United States Government Accountability Office

Report to Congressional Requesters

October 2019

HIGHWAY EMERGENCY RELIEF

Federal Highway Administration Should Enhance Accountability over Project Decisions

GAO-20-32

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GAO Highlights

Highlights of GAO-20-32, a report to congressional requesters

Why GAO Did This Study

In 2017, hurricanes in Texas, Florida, and Puerto Rico caused $1 billion in estimated damage. FHWA's Emergency Relief Program provides funding for states to repair or reconstruct federal-aid highways damaged or destroyed by natural disasters, including funding for emergency and permanent repairs. As of September 2019, FHWA has allocated $634 million in federal funds to the two states and Puerto Rico. By statute, emergency repairs are undertaken during or immediately following a disaster to quickly restore essential traffic and minimize further damage. These repairs receive 100 percent federal reimbursement if accomplished within 180 days and may proceed under expedited contracting and environmental procedures.

GAO was asked to evaluate the federal response to the 2017 disasters. This report assesses how FHWA applied program guidance to classify selected emergency relief projects, among other objectives. GAO visited 33 out of approximately 2,500 projects in Texas, Florida, and Puerto Rico; analyzed 25 emergency repair project files; and interviewed FHWA, state, and local government officials.

What GAO Recommends

FHWA should (1) document decisions to classify projects as emergency repairs and more clearly define what constitutes restoration of essential traffic, and (2) identify a specific timeline for clarifying the policy on when expedited contracting and environmental procedures are permitted. DOT concurred with GAO's recommendations and provided technical comments that GAO incorporated as appropriate.

View GAO-20-32. For more information, contact Susan Fleming at (202) 512-2834 or FlemingS@gao.gov.

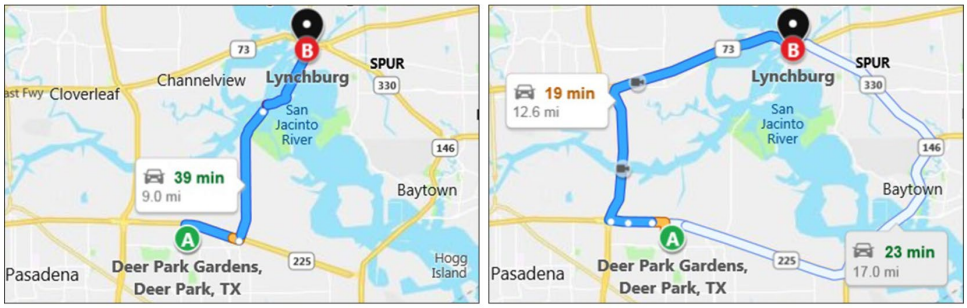
What GAO Found

GAO found that the Federal Highway Administration (FHWA) did not document the bases for decisions to classify projects as emergency repairs in 22 of the 25 project files reviewed. Without such documentation, it is not possible to definitively determine the justification for these decisions; GAO identified at least three projects that may have been inappropriately classified. For example, FHWA classified a $10.7 million ferry project in Lynchburg, Texas as an emergency repair to restore essential traffic. Several highways, however, were available immediately following the disaster that service the same locations and result in faster travel times than the ferry. FHWA guidance does not require officials to document decisions to classify projects as emergency repairs or clearly define what constitutes restoration of essential traffic. Designating projects as emergency repairs can increase the federal fiscal exposure in disasters. Had FHWA classified the ferry project as a permanent repair—instead of an emergency repair—the state would have been responsible for paying approximately $2.1 million in matching funds.

Travel Times Using The Lynchburg Ferry and Alternative Routes

Traveling by ferry takes about 40 minutes

Traveling by highway takes about 20 minutes
(up to 45 minutes during rush hour from 4:30 to 6pm)



Source: GAO and Bing, 22 July 2019.Web. | GAO-20-32

GAO also identified two temporary bridge projects in Puerto Rico classified as emergency repairs even though (1) work did not start within180 days of a disaster, as generally required; (2) the bridges are not to be completed until late 2019 and early 2020; and (3) both are to be replaced by permanent bridges within a couple of years. Out of approximately 1,200 eligible projects in Puerto Rico, FHWA officials reported undertaking 34, including the two bridges GAO identified, after 180 days. Officials also stated they did not document the basis for continuing to classify these projects as emergency repairs. FHWA officials in Puerto Rico stated they were not required to complete repairs within the 180 day limit established in law because Congress exempted Puerto Rico from federal matching share requirements. Further, emergency repair projects are allowed to expedite contracting and environmental procedures. After GAO raised this issue with FHWA, the agency stated that emergency repair projects are only permitted to use these expedited procedures within the first 180 days. While officials stated they plan to update guidance to include this policy, there is no specific timeline for doing so.

Contents

Abbreviations

DDIR	detailed damage inspection report
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
MSAR	Mobile Solution for Assessment and Reporting
NEPA	National Environmental and Policy Act

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
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October 17, 2019

Congressional Requesters

From August to September 2017, hurricanes Harvey, Irma, and Maria made landfall on several Caribbean Islands and off the Gulf Coast, including in Texas, Florida, and Puerto Rico, causing hundreds of millions of dollars in damage to transportation infrastructure. When roads and bridges are damaged and not usable, it is extremely difficult for people to safely resume their lives and begin the lengthy recovery process. Thus, timely assistance to rebuild transportation infrastructure after a disaster is of critical importance.

As part of the continuing federal role in responding to and recovering from such events, the Federal Highway Administration (FHWA), within the Department of Transportation, administers the Emergency Relief Program. This program provides funding for states to repair or reconstruct federal-aid highways[1] and roads on federal lands that have been damaged or destroyed by natural disasters. To ensure the appropriate use of federal funds, FHWA officials in division offices—located in each state, Puerto Rico, and the District of Columbia—apply Emergency Relief Program guidance for determining the eligibility of projects and the amount of federal funds each project should receive.

Given the costs of these events and the significant fiscal challenges facing both states and the federal government, it is increasingly important that federal financial support be delivered in an effective, transparent, and accountable manner so that limited funds are put to their best use. The effective use of resources is even more paramount as disaster costs and the federal fiscal exposure from them are projected to increase as extreme weather events become more frequent and intense due to climate change—as observed and projected by the U.S. Global Change Research Program and the National Academies of Sciences, Engineering, and Medicine.[2]

[1]Federal-aid highways are roads that are eligible to receive federal funding through a series of formula grant programs collectively known as the federal-aid highway program.

[2]GAO, High Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas, GAO-19-157SP (Washington, D.C.: March 2019).

You asked us to evaluate the federal government's response and recovery efforts related to 2017 natural disasters, including hurricanes Harvey, Irma, and Maria. This report discusses efforts to repair and rebuild transportation infrastructure in Texas, Florida, and Puerto Rico—the states and territory receiving the largest amount of funds from FHWA for the 2017 hurricanes. Specifically, our objectives were to assess:

- the estimated cost of damages caused to highways and bridges by the 2017 hurricanes, and
- how FHWA applied Emergency Relief Program guidance to classify selected projects for federal funding.

To identify the estimated cost of damages caused by the 2017 hurricanes and the extent to which FHWA has allocated funds, we evaluated damage inspection reports developed by state and local agencies in Texas, Florida, and Puerto Rico following the hurricanes, as well as their state- and territory-wide summaries of repair needs. We did not independently verify the accuracy of state and local officials' estimated costs of damages. We also reviewed FHWA's funding allocation announcements from April 2018, February 2019, and September 2019, and discussed the allocation process with FHWA officials.[3]

To determine how FHWA applied Emergency Relief Program guidance to classify selected projects, we reviewed applicable laws and regulations, and documentation created by FHWA to manage the program and make project eligibility determinations, including the *Emergency Relief Manual* and the Emergency Relief Order.[4] We also conducted site visits to Texas, Florida, and Puerto Rico to examine 33 out of approximately 2,500 projects that were eligible for emergency relief funding—9 to 14 in each state and territory. We selected projects that had relatively high estimated

[3]When FHWA allocates available budget authority, federal funds become available for use by states. As projects are approved, federal funds are obligated. In general, the funds are expended when the federal government makes payments to the states for costs as work is completed. For the most recent allocation announcements, see U.S. Department of Transportation, Federal Highway Administration, *Action: Allocation of Emergency Relief (ER) Funds, Fiscal Year (FY) 2018 Obligation Needs, [CFDA No. 20.205]*, April 13, 2018; and U.S. Department of Transportation, Federal Highway Administration, *Action: Allocation of Emergency Relief (ER) Funds, Fiscal Year (FY) 2019 Obligation Needs, [CFDA No. 20.205]*, February 6, 2019.

[4]FHWA, Emergency Relief Program Responsibilities, 5182.1, (Washington D.C., Feb. 22, 2016); FHWA, *Emergency Relief Manual (Federal-Aid Highways)*, Office of Infrastructure, Office of Program Administration, Federal Highways Administration (Washington, D.C., November 2009; Updated May 31, 2013).

repairs (typically more than $1 million); were deemed eligible for federal funds by FHWA; and provided diversity in terms of location across each state or territory and the type of infrastructure needing repairs (e.g., road, bridge). This selection of projects is non-generalizable and was intended to provide illustrative examples. As part of our visits we also interviewed individuals involved in the construction and engineering of emergency relief projects as well as state and local officials responsible for managing the federal-funding approval process.

In addition, we analyzed a non-generalizable sample of 39 emergency relief projects—25 of which included emergency repairs—to determine whether files included documentation required in federal statute and regulations, and recommended in FHWA program guidance.[5] Project files were selected because they (1) had high estimated repair costs, and (2) provided diversity in terms of location, infrastructure, and repair type. We used data from FHWA's Mobile Solution for Assessment and Reporting (MSAR) in order to select projects meeting these criteria for Texas and Puerto Rico, and deemed the use of this data sufficiently reliable for selection purposes through interviews with FHWA officials. Because Florida does not use the MSAR data system to record project information, we obtained a summary list of all projects within our scope in order to make our selection for review. We also reviewed federal internal control standards and interviewed FHWA officials in the headquarters office, as well as the division offices in each state and territory that were responsible for overseeing emergency relief funds allocated in response to the 2017 hurricanes.

We conducted this performance audit from April 2018 to October 2019 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.

Background

In 2017, three sequential hurricanes—Harvey, Irma, and Maria—created an unprecedented demand for federal disaster response and recovery

[5]See Appendix I for more information on our file review.

resources.[6] According to the Federal Emergency Management Agency (FEMA), these hurricanes ranked among the top five costliest on record, costing $125 billion (Harvey); $90 billion (Maria); and $50 billion (Irma). As a result of these storms, Florida, Texas, and Puerto Rico faced hardships, including devastation to infrastructure, such as highways and bridges. The island of Puerto Rico in particular was severely affected, which created multiple challenges for federal response efforts. Specifically, within a 2-week period Puerto Rico was hit by both hurricanes Irma and Maria, resulting in power outages that lasted up to 11 months and the need for commodities, such as food and water, and requiring one of the largest recovery efforts in history. The federal response was complicated by several factors, including the remoteness of the island, limited local preparedness, outdated infrastructure, and workforce capacity constraints.[7]

The Emergency Relief Program provides assistance to repair or reconstruct highways and bridges on federal-aid highways and roads and bridges on federally owned public lands that have sustained serious damage from natural disasters or catastrophic failures.[8] FEMA is responsible for providing funds to repair and replace roadways damaged as a result of disasters that are not eligible for federal-aid highway funding. For natural disasters or other events to be eligible for emergency relief funding, the President must declare the event to be an "emergency" or a "major disaster" under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, or the governor must declare an emergency with the concurrence of the Secretary of Transportation.[9] Damage to

[6]Hurricane Harvey made landfall in Texas on August 25, 2017; Hurricane Irma made landfall in U.S. Virgin Islands (USVI) on September 7, 2017, and Florida and Puerto Rico on September 10, 2017; Hurricane Maria made landfall in USVI and Puerto Rico on September 20, 2017.

[7]GAO, *2017 Hurricanes and Wildfires: Initial Observations on the Federal Response and Key Recovery Challenges*, GAO-18-472 (Washington, D.C.: Sept. 4, 2018).

[8]23 U.S.C. § 125. Examples of natural disasters include floods, hurricanes, earthquakes, tornadoes, tsunamis, severe storms, and landslides. Catastrophic failures qualify if they result from an external cause that leads to the sudden and complete failure of a major element or segment of the highway system that has a disastrous impact on transportation. Examples of qualifying causes of catastrophic failures include acts of terrorism or incidents such as a barge striking a bridge pier causing the sudden collapse of the structure or a truck crash resulting in a fire that damages the roadway. While the Emergency Relief Program provides assistance for projects on federally owned lands, we did not evaluate that aspect of the program as part of our review.

[9]Pub. L. No. 93–288, 88 Stat. 143 (1974), as amended, codified at 42 U.S.C. ch. 68 and 23 U.S.C. § 125(d).

highways must be severe, occur over a wide area, and result in unusually high expenses to the highway agency.

Congress has provided funds for highway emergency relief since at least 1938 and, since 1972, has authorized $100 million annually in "contract authority"[10] for the Emergency Relief Program to be paid from the Highway Trust Fund.[11] Accordingly, FHWA may obligate up to $100 million of funds from the Highway Trust Fund in any one fiscal year for the program.[12] Congress also regularly provides funds to the Emergency Relief Program from general revenues through supplemental appropriations. Most recently, Congress passed the Bipartisan Budget Act of 2018 in February 2018, and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 in June 2019, which included more than $3 billion for the FHWA Emergency Relief Program to repair damages caused by a number of natural disasters.[13] According to FHWA officials, these funds will be used to address damaged related to the 2017 hurricanes.

FHWA's Emergency Relief Program regulations further define policies for the program and the eligibility requirements for selecting projects. These regulations state that emergency relief funds are not intended to correct preexisting deficiencies or duplicate assistance available under another federal program or compensation from insurance or other sources. Emergency relief projects are to be promptly constructed, and construction funds must be obligated within two years (i.e., by the end of the second fiscal year following the disaster) unless suitable justification is provided to FHWA. Emergency relief regulations specify the activities that emergency relief funds may be used for as well as those activities they may not be used for, such as reconstruction of facilities affected by

[10]Contract authority is budget authority that permits an agency to incur obligations in advance of appropriations. Contract authority's unfunded, and a subsequent appropriation or offsetting collection is needed to liquidate the obligation.

[11]Created in 1956, the Highway Trust Fund is funded on a user-pay principle; it derives revenues primarily from taxes collected on motor fuel and truck-related items and distributes that revenue to the states primarily through a series of formula grant programs collectively known as the federal-aid highway program. See Pub. L. No. 84-627, § 209, 70 Stat. 387, 397(1956).

[12]23 U.S.C. § 125(c)(2)(A).

[13]Pub. L. No. 115-123, 132 Stat. 64.102 (2018) and Pub. L. No. 116-20 (2019).

long-term, predictable developing situations or deficient bridges scheduled for replacement with other funds.[14]

Because the statute and its regulations are, by necessity, fairly broad, FHWA publishes guidance to further assist the agency in administering the Emergency Relief Program. The *Emergency Relief Manual*, updated in 2013, is a guide for FHWA and state and local agency personnel for requesting, obtaining, and administering emergency relief funds. The manual provides additional information and examples of the types of activities and projects that are both eligible and ineligible for funding, the process for states to apply for emergency relief funding, and the documents and reports that are required to be prepared.[15] FHWA's Emergency Relief Order, issued in 2016, further defines the application and review process and the roles and responsibilities of FHWA and state personnel.

As with other federal-aid highway programs, the Emergency Relief Program is a partnership in which states plan and execute projects to complete necessary repairs, and FHWA provides assistance to states in applying for funds and conducts oversight to determine eligibility and ensure that federal requirements are met. States and territories are required to conduct damage inspections, submit documentation to their respective FHWA division office to determine if repairs are eligible for federal funds, enter into project agreements, and complete final project inspections. The FHWA division office is responsible for reviewing damage inspections to determine whether proposed projects are eligible for emergency relief funds. FHWA headquarters officials use the information collected from these inspections to allocate funds to each state or territory for particular events; division offices obligate those funds and ultimately reimburses the states for allowable expenses.

The Emergency Relief Program's authorizing statute and FHWA's regulations and guidance distinguish between federal share payable for emergency and permanent repairs.[16] Specifically, according to FHWA regulations, emergency repairs are undertaken during or immediately after a disaster to restore essential traffic, minimize the extent of damage,

[14]23 C.F.R. part 668.

[15]Appendix I provides additional details on the types of documents and reports that are included in project files.

[16]23 U.S.C. § 120(e), 23 C.F.R. § 668.107.

or protect the remaining facilities.[17] Emergency repairs are eligible to receive 100 percent federal reimbursement if they are accomplished within 180 days of the disaster.[18] By statute, this deadline may be extended taking into consideration any delay in the ability of the state to access damaged facilities to evaluate damage and the cost of repair.[19] FHWA and federal regulations also state that emergency repairs can be completed by state and local maintenance workforces, and qualify for categorical exclusions from the National Environmental and Policy Act's (NEPA) requirements. FHWA's Emergency Relief Manual further characterizes emergency repairs as repairs that can be completed relatively quickly, may be temporary in nature, and typically require little preliminary engineering or design effort, e.g., erecting barricades and detour signs. States and local transportation agencies may begin emergency repairs without prior FHWA authorization.[20]

Permanent repairs are undertaken after the occurrence of a disaster to restore the highway to its pre-disaster conditions. Permanent repairs receive a federal share, between 80 and 90 percent, depending on the type of roadway being repaired. However, in response to the level of devastation in Puerto Rico, Congress provided a 100 percent federal share for all emergency relief projects, including permanent repairs, necessary to address damage caused by hurricanes Irma and Maria in Puerto Rico.[21] FHWA's regulations state that permanent repairs are to be done through a competitively bid contract, unless the state demonstrates that another method is more cost effective (e.g., the use of abbreviated plans or a shortened advertisement period).[22] In addition, many, but not all, permanent repairs meet the criteria for categorical exclusions from

[17]23 C.F.R. § 668.103.

[18]23 U.S.C. § 120(e)(1).

[19]23 U.S.C. § 120(e)(3).

[20]FHWA's *Emergency Relief Manual* permits applicants to request emergency relief funds through a "quick release" process intended to provide limited assistance for initial emergency repair costs. Under the quick release process applicants are not required to immediately conduct an in-depth damage assessment; instead FHWA makes eligibility determinations and allocates funding based on reliable information that is available in the aftermath of the disaster.

[21]Pub. L. No. 114-123, 132 Stat. 64, 102 (2018).

[22]23 C.F.R. § 635.204(a); 23 C.F.R. § 635.105(i).

NEPA's requirements.[23] FHWA's Emergency Relief Manual indicates that typically permanent repairs (1) should have obligated funds for construction within 2 years, (2) require the development of plans, specifications, and estimates, and (3) must receive prior FHWA authorization.

Our prior work has raised concerns about FHWA's management and oversight of the Emergency Relief Program. In 2007 we reported on the expanding scope of eligible activities funded by the Emergency Relief Program over time, resulting in projects that went beyond the original intent of the program. We recommended to FHWA and suggested that Congress consider tightening the program's eligibility standards, but this recommendation has not been implemented and FHWA does not plan to do so.[24]

In 2012, we raised concerns about FHWA's partnership relationship with the states,[25] particularly its oversight of the Emergency Relief Program, which we first reported in November 2011.[26] For example, we were unable to determine the basis of FHWA's eligibility decisions on 81 emergency relief projects representing $193 million in federal funds because of missing or incomplete documentation.[27] In addition, we identified cases where FHWA showed a lack of independence in decisions, placing its partners' interests above federal interests. For example, FHWA allowed two states to retain unused Emergency Relief Program allocations to fund new emergencies, despite FHWA's policy that these funds are made available to other states with potentially higher-priority emergencies. We concluded that while FHWA's partnership relationship with the states yields benefits such as proactively identifying issues before they become problems, it also poses risks. Thus we

[23]To meet criteria for a categorical exclusion, the repair must occur within the existing right-of-way and substantially conform to the preexisting design, function, and location as the original highway or bridge. 40 C.F.R. § 1506.11; 40 C.F.R. § 1508.4.

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

[25]GAO, *Highway Infrastructure: Federal-State Partnership Produces Benefits and Poses Oversight Risks*, GAO-12-474 (Washington, D.C.: April 26, 2012).

[26]GAO, *Highway Emergency Relief: Strengthened Oversight of Project Eligibility Decisions Needed*, GAO-12-45 (Washington, D.C.: Nov. 8, 2011).

[27]Appendix I provides additional details on what we reported in November 2011, including details on instances of missing or incomplete documentation.

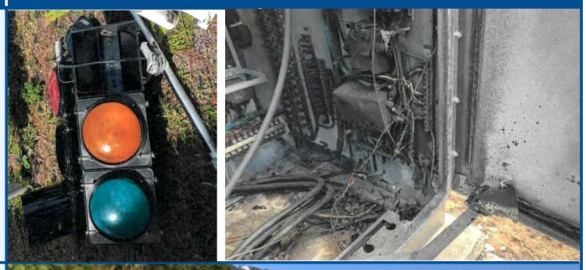
recommended that FHWA develop a strategy to mitigate these risks. In March 2014, FHWA announced it had established an enhanced risk-based oversight approach that, while not targeting the specific risks we identified related to state partnerships, addressed the intent of our recommendation to increase transparency and consistency.

To Date, States and Puerto Rico Have Identified $1 Billion in Highway and Bridge Damages Caused by the 2017 Hurricanes

Following hurricanes Harvey, Irma, and Maria, state and local officials prepared damage assessments that identified more than 2,500 projects eligible for emergency relief funds costing approximately $1 billion.[28] Projects range in size and cost from replacing signage and traffic signals to multi-million dollar bridge and highway repairs (see fig. 1).

[28]Following completion of our audit work, in September 2019, FHWA announced an additional allocation of $871.2 million in Emergency Relief funds to help over 40 states and territories and updated its estimated costs for emergency relief projects in Texas, Puerto Rico, and Florida. Those estimates included a 90 percent increase in costs for projects in Puerto Rico from what was provided to us in March 2019 (from approximately $439 million to $836 million). As a result, the total cost estimate for hurricanes Harvey, Irma, and Maria went from $592 million to $1 billion. According to officials, cost increases were due to inflation as well as the need for a large contingency budget to account for resource constraints, e.g., limited contractor availability on the island of Puerto Rico. We did not independently verify these data.

Figure 1: Examples of Federal Highway Administration Emergency Relief Projects in Response to the 2017 Hurricanes

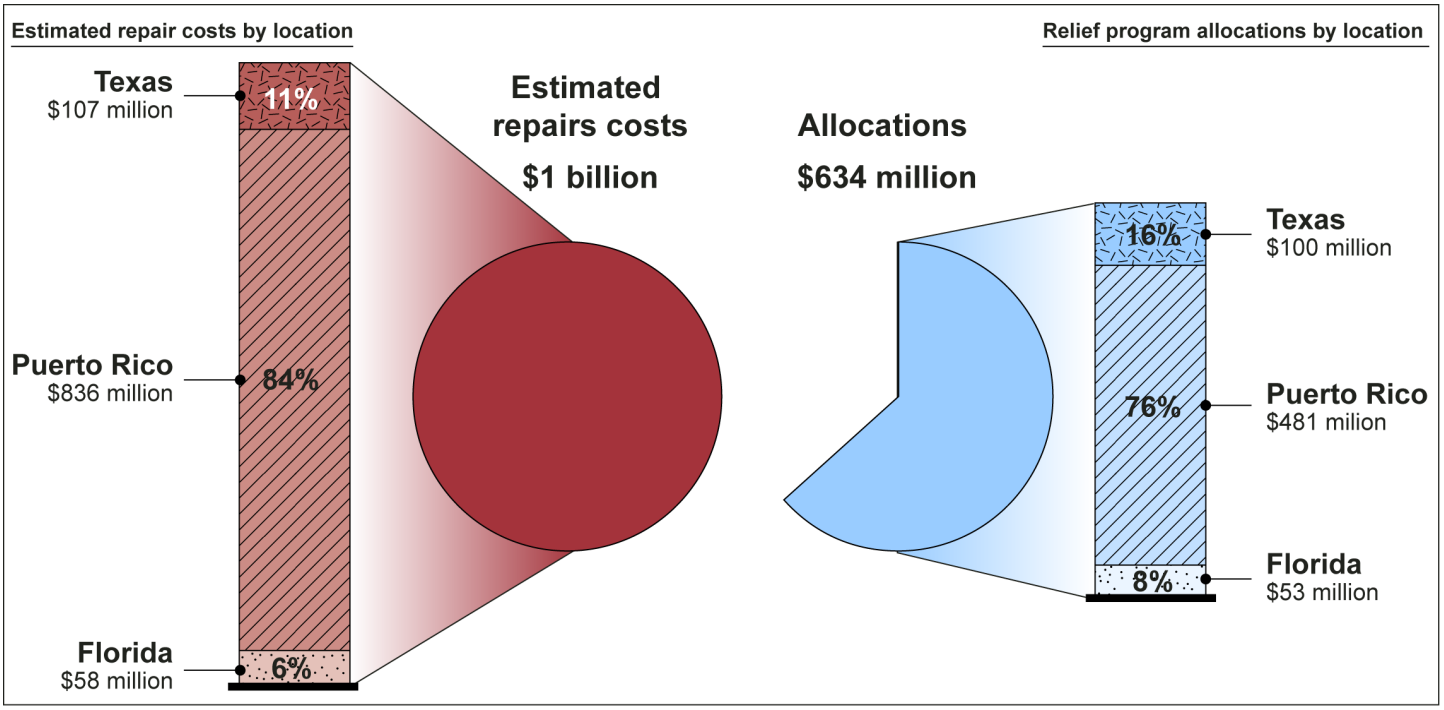
Description	Picture of damage
Martin County, Florida Damaged traffic signal head and electrical components. Necessary repairs for this intersection, which included replacing the signal cabinet, street signs, and pedestrian poles, among others things, cost $51,710.	
Barranquitas County, Puerto Rico Landslide caused complete roadway collapse. According to initial estimates, repairs will cost $7.2 million.	
Liberty County, Texas Flooding near the bridge caused severe slope erosion, jeopardizing the roadway approaching the bridge. Initial repairs to safely divert traffic around the damage cost approximately $2 million and an estimated $5.3 million is necessary to protect the roadway and bridge from future erosion.	

Source: GAO. | GAO-20-32

Following a number of natural disasters in 2017—including hurricanes Harvey, Irma, and Maria—Congress appropriated more than $1 billion to the Emergency Relief Program in February 2018 to help states repair and rebuild federal-aid highways. As of September 2019, FHWA has allocated $634 million to repair hurricane-related damage in Florida, Texas, and Puerto Rico. Specifically, immediately following the hurricanes in August, September, and November 2017 FHWA allocated $122.5 million in quick release funding to Florida, Texas, and Puerto Rico. In April 2018, FHWA

allocated an additional $242 million to Florida, Puerto Rico, and Texas.[29] Further, on February 6, 2019 FHWA allocated $130 million more to Puerto Rico for damages caused by hurricanes Irma and Maria (see fig. 2). FHWA subsequently de-allocated $69 million from Florida on February 27, 2019, because state officials determined the funds were no longer necessary for hurricane-related repairs. Most recently, in September 2019, FHWA allocated an additional $208 million to Puerto Rico.

Figure 2: Estimated Costs to Repair Damages Caused by 2017 Hurricanes and FHWA Allocations to Fund Repairs in Florida, Puerto Rico, and Texas, as of September 2019



Source: GAO analysis of state and Federal Highway Administration information. | GAO-20-32

Note 1: Estimated repair costs percentages do not total 100 percent due to rounding.

Note 2: Following completion of our audit work, in September 2019, FHWA announced an additional allocation of $871.2 million in Emergency Relief funds to help over 40 states and territories and updated its estimated costs for emergency relief projects in Texas, Puerto Rico, and Florida. Those estimates included a 90 percent increase in costs for projects in Puerto Rico from what was provided to us in March 2019 (from approximately $439 million to $836 million). As a result, the total cost estimate for hurricanes Harvey, Irma, and Maria went from $592 million to $1 billion. According to officials, cost increases were due to inflation as well as the need for a large contingency budget to

[29]The remainder of the $1.374 billion appropriated by Congress in February 2018 was allocated for other natural disasters, including winter storms ($213 million) and fires ($38 million), among others.

account for resource constraints, e.g., limited contractor availability on the island of Puerto Rico. We did not independently verify these data.

While the estimated repair costs exceed the amount of funds allocated by FHWA, officials stated that additional emergency relief funds are allocated and reimbursed approximately every 6 months and states and territories will be reimbursed for all eligible expenses related to hurricanes Harvey, Irma, and Maria as they are completed. These funding decisions are to be made as FHWA continues to review and approve projects and Congress appropriates additional funds. As we have noted in prior work, the $100 million in annual authorized funding has not been enough to meet the needs of the program. Therefore, states have relied on supplemental appropriations to fund repairs caused by natural disasters and catastrophic events.[30]

FHWA Did Not Justify Key Decisions and May Have Inappropriately Classified Emergency Relief Projects

We identified a number of cases in which FHWA did not document decisions to classify emergency relief projects as emergency repairs (those necessary to restore essential traffic, undertaken during or immediately after a disaster and generally accomplished within 180 days) as opposed to permanent repairs (those undertaken to restore a facility to pre-disaster conditions). Specifically, 22 out of 25 emergency repair projects we reviewed—which account for approximately $50 million in emergency relief funds—did not include a documented justification for classifying repairs as an emergency repair instead of a permanent repair.[31] In addition, out of approximately 1,200 eligible projects in Puerto Rico, FHWA officials reported undertaking 34 more than 180 days after the hurricanes and continuing to classify them as emergency repairs without documenting the basis for doing so.

Without documentation it is not possible to definitively determine the justification for why projects were classified as emergency repairs and we identified at least three projects that may have been inappropriately classified because they (1) may not have been necessary to restore essential traffic, or (2) were not undertaken during or immediately after the disaster. For example:

- *The Lynchburg Ferry ($10.7 million project in Texas)*. This project rebuilt the ferry docks and landings, which are used to transport up to

[30]GAO-12-45.

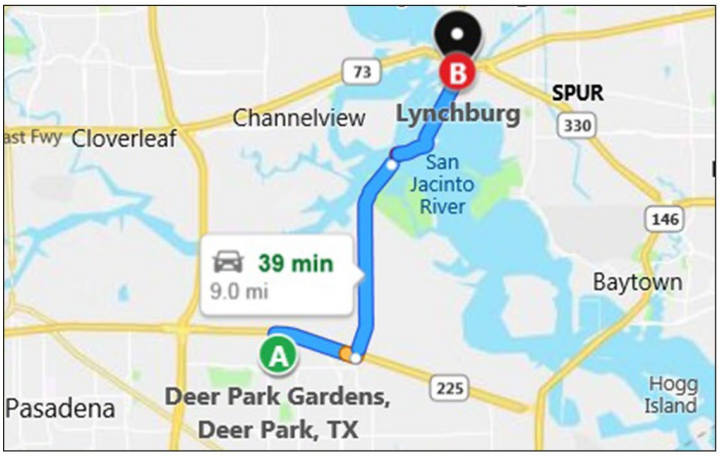
[31]Appendix I provides additional information on our review of these project files.

10 passenger vehicles at a time across the Houston Ship Channel (1,100 feet). FHWA classified the project as an emergency repair to restore essential traffic but did not document the basis for this decision.

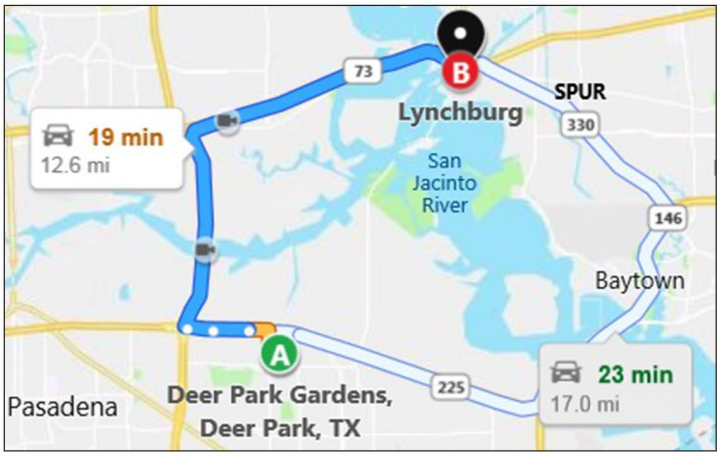
When asked, FHWA officials from the Texas Division stated that engineers used their professional judgment to determine that the ferry route provided essential traffic. It is not clear, however, that the ferry was necessary to restore traffic as several alternative routes were available immediately following the disaster on existing highways that service the same locations and typically result in faster travel times than the ferry (see fig. 3). According to officials, engineers did not assess these alternative routes and there is no requirement for them to do so.

Figure 3: Travel Times Using the Lynchburg Ferry and Alternative Highway Routes

Traveling by ferry takes about 40 minutes



Traveling by highway takes about 20 minutes
(up to 45 minutes during rush hour from 4:30 to 6pm)



Source: GAO and Bing, 22 July 2019.Web. | GAO-20-32

This project was a significant commitment of emergency relief funds, representing approximately 11 percent of the emergency relief funding Texas received in the aftermath of Hurricane Harvey. Because the project was classified as an emergency repair, Texas was permitted to use a non-competitive bidding process to solicit and hire contractors to complete the work, instead of a competitive bidding process designed to achieve the best possible price and quality of work. The project was completed within the required 180 day time frame required to receive 100 percent federal reimbursement.

FHWA's oversight of this project raises issues we cited in past work concerning its partnership with the states, namely putting the partner's interest above federal interests.[32] Had FHWA classified this project as a permanent repair instead of an emergency repair, state and local agencies would have been responsible for paying approximately $2.1 million in matching funds on the $10.7 million project. Moreover, prior to the hurricane, the ferry docks and landings were in poor condition and local officials were in the initial stages of planning a project to replace it, including hiring a consultant to identify potential sources of federal funds. Because substantive planning and design work had not yet been completed, this project was eligible for emergency relief funds, which, according to officials, resulted in a new, state-of-the-art facility.

- Ciales Bri*dge ($4.9 million project in Puerto Rico)*. This project will install a temporary 80 meter long bridge over the Rio Grande de Manati River. FHWA classified this project an emergency repair to restore essential traffic and extended the project beyond 180 days but did not document the basis for either decision, as described below.

  FHWA officials said that they were not aware of another route to carry essential traffic at the time they approved the emergency repair. However, we identified an alternative route on a nearby roadway that uses another bridge less than a mile away. When we asked officials about this nearby route, they said that it is not sufficient for essential traffic, because it is too narrow to safely accommodate two-way traffic, has load limitations, and lacks lighting and pavement markings. Officials stated that the temporary bridge was necessary to quickly restore essential traffic until a new permanent bridge could be built. However, construction on the temporary bridge is not planned for completion until October 2019—more than 2 years after Hurricane Maria hit, raising questions about whether an emergency situation exists and the project is needed to quickly restore essential traffic.

  FHWA also continued to classify this project as an emergency repair even though the contract for the project was not signed within 180 days after the emergency occurred and FHWA did not document the rationale for doing so. By statute, emergency repair projects must be accomplished within 180 days to receive a 100 percent federal share, but may be extended taking into consideration any delay in the ability

[32]GAO-12-474.

of the state to access damaged facilities. According to FHWA officials in Puerto Rico, while division offices should document decisions regarding emergency repair projects, the statutory provision that projects can only be extended beyond 180 days if the damaged facilities are inaccessible does not apply to Puerto Rico because it is funded at a 100 percent federal share, and therefore, such a determination and documentation was not necessary.[33]

There are, however, statutory and regulatory provisions other than the percentage of costs covered by the federal government that apply to emergency projects, including contracting and environmental requirements. Because this project was classified as an emergency repair, officials used a bidding technique—called short-list bid—that limited the number of firms which were permitted to submit proposals. This project also received a categorical exclusion for emergencies and was not subject to further environmental review under NEPA.[34] However, although these projects went forward, FHWA's policy regarding time limits on the use of expedited contracting and environmental procedures is not clear. After we raised this and similar issues on other projects with FHWA, officials stated that the administration's position was that emergency repair projects using expedited contracting and environmental procedures are only permitted within the first 180 days of a disaster. According to these officials, as a matter of policy, 180 days after the disaster is a "pencils down" moment when projects should be subject to permanent repair requirements, including environmental and contracting requirements. Officials acknowledged this policy is not well documented, and stated they planned to address this gap in future updates to program guidance. These updates—initially planned for 2019—have taken more time than anticipated and are currently planned for 2020, but officials were unable to provide a specific timeline.

[33]The Bipartisan Budget Act of 2018 granted Puerto Rico an exception to the federal matching share requirements and all projects in Puerto Rico are funded at 100 percent regardless of whether they are accomplished within 180 days. Pub. L. No. 114-123, 132 Stat. 64, 102 (2018).

[34]As noted previously, many permanent repairs meet the criteria for categorical exclusions from NEPA requirements such as the repairs occurring within the existing rights-of-way and substantially conforming to the preexisting design, function, and location as the original highway or bridge.

The classification of the project as an emergency repair raises questions about whether the project was an efficient use of federal funds. The $4.9 million temporary bridge involves considerable construction such as building footings with 5-million pounds of concrete and reinforced steel (see fig. 4) and, as stated previously, is not planned for completion until October 2019. FHWA officials stated this structure will be torn down within a couple of years and replaced by a $6.4 million permanent structure.

Figure 4: Initial Construction on the Ciales Temporary Bridge Emergency Repair, as of December 2018

Source: GAO. | GAO-20-32

- *PR-14 Bridge ($1.4 million project in Puerto Rico)*. This project will construct a temporary bridge across one of a few main routes on the south-central side of the island that is located in one of Puerto Rico's mountainous municipalities that is rural and relatively sparsely populated. FHWA officials classified the temporary bridge as an emergency repair to restore essential traffic, including the

transportation of people and commercial goods but did not document the basis for this decision.

According to officials, this bridge was necessary to restore essential traffic because damage caused by the hurricane led to a reduction in the vehicle load limit from 5 tons to 3 tons. However, the basis for this determination is not clear since the bridge was never closed to traffic and a reduced load limit from 5 to 3 tons would not significantly affect the type of vehicle traffic able to safely cross the bridge. For example, the pre-existing 5-ton limit would have already prevented most types of ambulances and commercial trucks from using the bridge, and the 3-ton limit still permits most passenger vehicles and some types of light-duty trucks. In addition, according to officials, one of the reasons for installing a temporary bridge instead of waiting on the planned installation of a permanent bridge was to quickly restore traffic. However, the temporary bridge will not be completed until February 2020—almost 2 and a half years after the hurricanes, which raises questions about whether or not the project was necessary to quickly restore essential traffic. As with the Ciales Bridge, FHWA did not document the basis for classifying this project as an emergency repair even though it was undertaken more than 180 days after the emergency occurred. The project was contracted using a pre-existing contract and not competitively bid and received a categorical exclusion from NEPA requirements.[35] Similar to the Ciales Bridge, this $1.4 million temporary bridge will be torn down within a couple of years and replaced by a $4.2 million permanent structure.

While officials did not document decisions to classify emergency relief projects as emergency repairs, FHWA did improve the documentation of emergency relief projects in some areas since the last time we examined the program in 2011. Specifically, we found more consistent documentation of the onsite damage inspections, cost estimates, and FHWA oversight of eligibility determinations. For example, 39 out of 39 emergency relief projects we reviewed included photographs of the damage and a repair cost estimate; whereas, only 24 out of 83 projects we examined in 2011 included this information.[36]

[35]As previously stated, the decision to classify this project as an emergency repair did not affect the level of federal funds available because Congress provided a 100 percent federal share for all emergency relief projects in Puerto Rico. In addition, many permanent repairs meet the criteria for categorical exclusions from NEPA requirements.

[36]See appendix I for additional details.

According to *Federal Internal Control Standards*, to achieve objectives and identify and respond to risks, management should clearly document all transactions and significant events, and define objectives clearly, including specific terms so that they can easily be understood.[37] FHWA did not clearly document transactions and significant events because: (1) in the case of classifying projects as emergency repairs, there is no requirement to do so, and (2) in the case of extending emergency repair projects in Puerto Rico, existing requirements did not apply. FHWA officials stated that these decisions were made as part of an ongoing dialogue between FHWA, the states, and Puerto Rico that is done through emails and in-person and telephone meetings. However, by not documenting emergency repair decisions, such as whether alternative strategies or repairs were considered and the rationale for classifying projects as emergency repairs after the emergency has passed, FHWA lacks definitive explanations for its decisions. This, in turn, raises questions as to whether those decisions were appropriate. When questioned about individual projects, including the examples in Texas and Puerto Rico previously discussed, officials often could not provide concrete rationales for these decisions.

In addition, because guidance in the *Emergency Relief Manual* is intentionally flexible and written to apply to a wide range of circumstances, key terms are not clearly defined and easily understood and applied. This is particularly true for the term "essential traffic," which is being broadly applied to provide support for repairs necessary to restore any type of traffic without fully considering potential alternatives. While FHWA's manual generally describes projects to restore essential traffic (e.g., detours that relieve excess traffic directly attributable to the disaster), it does not discuss how to determine whether a project will relieve excess traffic or require officials to evaluate alternative routes. Moreover, FHWA's guidance and policy are not clear on the time frames for when emergency repair projects must adhere to contracting and environmental requirements. This lack of clearly defined and easily understood terms in emergency relief guidance could result in FHWA inappropriately classifying projects as emergency repairs, which affects:

- the federal fiscal exposure in a disaster,

[37]GAO, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Washington, D.C.: September 2014).

- the level of FHWA oversight because projects may begin without prior authorization,
- the extent to which projects must be competitively bid, and
- potentially the level of environmental review accorded a project.

Moreover, unclear guidance increases the chances that program guidance could be inconsistently applied, potentially giving access to emergency relief funds to one state and not another. We identified several instances in which officials in one Division Office made emergency repair decisions that differed from another division office. For example, FHWA officials in Florida did not include highway finishes, such as pavement markings, as part of emergency repair projects, while officials in the Puerto Rico Division did. FHWA officials in Puerto Rico also reported that FHWA officials from different division offices who came to assist in the aftermath of the 2017 hurricanes had substantively different interpretations of emergency relief guidance, including how to define emergency repairs and what was and was not essential traffic.

Conclusions

For many years, FHWA's Emergency Relief Program has provided crucial funding to states and territories to rebuild transportation infrastructure, including in the aftermath of hurricanes Harvey, Irma, and Maria. The consecutive timing and scale of these disasters overwhelmed local, state, and territorial governments, and Puerto Rico was hit particularly hard. Given the level of devastation, it was imperative for the federal response to be quick and effective, and that essential services be quickly restored to help people rebuild and recover. However, it is not clear that emergency relief funds are always being used for the purposes intended or put to the highest use. In the absence of well-documented rationales for classifying projects, more clearly defined terms and circumstances for making these decisions, and time frames for accomplishing them, FHWA may have inappropriately classified projects as emergency repairs. While this represent a small percentage of projects undertaken in response to the 2017 hurricanes, FHWA's actions may have resulted in the federal government forgoing millions of dollars in state contributions, thus increasing the federal fiscal exposure in disasters. Moreover, permitting projects to proceed under expedited contracting requirements many months after the disaster deprived the federal government of a valuable tool intended to ensure the best price for services it receives. Finally, in an environment where needs outweigh funding, multi-million dollar bridge projects are being constructed that will be torn down in a couple of years to make way for other multi-million dollar bridge projects. FHWA's

decision-making invites questions we have raised before about the partnership relationship between FHWA and the states. In high stress and politically sensitive situations like natural disasters in particular, the relationship could lead FHWA to put states' interests before federal ones or give the appearance of having done so. If FHWA's decisions are, in fact, appropriate, documentation and clearer guidance could reduce unnecessary skepticism, enhance transparency, and result in more effective use of limited resources.

Recommendations for Executive Action

We are making the following two recommendations to FHWA:

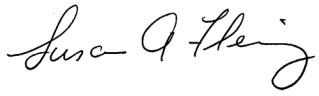
- The Administrator of FHWA should require FHWA division offices to document the rationale for classifying projects as emergency repairs, such as a description of why an emergency repair is necessary and which alternative strategies or repairs were considered, and to more clearly define the circumstances under which projects are classified as emergency repairs, including what constitutes restoration of essential traffic. (Recommendation 1)
- The Administrator of FHWA should identify a specific timeline for clarifying the policy on the acceptable time frames for accomplishing emergency repair projects undertaken under expedited contracting and environmental requirements, and require FHWA division offices to document the rationale for decisions to extend projects beyond these time frames. (Recommendation 2)

Agency Comments

We provided a draft of this report to DOT for review and comment. In comments, reproduced in appendix II, DOT concurred with our recommendations. DOT also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees and the Secretary of the Department of Transportation. In addition, the report is available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or flemings@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 key contributions to this report are listed in appendix III.



Susan Fleming
Director, Physical Infrastructure Issues

List of Requesters

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Committee on the Budget
United States Senate

The Honorable Ron Johnson
Chairman
The Honorable Gary C. Peters
Ranking Member
Committee on Homeland Security and Governmental Affairs
United States Senate

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House of Representatives

The Honorable Emanuel Cleaver, II
House of Representatives

The Honorable Michael McCaul
House of Representatives

The Honorable Gary Palmer
House of Representatives

The Honorable Ann Wagner
House of Representatives

Appendix I: Results of GAO's File Review of the Emergency Relief Project Documentation Available in Three FHWA Division Offices

In 2011, we reported on how Federal Highway Administration (FHWA) officials applied Emergency Relief Program guidance to a selected group of projects that received funding.[1] In that review, we selected a nongeneralizable sample of eligible Emergency Relief Program projects in three states—New York, Texas, and Washington—that matched criteria such as receiving more than $1 million in obligated federal funds and approval by FHWA between fiscal years 2007 through 2010. We reviewed those projects' files to determine whether they included required or recommended documentation cited in federal statute, regulations, and FHWA program guidance. In our 2011 report, we found many instances of missing or incomplete documentation, such as required repair cost estimates, because FHWA lacked clear requirements for how states submitted and FHWA approved key project documentation, leading to FHWA division offices applying eligibility criteria differently. We recommended that FHWA standardize their procedures for reviewing emergency relief documentation and making eligibility decisions, including retaining damage inspection reports with detailed repair cost estimates. In response, FHWA issued an Order in February 2016 that included procedures to ensure that FHWA makes eligibility determinations consistently and transparently that we determined addressed our recommendation.

To evaluate how FHWA officials applied Emergency Relief Program guidance to selected projects in recent emergency events and whether documentation had improved since our 2011 report, we conducted a file review of 39 nongeneralizable emergency relief projects—25 of which included emergency repairs—in Texas, Florida, and Puerto Rico. These projects, which FHWA determined were eligible for Emergency Relief Program funding, were necessary to repair damage caused by three 2017 hurricanes: Harvey, Irma, and Maria.[2] The purpose of this review was to determine whether each project file included information showing the project met eligibility requirements or information required or recommended in federal statute, regulations, and FHWA program

[1]GAO, *Highway Emergency Relief: Strengthened Oversight of Project Eligibility Decisions Needed*, GAO-12-45 (Washington, D.C.: November 8, 2011).

[2]In addition to the 39 projects in our review, we initially included an additional 15 projects that FHWA had determined ineligible for emergency relief funds. However, FHWA officials told us they either did not complete or maintain project files once the projects were deemed ineligible. Therefore, we excluded ineligible projects from our review because the project files would not accurately reflect the level of information FHWA and applicants provided for FHWA emergency relief projects.

guidance. To select these 39 project files (13 projects each from Texas, Florida, and Puerto Rico), we used the following criteria:

- We reviewed those with the highest estimated cost to ensure the inclusion of projects likely to receive the most federal funds. The 39 project files we selected represented over 38 percent of Emergency Relief funds allocated to those three states for the 2017 hurricanes, as of February 2019.[3]
- We selected a mix of road and bridge projects to ensure we reviewed a selection of projects that could include different types or amounts of documentation. States typically have more data and oversight processes in place for bridges than other roads, as most bridges are required to be inspected at least every 2 years.[4]
- We selected a mix of a state and local agency projects to ensure we reviewed a selection of projects that may have been prepared with different levels of detail.[5] Though state agencies ultimately submit all Emergency Relief Program requests to FHWA, local agencies prepare some of the paperwork for projects within their jurisdictions and could provide a different level of detail in their project files than state agencies.[6]

For each of the 39 projects in our review, the FHWA division offices in Texas, Florida, and Puerto Rico provided associated project files. Through discussions with state officials, we determined that FHWA's Mobile Solution for Assessment and Reporting (MSAR) was sufficiently reliable for our purposes of obtaining documentation for file reviews for projects located in Texas. For Puerto Rico, because state officials acknowledged some files were not included in MSAR, we asked for state officials to directly send us additional documentation as needed. As Florida does not use MSAR to record project information or documentation, we asked for state officials to send us relevant project

[3]The projects reviewed in our 2011 report represented approximately 67 percent of all emergency relief funds obligated to those states during that time period.

[4]23 C.F.R. § 650.311.

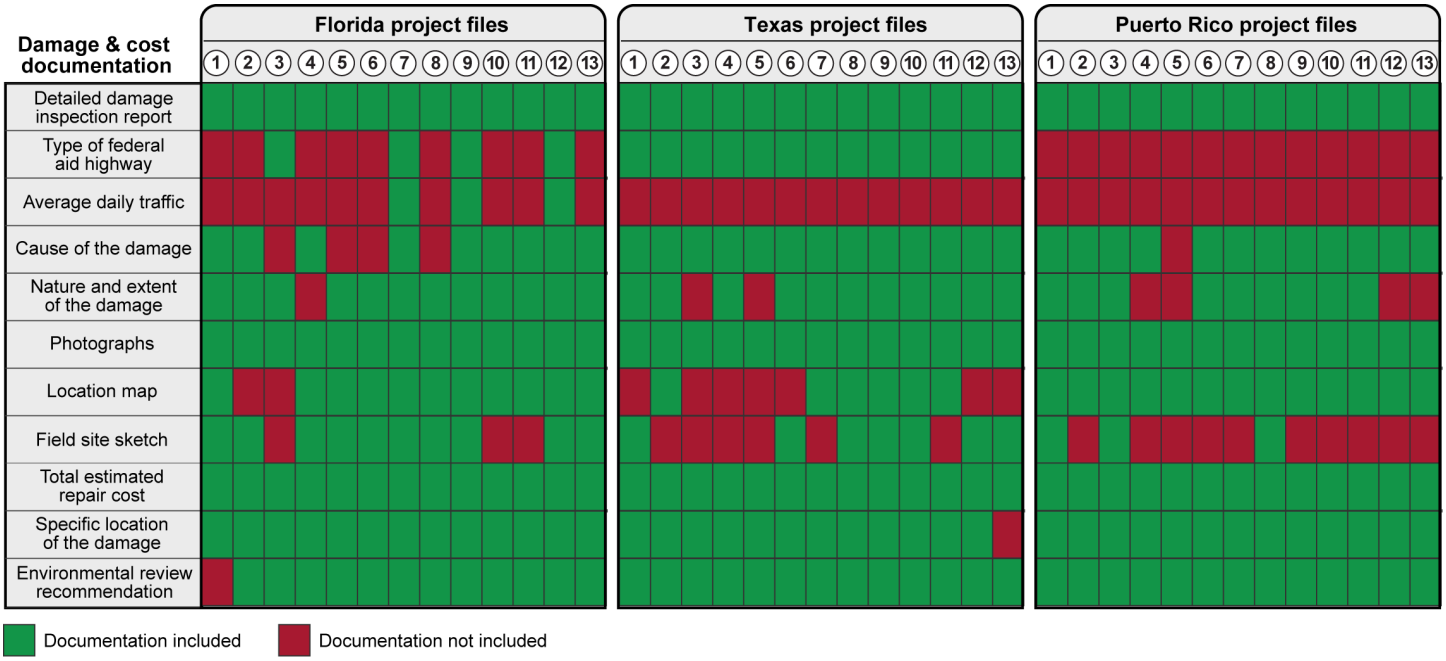
[5]Both states and local agencies are eligible to be reimbursed through the Emergency Relief Program.

[6]Since no local agency projects in Puerto Rico were included in requests for emergency relief funding from the territory's Puerto Rico Highway and Transportation Authority (PRHTA), we instead selected additional PRHTA projects in Puerto Rico that fit the other criteria.

documentation directly. Project files from these locations included information on project type and estimated costs as well as other relevant documents, such as engineering reports, bridge inspection reports, or photographs of the damage. Two analysts reviewed those files for information that is required or recommended by statute or FHWA guidance. This information included much of the same information we had previously evaluated in our 2011 review. To conduct the review, one analyst reviewed the documentation provided by FHWA's division offices and completed a data collection instrument, then a second analyst reviewed the same documentation to verify the results of that review. Afterwards, the two analysts discussed and resolved any discrepancies and questions. The analysts then analyzed and summarized the results for the 39 eligible projects of this review to determine whether each file included documentation for damage and cost information, emergency repair requirements, and eligibility determination, as detailed below:

Damage and cost information: We reviewed whether the project file included a complete detailed damage inspection report (DDIR), which documents an on-site inspection of the damage. FHWA's Emergency Relief Manual states that a complete DDIR should include a number of details including: the type of federal-aid highway, such as an interstate, freeway, or expressway; the average daily traffic or the typical traffic volume in a location over a 24-hour period; the nature or type of damage, such as a bridge collapse or landslide, and extent or amount of damage, such as fully or partially collapsed; a field site sketch or drawing that shows details of the damage site such as the width of the road or bridge; a total estimated cost for repair; and documentation related to an environmental review recommendation, which would include the potential effects of repairs on nearby species or waterways. For the 39 projects we included in our file review, we found that DDIR documentation generally improved compared to the 2011 review. For instance, each of the 39 projects included a DDIR, photographs of the damage, and the repair's cost estimate; only 24 of the 83 eligible projects we reviewed in 2011 included each of those pieces of information. However, we found other recommended DDIR documentation to be lacking. For example, of the 39 projects in our review, 36 did not include Average Daily Traffic and 22 did not include the type of federal-aid highway. Figure 3 represents the results of our review of damage and cost information.

Figure 5: Results from GAO's Review of Damage and Cost Information from Eligible Emergency Relief Project Files from Three of FHWA Division Offices Figure 5: Results from GAO's Review of Damage and Cost Information from Eligible Emergency Relief Project Files from Three of FHWA Division Offices



Source: GAO analysis of Federal Highway Administration data. | GAO-20-32

Emergency repair requirements: We reviewed whether eligible emergency repair projects included a documented rationale or justification for classifying the project as an emergency repair instead of a permanent repair. As discussed in the body of this report, by statute, emergency repairs are repairs undertaken during or immediately after a disaster specifically to restore essential traffic, to minimize the extent of damage, or to protect the remaining facilities. As discussed in the body of this report, classifying a project as an emergency repair affects the percentage of costs covered by federal funds, level of FHWA oversight, and the extent to which environmental and contracting requirements apply. We found that of the 25 project files that included an emergency repair (out of the 39 in our review), 22 did not include a documented

rationale or justification for classifying the project as an emergency repair instead of a permanent repair.[7]

Eligibility determination: We reviewed whether a representative of FHWA signed and recommended eligibility for Emergency Relief funding and whether the applicant or state representative signed and agreed with FHWA's recommendation. The Emergency Relief Manual states that documentation should include an eligibility recommendation by an FHWA representative and acknowledgement of that recommendation by the applicant. For the 39 projects we included in our file review, we found that documentations of FHWA and applicant signatures generally improved compared to the 2011 review. In our current review, we found that the FHWA and applicant or state representatives signed each of the 39 eligible project files; in our 2011 review, only 36 of the 83 eligible projects included a signature from an FHWA representative and 47 of the 83 eligible projects included a signature from the applicant or state representative.[8]

[7]In our 2011 report, we did not review whether project files which included an emergency repair included a documented rationale or justification for classifying the project as an emergency repair instead of a permanent repair.

[8]In our 2011 review, we found that 28 project files did not include a DDIR that FHWA officials and applicant or state representatives would sign; therefore, only 55 of those projects had a DDIR that could have been signed.

Appendix II: Comments from the Department of Transportation

U.S. Department of Transportation
Office of the Secretary of Transportation

Assistant Secretary for Administration

1200 New Jersey Avenue, SE
Washington, DC 20590

SEP 24 2019

Ms. Susan Fleming
Director, Physical Infrastructure Issues
U.S. Government Accountability Office (GAO)
441 G Street, NW.
Washington, DC 20548

The Federal Highway Administration (FHWA) continues to respond promptly, effectively, and efficiently to emergencies and natural disasters, providing critical aid and support to States and the American people. Following the catastrophic 2017 hurricanes of Harvey, Irma, and Maria, FHWA allocated $133 million via quick release Emergency Relief (ER) for repair of damages to the highway infrastructure within the affected States and Territories. Since that time, FHWA has made over $600 million available through additional ER allocations. In addition, we deployed FHWA staff to the devastated areas to assist local and other Federal personnel with critical actions, such as reopening roads and restoring infrastructure in Puerto Rico (PR) and the U.S. Virgin Islands (USVI) after the Hurricane Irma-Maria emergency. The FHWA staff continue to support the PR Highway and Transportation Authority and the USVI Department of Public Works in conducting preliminary engineering and construction contract administration activities and administering and delivering the ER Program and projects.

The Federal-aid highway program is a federally-assisted, State-administered program and for the ER Program, the State Department of Transportation (State DOT) is responsible for assessing damage, project selection, and administration. The FHWA provides oversight of the ER Program expenditures along with support and assistance as requested to State DOTs when their resources are overwhelmed or if they need eligibility determinations. The FHWA also provides technical and program assistance and ensures compliance with Federal regulations as the State DOT plans and delivers the ER Program. As part of its stewardship and oversight responsibility, FHWA routinely assesses and enhances the ER Program processes and internal controls by evaluating and updating its ER policy and implementation. As a result, FHWA successfully implemented and GAO closed all the recommendations from GAO's 2011 report[1] on ER.

Based on our review of the draft report, we concur with the two recommendations. We will provide a detailed response to the recommendations within 180 days of the final report's issuance.

We appreciate the opportunity to review the GAO draft report. Please contact Madeline M. Chulumovich, Director, Audit Relations and Program Improvement, at (202) 366-6512 with any questions.

Sincerely,

Keith Washington
Deputy Assistant Secretary for Administration

[1] *Highway Emergency Relief: Strengthened Oversight of Project Eligibility Decision Needed*, GAO-12-45, November 8, 2011

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Susan Fleming, (202) 512-2834 or flemings@gao.gov

Staff Acknowledgments

In addition to the contact named above, Steve Cohen (Assistant Director), Matthew Cook (Analyst in Charge), Pedro Almoguera, Aditi Archer, Danielle Ellingston, Lauren Friedman, Kathryn Godfrey, Hannah Laufe, Leslie Locke, Cheryl Peterson, Malika Rice, Amy Rosewarne, and Elizabeth Wood made key contributions to this report.

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