

STATEMENT OF
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BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT,
AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES

HEARING ON

Disaster Relief

NOVEMBER 30, 2017

Chairman Diaz-Balart, Ranking Member Price, and Members of the Committee, thank you for the opportunity to testify before you today regarding the Federal Highway Administration's Emergency Relief (ER) Program and the Administration's recent request for additional funding to aid in the recovery from Hurricanes Harvey, Irma, and Maria. As you know, on November 17, the Office of Management and Budget requested an additional \$415,500,000 for the ER program to help impacted States, Territories, Federal Land Management Agencies, and Tribal nations recover from these devastating events.

Emergency Relief Program

The ER program provides funding to States and Territories for the repair and reconstruction of Federal-aid highways, and to Federal Land Management Agencies and Tribal nations for the repair and reconstruction of transportation facilities on Federal and Tribal lands that have suffered serious damage as a result of a natural disaster or catastrophic failure from an external cause. Examples of natural disasters include hurricanes, floods, earthquakes, tornadoes, severe storms, and landslides. A catastrophic failure is defined as the sudden failure of a major element or segment of the highway system. In addition, the cause of the catastrophic failure must be determined to be external to the facility. The March 30, 2017, collapse of a section of the Interstate 85 (I-85) bridge in Atlanta after a fire underneath the highway is an example of a catastrophic failure from an external cause. Failures due to gradual and progressive deterioration or lack of proper maintenance do not qualify for assistance under the ER program.

Congress has funded the ER program through a permanent annual authorization of \$100 million, although in recent years sequestration has reduced this amount to approximately \$93 million per year. When ER program needs exceed available funding (for example, after large scale disasters), Congress has often provided supplemental appropriations to cover the ER program needs. Since 2005, Congress has provided over \$10 billion in supplemental appropriations for

ER. Since 2012, FHWA has approved ER funding for 220 events, encompassing 53 States and Territories. Currently, including the costs associated with the recent hurricanes, there is \$1.37 billion of needs that have not yet been addressed.

Eligibility

For an event to be eligible for ER funding, there must be a disaster declaration by either the President or the Governor of the impacted State. The ER program will participate in repairs if the application for assistance is for more than \$700,000 of damage. ER program participation for events of less than \$700,000 in eligible damage (Federal share) require justification because damage below this amount is typically considered heavy maintenance or routine emergency repair.

Two major categories of repair are eligible under the ER program: emergency repairs and permanent repairs. Emergency repairs include repairs needed to restore essential traffic, minimize the extent of damage, or protect the remaining facilities. Such repairs generally must be made within 180 days of the event. Emergency repairs can begin immediately following a disaster using flexible contracting methods with approval of a preliminary letter authorization. Permanent repairs are those repairs that do not meet the criteria for emergency repairs. Permanent repairs result in a comparable facility that meets current design and construction standards. FHWA approval and authorization is required prior to permanent repairs unless such repairs are made as part of the emergency repairs.

Funding under the ER program is intended to aid Federal, State, and local highway agencies with unusually costly repairs to Federal-aid highways, and to aid Federal Land Management Agencies and Tribal nations for transportation facilities on Federal and Tribal lands resulting from natural disasters or catastrophic failures from an external cause. The ER program provides for repair or reconstruction of a comparable facility meeting current design and construction standards required for the types and uses of the facility over its design life. The use of current standards, which are continuously updated, supports the incorporation of features, if cost effective, to make facilities more resilient. ER funds are not intended to replace other Federal-aid, State, Tribal, or local funds for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities.

The Emergency Relief for Federally Owned Roads (ERFO) program assists Federal Land Management Agencies and Tribal nations with emergency and permanent repairs on Federal and Tribal lands. The ERFO program is authorized and funded under the ER program, typically receiving approximately 10 percent of the ER program funds, which is the average relative share of needs on Tribal and Federal roads compared to State-administered needs.

Release of Funds

The ER program is a federally-assisted, State administered reimbursable program. In other words, the allocation of ER funding does not result in an immediate distribution of a cash outlay, but instead, ER funding reimburses States for eligible expenses incurred as work progresses and repairs are completed. Decisions regarding whether to seek ER program assistance rest with the

States. For example, the State performs a disaster assessment to determine the extent of damage on Federal-aid highways. The State notifies FHWA of their intent to seek Federal assistance to fund repairs and provides supporting documentation. The FHWA acknowledges the receipt of the notice of intent and provides preliminary authorization for the State to begin emergency repairs and conduct detailed site inspections. The State provides a Damage Survey Summary Report (within 6 weeks of the notice of intent) to document total estimated repair needs. The State conducts detailed inspections of damages (within 3 months of the event) to determine repair needs and to estimate costs. The FHWA reviews the inspections to determine funding eligibility. Impacted sites can be identified up to 2 years from the date of the event. The State develops a program of projects that will be carried out to repair or replace damaged infrastructure. Similar processes are in-place for Territories, Federal Land Management Agencies, and Tribal nations.

FHWA generally distributes ER funding in two ways: through “Quick Release” or through a semi-annual allocation. The Quick Release method provides a State an immediate infusion of funds, which helps communities with the recovery process soon after an event. Quick Release funds act as a down payment on additional ER requests a State may make later, as it assesses the full extent of damage following a large-scale disaster. These funds are typically used for emergency repairs. In addition to Quick Releases, FHWA also allocates ER funds nationwide twice during the fiscal year. These semi-annual allocations are based on availability of funds, outstanding needs, and State readiness to obligate the funds in the fiscal year. If FHWA lacks sufficient funding to meet State needs, it distributes the allocation at a proportional share. In certain circumstances, Congress has directed that FHWA distribute ER funds in response to a specific event. In these instances, FHWA distributes the funds as soon as they are available to the impacted recipients. When Congress has provided supplemental appropriations with the intent to address the total backlog of unfunded needs, these funds are distributed through the semi-annual allocation. Allocation of funds are typically limited to projects that can be obligated within a 6-month period to ensure that available funds are not left inactive.

Federal Share

If accomplished within the first 180 days after the disaster occurs, emergency repair work performed by States and Puerto Rico to restore essential traffic, minimize damage, or protect the remaining facilities may be reimbursed at 100 percent Federal share. The Secretary has the authority to extend the 180-day period for 100 percent Federal share of emergency repair work for a specific site if there is a delay in the State’s or Puerto Rico’s ability to access the site. For the costs of permanent restoration work not meeting the emergency repair criteria, the Federal share for States and Puerto Rico is based on the type and ownership of the facility that is being repaired. For Interstate highways, the Federal share is generally 90 percent and subject to a sliding scale. For all other Federal-aid highways, the Federal share is 80 percent and subject to a sliding scale. For all territories except for Puerto Rico, the Federal share for permanent repairs is 100 percent for all Federal-aid highways. The ER eligible transportation facilities on Federal and Tribal lands have a Federal share of 100 percent.

Oversight

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

The Federal Lands and Tribal Transportation programs are a portion of the FHWA program that provides funding, technical assistance, and engineering services to Federal Land Management Agencies and Tribal nations. FHWA has three Federal Lands Division Offices and a Headquarters Office that provides administration and delivery services, including for the ER program. These offices provide the same services as those in the Federal-aid highway program, with a couple exceptions. This unit of FHWA will also complete damage assessments and estimates to prepare for emergency and permanent repairs. In addition, this unit will typically complete the design, procurement, and construction contract administration for project delivery.

FHWA manages ER projects in accordance with typical Federal-aid or Federal Government project requirements. Contracts for both permanent repairs and emergency repairs must incorporate all applicable Federal requirements. FHWA conducts project-level oversight under the ER program in accordance with the FHWA stewardship agreement with the recipient.

Hurricane Harvey

Hurricane Harvey was an extremely destructive hurricane—the first major hurricane to hit the United States since Wilma in 2005. The storm made landfall near Rockport, Texas, on August 26, and in the following days inundated a large area of the Texas coast from the Coastal Bend in the south to the Texas/Louisiana border with torrential rain accompanied by high winds of extraordinary force and intensity. In all, the storm directly affected more than 60 counties and left a path of damage and destruction along 300 miles of coastline and extended 100 miles inland.

FHWA has been proactive in its response to Hurricane Harvey, and had a team of individuals on the ground in Texas providing technical assistance to the Texas Department of Transportation (TxDOT) before the storm first made landfall on August 25. On August 29, within an hour of a request from Governor Abbott, Secretary Chao directed the FHWA to make \$25 million in Emergency Relief funds immediately available (through Quick Release) to restore emergency access and initiate critical repairs to damaged roads and bridges.

FHWA supported its intra and interagency partners throughout the event and during the recovery. To support the State and Federal response, 36 FHWA employees were deployed during the response to Hurricane Harvey. These employees worked various missions, including

supporting the USDOT Crisis Management Center, the Federal Emergency Management Agency (FEMA) National Response Coordination Center (Washington, DC), the FEMA Region VI Regional Response Coordination Center (Denton, TX), and the Louisiana State Emergency Operations Center (Baton Rouge, LA). In addition, both our Texas and Louisiana Division Offices provided incident reporting, and the Texas Division continues to support TXDOT during these recovery efforts. To support the needs of the Federal Land Management Agencies and Tribal nations, FHWA also deployed its Federal Lands Highway staff to complete damage assessments, develop estimates of repair and reconstruction needs, and prepare designs and construction contracts to deliver emergency and permanent repair projects.

Recovery is ongoing, and approximately 90 percent of damage assessments of Federal-aid highways, roads, and bridges have been completed. The more than 500 roads that were closed due to Harvey were re-opened within 37 days. All emergency repairs have been completed, and work is underway to develop plans, specifications, and estimates for permanent repair work. On November 17, TxDOT submitted, and the FHWA Texas Division approved, the first wave of these ER projects—a total of 29 projects with the Federal share exceeding \$1 million. As of November 20, Texas’s Federal-aid highways are estimated to have suffered \$168 million of damage as a result of Hurricane Harvey, with an unmet need of \$143 million.

Hurricane Irma

Hurricane Irma was a powerful Category 5 hurricane that caused devastation throughout the Caribbean, impacting both Puerto Rico and the Virgin Islands. The storm eventually made landfall in the mainland United States on September 10. Upon Governor Scott’s request, FHWA allocated \$25 million in ER quick release funds to the Florida Department of Transportation on September 11. On September 13, FHWA allocated \$2 million in quick release ER funding to the U.S. Virgin Islands and \$2.5 million in quick release ER funding to the Puerto Rico Department of Transportation and Public Works (PR DTOP).

In Florida, work began immediately on impacted roads, embankments and bridges to help restore traffic flow on major roadways. Approximately 70 percent of damage assessments have been completed. As of November 20, Florida’s Federal-aid highways are estimated to have suffered \$130 million of damage, with an unmet need of \$105 million.

FHWA’s response to Hurricane Irma was not limited to funding, as 62 FHWA employees were involved during the response. These employees worked on various missions, including supporting the USDOT Crisis Management Center. The FHWA Division Offices in Puerto Rico, Florida, Georgia, Alabama, North Carolina, and South Carolina were all actively engaged in monitoring the situation on the ground in their respective States and reported incidents as they arose. FHWA employees were also deployed to the FEMA National Response Coordination Center (Washington, DC), the FEMA Region II Regional Response Coordination Center (Colts Neck, NJ), the FEMA Region IV Regional Response Coordination Center (Atlanta, GA), the Florida State Emergency Operations Center (Tallahassee, FL), the Georgia Transportation Management Center (Atlanta, GA), and the MARAD Training Ship Empire State (Key West, FL). To support the needs of the Federal Land Management Agencies and Tribal nations, FHWA also deployed its Federal Lands Highway staff to complete damage assessments, develop

estimates of repair/reconstruction needs, and prepare designs and construction contracts to deliver emergency and permanent repair projects.

Hurricane Maria

Following on the heels of Hurricane Irma, Hurricane Maria struck the U.S. Virgin Islands and Puerto Rico on September 20, causing unprecedented damage. As with the other hurricanes, FHWA acted swiftly to provide necessary relief. In addition to the funding FHWA had already provided in response to Hurricane Irma, on September 27, FHWA allocated another \$40 million of ER funds to PR DTOP. On November 16, FHWA approved another \$30 million request, resulting in a total of \$72.5 million in Quick Release funds that can be used by PR DTOP for Hurricane Irma and Hurricane Maria-related activities.

On November 1, FHWA approved a request for \$2.5 million in ER funds through Quick Release under the ERFO program. These funds will be used to restore essential access on Forest Route 191, which serves as the main entrance to Puerto Rico's El Yunque National Forest. Funds will also be used to access the route to telecommunication antennas used by the Department of Homeland Security at El Yunque Peak.

On November 17, FHWA approved a request for \$6 million in ER funding for the U.S. Virgin Islands through a Quick Release to support emergency needs to replace damaged traffic signals and roadways across the islands. The Virgin Islands Department of Public Works (VI DPW) has requested that \$7.6 million of their \$8 million Quick Release funding available (including Quick Release from Hurricanes Irma and Maria) be transferred to FHWA's Office of Federal Lands Highway, for FHWA to complete the design, procurement, and construction contract administration work to complete these emergency repairs.

In addition to ER funding, FHWA has recently allocated over \$41 million of program funding to Puerto Rico and the U.S. Virgin Islands. These funds can be used to address emergency repair needs with the assurance that the program funding will be reimbursed when ER funds are allocated.

FHWA has also acted promptly to provide necessary support, as we have deployed 31 staff members to Puerto Rico and 8 staff members to the U.S. Virgin Islands. These employees are assisting the FHWA Puerto Rico Division Office to allow FHWA to continue to carry out the Federal aid highway program in Puerto Rico, as well as providing staff and technical assistance to the FEMA Surge Capacity Force, and carrying out the Department of Transportation's mission as the lead of Emergency Support Function #1, as identified in the National Response Framework. FHWA engineers continue to work alongside PR DTOP, the VI DPW, and Federal Land Management Agency staff to perform road and bridge damage assessments, to develop designs, drawings, and estimated quantities for emergency repair projects, and manage construction contracts.

Finally, in response to a request from PR DTOP, FHWA has received \$59.5 million in reimbursable authority from FEMA to assist DTOP in completing emergency repairs to the Puerto Rico Highway and Transportation Authority (PRHTA) non-Federal aid road infrastructure. A group of engineers from FHWA's Office of Federal Lands Highway deployed on November 1, 2017. These engineers will assist in performing site assessments, providing engineering design services, and managing construction contracts.

Over 91 percent of the Federal-aid damage assessments in Puerto Rico have been completed, with the damages to Federal-aid highways, roads and bridges estimated to be at least \$285 million. Even with the substantial amount of funding already provided, Puerto Rico has unmet Federal-aid needs of over \$200 million, with needs for federally-owned lands still to be determined. In the U.S. Virgin Islands, approximately 80 percent of the Federal-aid damage assessments have been completed, with the damage estimated around \$31 million. As of November 20, the U.S. Virgin Islands still has unfunded Federal-aid needs of over \$22 million, with needs for federally-owned lands still being determined.

Supplemental Funding Request

Hurricanes Harvey, Irma, and Maria caused widespread destruction, including well over \$50 billion in damage. These were historic storms, and the damage was catastrophic. For programs administered by FHWA, the amount needed for recovery is far less than other needs, but it is still substantial. As described above, FHWA has already provided \$130.5 million in Quick Release funds, but the net remaining need still approaches \$500 million. As noted, damage assessments are still ongoing in Texas, Florida, Georgia, Puerto Rico, and the Virgin Islands, so the estimates of needs can change daily. The Administration is continuing to work with the impacted States, Territories, and Federal Land Management Agencies to identify and refine additional emergency recovery requirements. The \$415.5 million that the Administration has requested in supplemental ER funding will greatly assist in the repair, protection, and reconstruction of impacted highways, roads, and bridges damaged within Texas, Florida, Georgia, Puerto Rico, and the Virgin Islands. Consistent with all ER events, as damage assessments are completed, the Administration will continue to keep Congress apprised of newly identified needs.

Conclusion

Thank you again for the invitation to appear before you today as we work together to recover from these unprecedented storms and make these roads safe for travel again. I am happy to answer any questions that you may have.