is limited in pre-determining what assistance it could provide during future disasters. Conversely, because FHWA receives funding on an ongoing basis, FHWA and FEMA can delineate specific roles and responsibilities during emergencies that affect highways. FHWA provides funds to repair and replace disaster-damaged roads that are on the federal-aid highway system, and FEMA provides funds for roads that are not part of the system. However, FTA and FEMA are limited to more general descriptions of how they will cooperate—such as the principles and general areas of cooperation described in the memorandum of agreement. FEMA officials told us that after FTA finalizes all of its program rules, they may be able to make some small clarifications to their roles and responsibilities, but because of the uncertainty of FTA funding, they will not be able to draw clear distinctions in responsibilities, as they have been able to do with FHWA.

As a result, FTA and FEMA will have to determine their specific roles and responsibilities on a per-incident basis. Funds provided for the FTA Public Transportation Emergency Relief Program do not affect the ability of any other agency to provide any other funds authorized by law. Thus, FEMA and FTA can fund many of the same activities.<sup>48</sup> The memorandum of agreement states that if FTA receives funds, it will be the “primary” payor of expenses incurred by public transportation agencies as a result of emergency or major disaster. For Hurricane Sandy, FTA and FEMA agreed that FTA would assume this responsibility for affected transit agencies, because it received an appropriation from the DRAA large enough to cover the damage without FEMA funding. However, outside of Hurricane Sandy, FTA has been unable to assist transit agencies at all. For example, a transit agency in Massachusetts that had received assistance after Hurricane Sandy from FTA also sustained damage related to Winter Storm Nemo but went to FEMA for assistance instead.<sup>49</sup>

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<sup>48</sup>49 U.S.C. § 5324(c)(2).

<sup>49</sup>The President made major disaster declarations in the states of New Hampshire on March 19, 2013; Connecticut on March 21, 2013; Rhode Island on March 22, 2013; Maine on March 25, 2013; Massachusetts on April 19, 2013; and New York on April 23, 2013.

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Although FTA had the authority to respond, and the transit agency official said that he preferred to go to FTA, FTA had no funding for any event outside of Hurricane Sandy and could not assist. In the future, agencies may continue to receive transit funding from FTA in one disaster and from FEMA in another. However, if a significant transit disaster occurs in the future and FTA funds are not enough to address the damage, transit agencies could go to FTA to fund some of their repairs and to FEMA to fund others, which could increase confusion and the chance that similar activities could be funded by both agencies inadvertently.

Furthermore, if FTA ultimately does receive supplemental funding after a specific emergency or disaster, transit agencies that receive assistance may have to change their application for emergency funds mid-stream from FEMA to FTA. In the immediate aftermath of Hurricane Sandy, FTA and FEMA officials were uncertain as to which agency would ultimately fund recovery efforts for transit. Transit agency officials affected by the storm said that at first, they were using FEMA worksheets to document their expenses. However, 3 months after the storm—after FTA received an appropriation under DRAA and became the primary payor of expenses—transit agencies had to re-do their paperwork. For example, one transit agency official told us that he put together a lot of documentation after Hurricane Sandy to receive funds from FEMA, documentation that was not necessary when the process changed to FTA. Another transit agency official told us that the requirements for FEMA's and FTA's programs are different and as a result, the agency had to make a change from ensuring FEMA's requirements were met in the application process to ensuring that FTA's requirements were met. Since FEMA's and FTA's programs have different statutory requirements, the agencies are limited in creating standardized procedures that would meet the requirements of both programs. Thus, transit agencies may be uncertain which program requirements they must meet until recovery efforts are well under way, as was the case with Hurricane Sandy.

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## FTA and FEMA Could Take Additional Steps to Help Ensure Effective Collaboration

Because FTA and FEMA face challenges assuming definitive and stable roles and responsibilities, it is especially important that they collaborate effectively. Among the practices that we have identified that can enhance and sustain the collaborative efforts of federal agencies is creating a means to monitor, evaluate, and report the results of collaborative efforts to better identify areas for improvement. Reporting on these activities can

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help key decision makers within the agencies, as well as clients and stakeholders, to obtain feedback for improving both policy and operation effectiveness.<sup>50</sup> We have identified implementation approaches among agencies that successfully monitored progress including developing performance measures and tying them to shared outcomes, identifying and sharing relevant agency performance data, developing methods to report on the group's progress that are open and transparent, and incorporating interagency group activities into individual performance expectations.<sup>51</sup>

FTA and FEMA have not implemented a method to monitor or evaluate their collaborative efforts or report on how well they are working. Instead, FTA and FEMA officials have noted that they meet regularly and notify each other of all grant awards to prevent duplication of DRAA funding. However, we have reported in the past that routine interagency meetings can be dutifully attended without communicating any substantive information. Thus, simply meeting does not guarantee that collaboration is effective.<sup>52</sup> Further, while FTA and FEMA officials state that they are collaborating now on the distribution of DRAA funds, it is unclear how the agencies might work together during future disasters. For example, the memorandum of agreement that MAP-21 required stated that "FTA and FEMA will work together to develop a communications protocol and implement an effective communications program to ensure all interested parties are aware of their respective responsibilities for emergency preparedness, response, and recovery related to public transportation matters." FTA and FEMA officials stated that their informal meetings to discuss DRAA funding serve as the communications protocol identified in the memorandum of agreement. FTA officials told us that they do not have a communications protocol for anything beyond DRAA funding, because they do not have funding outside of DRAA. However, the requirement to develop the memorandum of agreement to improve coordination was intended to frame the relationship of FTA and FEMA going forward to address transportation emergency activities, not just one disaster. Further, without a means to monitor, evaluate, and report the results of collaborative efforts—including FTA's and FEMA's

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<sup>50</sup>GAO-06-15.

<sup>51</sup>GAO, *Managing for Results: Implementation Approaches Used to Enhance Collaboration in Interagency Groups*, GAO-14-220 (Washington, D.C.: Feb. 14, 2014).

<sup>52</sup>GAO-06-15.

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communication program and protocols—it is unclear how FTA and FEMA officials would know if their collaborative methods were effective. In a future disaster, informal meetings between FTA and FEMA may not be sufficient to ensure that effective collaboration is taking place, particularly if both agencies are funding public transportation activities.

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## Conclusions

The scope of activities eligible for transportation emergency relief has expanded over time to include funding resiliency efforts that repair and restore facilities beyond pre-disaster conditions. FTA's new Public Transportation Emergency Relief Program was designed to be more flexible when funding resiliency compared to existing disaster-relief programs within FHWA and FEMA, although the scope of activities eligible for funding under those programs have expanded as well. Furthermore, the DRAA provided, through FTA, a significant investment in resiliency and protection against future disasters and funding well beyond (almost twice as much as) the repair and recovery needs of New York and New Jersey, as well as significant flexibility on how to provide those funds to areas affected by Hurricane Sandy. Going forward, as FTA begins awarding funding for resiliency projects through DRAA, the scope of these projects may exceed costs of projects that have previously been funded through historically established emergency relief programs in FHWA and FEMA. Resiliency funding can represent an efficient use of funds that avoids the need for repair and recovery from future disasters. We have reported on the need to build resiliency into infrastructure decision making and the challenges of doing so. However, expanding the scope of activities eligible for transportation emergency relief can pose challenges to providing long-term sustainable funding for disasters. As we have previously reported, the amount of emergency relief funding available is limited in an austere budget environment and may not be sustainable if federal disaster costs continue to increase. As the scope of eligible activities for emergency relief funding continues to expand, additional demands are placed on emergency relief funding further exacerbating the problem of longer-term sustainability. Determining the appropriate limits on emergency relief eligibility criteria will involve trade-offs and require weighing competing demands in the current budget environment. We have made recommendations in the past on this matter and are therefore not making new recommendations in this report.

Looking beyond Hurricane Sandy relief, FTA's Public Transportation Emergency Relief Program is inherently limited by its inability to fund any activities—recovery or resiliency—without specific congressional action. This limitation has two notable effects. First, FTA cannot immediately

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respond to disasters involving transit when they occur, such as providing a “quick release” of funds to transit agencies, as was the case with Hurricane Katrina. Second, FTA and FEMA are limited in their ability to clearly delineate the responsibilities and costs each agency will assume during future disasters. As a result, FTA’s and FEMA’s programs will continue to have the authority and potential to fund the same transit activities, fostering confusion and difficulties for applicants seeking federal assistance in the days after a disaster. This confusion could be exacerbated if a future transit disaster occurred and FTA funding was not sufficient to address recovery needs without FEMA funds and transit agencies had to go to both agencies for the same disaster. Over time, the decision to provide funding authority to any particular agency has proved difficult and the broader challenges of funding disasters involves trade-offs and requires weighing competing demands. In the meantime, FTA and FEMA can take steps to ensure that within the scope of activities they can control, their collaborative efforts are working. Although the agencies have a memorandum of agreement, FTA and FEMA have not developed any means to monitor, evaluate or report on their collaboration. Furthermore, should FTA receive regular, ongoing funding sometime in the future, then it and FEMA could take action to more clearly delineate roles and responsibilities and identify the costs each agency should assume.

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## Recommendation for Executive Action

We recommend that the Secretary of Transportation and the Secretary of Homeland Security direct the Administrators of FTA and FEMA to establish specific guidelines to monitor, evaluate, and report the results of collaborative efforts—including their communications program and protocol—for Hurricane Sandy as well as future disasters.

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## Agency Comments

We provided a draft of this report to DOT and DHS for its review and comment. DHS agreed with our recommendation and DOT took no position. DHS and DOT each provided technical comments, which we incorporated as appropriate.

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We are sending copies of this report to the appropriate congressional committees and the Secretaries of Transportation and Homeland Security. In addition, this report will be available at no charge on GAO’s website at <http://www.gao.gov>.

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If you or your staff have any questions about this report, please contact me at (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix II.

Sincerely yours,

A handwritten signature in black ink that reads "David J. Wise". The signature is written in a cursive style with a large, stylized "D" and "W".

David Wise  
Director, Physical Infrastructure Issues

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# Appendix I: Objectives, Scope, and Methodology

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This report examines 1) the progress the Department of Transportation (DOT) has made allocating, obligating, and disbursing the Disaster Relief Appropriations Act, 2013 (DRAA) surface transportation funds; 2) how the Federal Transit Administration's (FTA) new emergency relief program compares to the Federal Emergency Management Agency's (FEMA) and Federal Highway Administration's (FHWA) emergency relief programs; and 3) the extent to which FTA and FEMA have implemented their memorandum of agreement to coordinate their roles and responsibilities when providing assistance to transit agencies affected by Hurricane Sandy or future disasters.

To address all three objectives, we reviewed and analyzed relevant laws and regulations and our previous reports. We interviewed headquarters officials responsible for emergency relief programs and budgeting at FEMA, FTA, FHWA, and the Federal Railroad Administration (FRA). We also interviewed FTA regional officials responsible for emergency transit relief in New York and New Jersey, spoke with New York state officials and obtained background on the effects of Hurricane Sandy, and observed residual damage to transit facilities in New York and New Jersey. We interviewed officials from seven of the 13 local transit agencies that received grants from FTA.<sup>1</sup> We selected the transit agencies that received FTA's four largest funding allocations (all located within New York and New Jersey), as well as three agencies that received smaller funding allocations outside of New York and New Jersey. While our observations of these agencies provide key insights and illustrate FTA's emergency transit relief grant process, the results of our review should not be used to make generalizations about all FTA emergency transit relief grants. We also interviewed Amtrak—the sole grantee that received emergency relief grants from FRA (funds that had been transferred from FTA).<sup>2</sup> We did not interview FHWA grantees, as they did not receive any transferred FTA funds.

To determine the progress DOT has made allocating, obligating, and disbursing DRAA surface transportation funds from March 2013 to April

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<sup>1</sup>New Jersey Transit Corporation, Port Authority of New York and New Jersey, New York City Department of Transportation, New York Metropolitan Transportation Authority, Massachusetts Bay Transportation Authority, Southeastern Pennsylvania Transportation Authority, and Milford Connecticut Transit District.

<sup>2</sup>The National Railroad Passenger Corporation (Amtrak).

2014, we obtained and analyzed the financial information from DOT's surface transportation agencies (FTA, FHWA, and FRA) on Hurricane Sandy relief allocations, obligations, and disbursements. We also reviewed the FTA's Hurricane Sandy damage assessment of public transit agencies and the 2012 Congressional Budget Office analysis of the DRAA as well as FTA's announcements of Hurricane Sandy disaster relief availability of funds, interim rules, and allocations of funds published in the Federal Register. To access the reliability of the data we reviewed relevant documentation, interviewed knowledgeable officials, and reviewed internal controls. We found the data to be sufficiently reliable for our purposes.

To determine how FTA's new emergency relief program compares to FEMA's and FHWA's emergency relief programs, we interviewed headquarters officials responsible for emergency relief programs at FTA, FHWA, and FEMA.<sup>3</sup> In addition, we reviewed and analyzed applicable authorizing legislation for emergency relief programs for FEMA,<sup>4</sup> FTA,<sup>5</sup> and FHWA.<sup>6</sup> We also reviewed and analyzed emergency relief program regulations, procedures, guidance, and other agency documents on emergency relief at FEMA, FTA, and FHWA to determine similarities and differences between the programs' eligibility rules and requirements (see table 4). Finally, we reviewed independent reports on budgeting for emergency relief,<sup>7</sup> and our past reports on emergency relief efforts.<sup>8</sup>

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<sup>3</sup>During the review the team held coordination meetings with the DOT OIG. We learned they are conducting an extensive multi-phase review of how the FTA's Public Transportation Emergency Relief Program is being set up and FTA's efforts to ensure that DRAA funds are distributed appropriately. Thus, the team made a decision to focus our review on how the program is structured compared to previously established emergency relief programs in FEMA and FHWA instead of conducting an in-depth evaluation of FTA's Public Transportation Emergency Relief Program at this time.

<sup>4</sup>42 U.S.C. §§ 5170, 5170c, 5172; 44 C.F.R. Part 206.

<sup>5</sup>49 U.S.C. § 5324; 49 C.F.R. Part 602.

<sup>6</sup>23 U.S.C. §125 ; 23 C.F.R. Part 668.

<sup>7</sup>Congressional Research Service, *Disaster Relief Funding and Supplemental Appropriations for Disaster Relief*, August 5, 2013 and Erskine Bowles, Alan Simpson et al., *The Moment of Truth, Report of the National Commission on Fiscal Responsibility and Reform* (December 2010).

<sup>8</sup>[GAO-07-245](#) and [GAO-08-243](#).



**Table 4: Agency Guidance Reviewed**

Source	Guidance reviewed
<b>Department of Homeland Security, FEMA</b>	<i>FEMA 322 Public Assistance Guide, June 2007</i>
	<i>FEMA 323 Applicant Handbook, March 2010</i>
	<i>FEMA 321 Public Assistance Policy Digest, January 2008</i>
	<i>FY 2013 508 Hazard Mitigation Assistance Guidance Unified Guidance, (July 12, 2013)</i>
	<i>Final Addendum to the Hazard Mitigation Assistance Unified Guidance, (July 12, 2013)</i>
<b>Department of Transportation, FTA</b>	Notice of Availability of FTA Emergency Relief Funds in Response to Hurricane Sandy, 78 Federal Register 8691 (Feb. 6, 2013).
	Notice of Allocation of Public Transportation Emergency Relief Funds in Response to Hurricane Sandy, 78 Fed. Reg. 19357 (March 29, 2013).
	Issuance of Interim Final Rule, FTA Emergency Relief Program, 78 Federal Register 19136 (March 29, 2013).
	Notice of Second Allocation of Public Transportation Emergency Relief Funds in Response to Hurricane Sandy: Response, Recovery and Resiliency, 78 Federal Register 32296 (May 29, 2013).
	Transit Emergency Relief Program, Disaster Relief Appropriations Act of 2013, Grant Making and Grant Management Toolkit, (Apr. 12, 2013).
<b>Department of Transportation, FHWA</b>	Notice of Funding Availability for Resilience Projects in Response to Hurricane Sandy, 78 Fed. Reg. 78486 (Dec. 26, 2013).
	<i>Emergency Relief Manual (Federal-Aid Highways), (May 31, 2013).</i>
	<i>A Guide to the Federal-Aid Highway Emergency Relief Program, (Nov. 5, 2012).</i>

Source: GAO.

To determine the extent to which FTA and FEMA have implemented their memorandum of agreement to coordinate their roles and responsibilities when providing assistance to transit agencies affected by Hurricane Sandy or future disasters, we reviewed and analyzed the mandated memorandum of agreement between FTA and FEMA dated March 4, 2013 and compared the agencies' efforts to practices that we have found can enhance collaboration among federal agencies.<sup>9</sup> We evaluated the extent to which the memorandum of agreement defined roles and

<sup>9</sup>[GAO-06-15](#).

responsibilities, assigned costs, specified a system for monitoring and evaluating collaborative efforts, and established communication protocols. We developed a list of evaluation questions based upon the requirements of FTA's Public Transportation Emergency Relief Program authorization in MAP-21 and funding requirements in DRAA. Three GAO team members independently analyzed the memorandum of agreement. The analyses were then consolidated and agreed to by the team members and reviewed by the GAO team's Assistant Director. We also reviewed the DOT OIG report on FTA's oversight of emergency relief funds for coordination between FTA and FEMA for transit relief grants.<sup>10</sup>

We conducted this performance audit from April 2013 to May 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>10</sup>Department of Transportation, Office of Inspector General Audit Report, *Initial Assessment of FTA's Oversight of the Emergency Relief Program and Hurricane Sandy Relief Funds*, Federal Transit Administration, Report Number: MH-2104-008, (Washington, DC, Dec. 3, 2013).

# Appendix II: Comments from the Department of Homeland Security

U.S. Department of Homeland Security  
Washington, DC 20528



**Homeland  
Security**

May 12, 2014

David Wise  
Director, Physical Infrastructure Issues  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Re: Draft Report GAO-14-512, "EMERGENCY TRANSPORTATION RELIEF:  
Agencies Could Improve Collaboration Begun During Hurricane Sandy Response"

Dear Mr. Wise:

Thank you for the opportunity to review and comment on this draft report. The U.S. Department of Homeland Security (DHS) appreciates the U.S. Government Accountability Office's (GAO's) work in planning and conducting its review and issuing this report.

The draft report contained one recommendation, with which the Department concurs. Specifically, GAO recommended that the Secretary of Homeland Security direct the Administrator of the Federal Emergency Management Agency (FEMA) to:

**Recommendation:** Establish specific guidelines to monitor, evaluate, and report the results of collaborative efforts—including their communications program and protocol—for Hurricane Sandy as well as future disasters.

**Response:** Concur. Throughout the Hurricane Sandy response and recovery efforts, FEMA and the Federal Transit Administration (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. FEMA will work with FTA to evaluate and develop an after action summary of the assistance provided to the Hurricane Sandy impacted states receiving both FTA and FEMA funding. Once FTA finalizes its program's regulations and policy guidance, FEMA will work with FTA to develop specific guidelines to monitor, evaluate and report on projects between the programs in future disasters. Estimated Completion Date: To Be Determined.

Again, thank you for the opportunity to review and comment on this draft report. Technical comments were previously provided under separate cover. Please feel free to contact me if you have any questions. We look forward to working with you in the future.

Sincerely,



Jim H. Crumpacker, CIA, CFE  
Director  
Departmental GAO-OIG Liaison Office

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

David Wise, (202) 512-2834 or [wised@gao.gov](mailto:wised@gao.gov)

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## Staff Acknowledgments

In addition to the contact named above, Steve Cohen, Assistant Director; Peter DeToro; George Depaoli; Kathy Gilhooly; Michael Hanson; Carol Henn; Amy Higgins; David Hooper; Chris Keisling; Hannah Laufé, Maria Mercado; Amy Rosewarne; and Kelly Rubin made key contributions to this report.

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