

**REBUILDING HIGHWAY AND TRANSIT
INFRASTRUCTURE ON THE GULF
COAST FOLLOWING HURRICANE
KATRINA**

(109-37)

HEARING
BEFORE THE
SUBCOMMITTEE ON
HIGHWAYS, TRANSIT AND PIPELINES
OF THE
COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES
ONE HUNDRED NINTH CONGRESS
FIRST SESSION

OCTOBER 20, 2005

Printed for the use of the
Committee on Transportation and Infrastructure



U.S. GOVERNMENT PRINTING OFFICE

25-917 PDF

WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

DON YOUNG, Alaska, *Chairman*

THOMAS E. PETRI, Wisconsin, *Vice-Chair*
SHERWOOD L. BOEHLERT, New York
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, Jr., Tennessee
WAYNE T. GILCHREST, Maryland
JOHN L. MICA, Florida
PETER HOEKSTRA, Michigan
VERNON J. EHLERS, Michigan
SPENCER BACHUS, Alabama
STEVEN C. LATOURETTE, Ohio
SUE W. KELLY, New York
RICHARD H. BAKER, Louisiana
ROBERT W. NEY, Ohio
FRANK A. LoBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
ROBIN HAYES, North Carolina
ROB SIMMONS, Connecticut
HENRY E. BROWN, Jr., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
MARK R. KENNEDY, Minnesota
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
JON C. PORTER, Nevada
TOM OSBORNE, Nebraska
KENNY MARCHANT, Texas
MICHAEL E. SODREL, Indiana
CHARLES W. DENT, Pennsylvania
TED POE, Texas
DAVID G. REICHERT, Washington
CONNIE MACK, Florida
JOHN R. 'RANDY' KUHL, Jr., New York
LUIS G. FORTUÑO, Puerto Rico
LYNN A. WESTMORELAND, Georgia
CHARLES W. BOUSTANY, Jr., Louisiana
JEAN SCHMIDT, Ohio
JAMES L. OBERSTAR, Minnesota
NICK J. RAHALL, II, West Virginia
PETER A. DeFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of
Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
JUANITA MILLENDER-McDONALD,
California
ELIJAH E. CUMMINGS, Maryland
EARL BLUMENAUER, Oregon
ELLEN O. TAUSCHER, California
BILL PASCRELL, Jr., New Jersey
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
SHELLEY BERKLEY, Nevada
JIM MATHESON, Utah
MICHAEL M. HONDA, California
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
ANTHONY D. WEINER, New York
JULIA CARSON, Indiana
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
LINCOLN DAVIS, Tennessee
BEN CHANDLER, Kentucky
BRIAN HIGGINS, New York
RUSS CARNAHAN, Missouri
ALLYSON Y. SCHWARTZ, Pennsylvania
JOHN T. SALAZAR, Colorado
JOHN BARROW, Georgia

SUBCOMMITTEE ON HIGHWAYS, TRANSIT AND PIPELINES

THOMAS E. PETRI, Wisconsin, *Chairman*

SHERWOOD L. BOEHLERT, New York
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee
JOHN L. MICA, Florida
PETER HOEKSTRA, Michigan
SPENCER BACHUS, Alabama
STEVEN C. LATOURETTE, Ohio
SUE W. KELLY, New York
RICHARD H. BAKER, Louisiana
ROBERT W. NEY, Ohio
FRANK A. LOBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California, *Vice-Chair*
ROBIN HAYES, North Carolina
ROB SIMMONS, Connecticut
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
MARK R. KENNEDY, Minnesota
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
MARIO DIAZ-BALART, Florida
JON C. PORTER, Nevada
TOM OSBORNE, Nebraska
KENNY MARCHANT, Texas
MICHAEL E. SODREL, Indiana
DAVID G. REICHERT, Washington
JEAN SCHMIDT, Ohio
DON YOUNG, Alaska
(Ex Officio)

PETER A. DeFAZIO, Oregon
NICK J. RAHALL II, West Virginia
JERROLD NADLER, New York
GENE TAYLOR, Mississippi
JUANITA MILLENDER-McDONALD,
California
ELIJAH E. CUMMINGS, Maryland
EARL BLUMENAUER, Oregon
ELLEN O. TAUSCHER, California
BILL PASCRELL, JR., New Jersey
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
SHELLEY BERKLEY, Nevada
JIM MATHESON, Utah
MICHAEL M. HONDA, California
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
ANTHONY D. WEINER, New York
JULIA CARSON, Indiana
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
LINCOLN DAVIS, Tennessee
BEN CHANDLER, Kentucky
BRIAN HIGGINS, New York
RUSS CARNAHAN, Missouri
ALLYSON Y. SCHWARTZ, Pennsylvania
JAMES L. OBERSTAR, Minnesota
(Ex Officio)

CONTENTS

TESTIMONY

	Page
Capka, Hon. J. Richard, Acting Administrator, Federal Highway Administration, U.S. Department of Transportation	4
Schruth, Susan E., Associate Administrator, Federal Transit Administration, U.S. Department of Transportation	4

PREPARED STATEMENTS SUBMITTED BY WITNESSES

Capka, Hon. J. Richard	23
Dorn, Jennifer L. (submitted by) Susan E. Schruth	30

REBUILDING HIGHWAY AND TRANSIT INFRASTRUCTURE ON THE GULF COAST FOLLOWING HURRICANE KATRINA

Thursday, October 20, 2005

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON HIGHWAYS, TRANSIT, AND PIPELINES, WASHINGTON, D.C.

The subcommittee met, pursuant to call, at 2:00 p.m., in Room 2167, Rayburn House Office Building, the Hon. Thomas E. Petri [chairman of the subcommittee] presiding.

Mr. PETRI. The Subcommittee will come to order. My colleague, Mr. DeFazio, is on his way and will be joining us shortly. I would like to welcome our members and witnesses to today's hearings on Rebuilding Highway and Transit Infrastructure Following Hurricane Katrina.

The purpose of the hearing is to have the Federal Highway Administration and Federal Transit Administration update members of the Subcommittee about the repair and replacement of the highway and transit systems and the restoration of vital transportation services following the Category 4 hurricane that devastated the Gulf Coast Region on August 29th. A number of us visited the affected areas September 18th, some 16 members of the House.

On a helicopter tour as part of that visit, I saw the tremendous damage to the area's infrastructure including levees, oil rigs, bridges, and roads that was left in the storm's wake. I also visited the FEMA Emergency Operations Center which is about 50 yards behind the Convention Center. It is impossible to convey the devastation that we saw, damage that is still being assessed and costs still being calculated.

On October 6th, Federal Highway Administration and Federal Transit Administration briefed members of the Transportation and Infrastructure Committee on the status of transportation systems and services in the impacted region. Because many roads were submerged for long periods of time, direct and individual evaluation is required for each highway.

At the time of the briefing, some significant roadways in Mississippi Louisiana, and Alabama were still closed. There is substantial effort underway to restore temporary traffic to the I-10 Twin Span Bridge between Slidell and New Orleans and to complete a temporary U.S. 90 along the Mississippi Gulf Coast between Pass Christian and Biloxi.

Enormous progress towards reopening major highways has been made. Innovative contracting techniques have resulted in the re-

opening of the I-10 Bridge at Pascagoula on October 1st, nine days ahead of schedule. Transit equipment and facilities in New Orleans were particularly hard hit by the hurricane. A majority of New Orleans regional transit agencies' bus fleets suffered water damage, were stolen or vandalized, or were commandeered by other government agencies.

In addition, the newly opened Canal Street system was severely disabled with all of the new trolley cars, and the track, and necessary systems suffering severe water damage. In addition to restoring and replacing transit infrastructure and equipment, a major challenge is restoring transit service, particularly in areas where large numbers of evacuees have settled, such as Baton Rouge.

To ensure that these projects receive the required individual attention, FEMA has given a total of \$48.4 million in emergency transportation funds to the Department of Transportation. These funds are managed by the Federal Transit Administration and are being made available to the New Orleans, Baton Rouge, and Mississippi Coast Transit Agencies to provide public transportation services to workers, commuters, and families in the region.

The Committee expects that assessing the full impact of the hurricane will require several more weeks and, again, this hearing is intended to give members an understanding of the current state of affairs. Next Thursday, the Subcommittee will follow up on today's hearing when we will hear from State and Local transportation officials from Louisiana, Mississippi, and Alabama.

I would like to thank our witnesses, and I look forward to your testimony. I would yield to Mr. DeFazio for any opening statement.

Mr. DEFazio. Thank you, Mr. Chairman. Thank you for calling this important hearing. I think you have outlined the subject matter very ably. We need to know the extent of the damage and the costs of repair. Hopefully, we can find ways, either within the normal processes of funding transportation infrastructure, or through perhaps special allocations that will be part of the disaster package to provide funds adequate to deal with these problems.

In public, there has been some discussion of how we should reopen the Highway Bill to pay for the Katrina disaster, and there are two problems with that idea. One is that people are thinking of spending funds far outside the area authorized by law for gas tax dollars not directly transportation related, and I would vigorously resist that.

Secondly, since the bill we passed, although much better than where we were a year ago, in the end is a good bill, but it wasn't a great bill for America. We are still going to lose ground over the next four years in terms of meeting the needs for congestion mitigation, management, growth, and the existing infrastructure maintenance, let alone deal with other problems that might crop up. The funds there already were inadequate.

So my hope here is we will make a strong case that this was an extraordinary event and that the transportation related repairs should come out of the other disaster funds which Congress is going to appropriate in the coming months.

Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Any opening statements, Mr. Blumenauer?

Mr. BLUMENAUER. Mr. Chairman, I appreciate your focusing in on this. I find that in various subcommittees today I have been spending most of my time on this subject, and I think it is appropriate that we do so. In addition to finding out what the situation is now, learning from our witnesses about the extent of the activities, their progress to date and there certainly have been already some success stories that I think have potential lessons for us to learn about the longer term prospects for contracting in this area, I am hopeful that you, Mr. Chairman, our Ranking Member, can work with the other two Subcommittees that have been aggressively moving in this area on the Transportation and Infrastructure Committee to advance some suggestions about making the contracting process more results-driven, increasing confidence in its transparency and effectiveness of the hundreds of millions of dollars of contracts that are going to be let. We are burning through \$14 million dollars an hour that we are spending now.

There may be some lessons to be learned about some experience that we have had in the transportation arena already that has been very results-driven and that has raised the confidence level. But I hope that we can think about longer term principles if we are going to be dealing with massive reconstruction and major investment: some principles that we might be able to promulgate with this Committee with the help of our witnesses here today about how that money is spent and where it is spent.

I am hopeful that at some point we may get a little feedback about my, I confess, parochial interest; it is very narrow. You alluded to the problems with part of the streetcar system. The St. Charles Line is the oldest continuously operating streetcar in America. I think it dates back to 1835 when it was drawn by mules. There is tremendous opportunity based on some of the work that this Subcommittee did with the Small Starts Provision and looking at a very cost effective approach to streetcars, something may be done in New Orleans to build on the reconstruction of this historic system that could dramatically accelerate, in a very cost effective manner, the reconstruction of historic New Orleans in a very safe and conscientious fashion.

So at some point, Mr. Chairman, I will probably be lobbying you and our colleagues to maybe look at some applications there that, for a relatively small sum of money, might have a very dramatic impact on that community and serve as a model for our Small Starts Legislation that might help with the other 82 communities around the country that want streetcars.

Thank you for your indulgence.

Mr. PETRI. Thank you. Now, we will turn to our panel which consists of Richard Capka, Acting Administrator, Federal Highway Administration and Susan Schruth, the Associate Administrator, Federal Transit Administration. Sir, would you care to begin?

TESTIMONY OF THE HONORABLE J. RICHARD CAPKA, ACTING ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, UNITED STATES DEPARTMENT OF TRANSPORTATION; SUSAN E. SCHRUTH, ASSOCIATE ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION, UNITED STATES DEPARTMENT OF TRANSPORTATION

Mr. CAPKA. Thank you, Mr. Chairman, Mr. DeFazio, members. I appreciate the opportunity to discuss Federal Highway's response to Hurricane Katrina, and I would like to ask that my full statement be made part of the record for this hearing.

Mr. PETRI. Without objection, it will be.

Mr. CAPKA. Thank you, sir. First, I would like to offer my sympathy to all of those affected by the recent hurricanes and assure you that Federal Highways is committed to expediting recovery in the devastated areas. We work closely with the State and Local officials before, during, and we continue to do so.

In discussing our response, it is important to note that through our day to day mission activities, our permanent Federal Highway Division office staff has developed firsthand knowledge of their respective States and strong professional and personal relationships with the State and Local highway officials. This provides an excellent foundation for an effective, coordinated, and rapid response.

As soon as we could reenter the affected areas, Federal Highway sent in personnel, including staff from outside the affected areas to work alongside State and Local officials to help assess the damage and to facilitate response and recovery efforts. I visited the areas with Louisiana Secretary of Transportation, Johnny Bradberry; Mississippi Department of Transportation's Executive Director, Butch Brown; and Mississippi Highway Commission Chairman, Wayne Brown.

While TV coverage, and aerial surveys, and photos of bridge and roadway damage along I-10, U.S. 90, and other areas certainly tell the story of Katrina's force, they couldn't convey the full impact of the devastation that I witnessed. I must express my admiration for the State and Local highway department and road crews. Despite the fact that many of them suffered great personal loss along with their community neighbors, these dedicated crews began clearing debris including downed trees and power lines from highways and bridges as soon as it was safe to do so.

Consequently, in less than a day, the States had removed debris from their Federal aid highways to enable ready access for the first responders.

Federal Highway employees worked shoulder to shoulder with State highway officials to rapidly assess the damage and to shape strategies that would provide the most efficient and effective response. We facilitated getting Mississippi and Louisiana officials together with the Florida experts who had experience with Hurricane Ivan last year to shape strategies required to address the bridge damage suffered along Interstate 10 and U.S. Highway 90.

We also worked with the States to expedite procedures to get contracts underway with repairs. Incentives had been used effectively to ensure quick restoration of lost essential service. For example, Mississippi awarded a \$5.2 million contract to repair one of the highest priority roads in the region, the I-10 bridge at

Pascagoula, and included not only incentive if work is to be completed in less than the 31 days but also a corresponding penalty for finishing late. I am pleased to report that this bridge reopened on October 1st, almost 10 days ahead of schedule.

Louisiana has used a similar technique to restore initial service across the I-10 bridge at Slidell. The first phase of the I-10 repair, to reopen one of the two heavily damaged spans to two-way traffic, was completed this past week on October 14th, 16 days ahead of schedule. We strongly support these incentivized contracts, and we will continue to coordinate and synchronize our efforts with our other Federal agencies, and will continue to work closely with State and Local Governments to help restore the Gulf Coast as quickly as possible.

Finally, I would like to note that Federal Highway administers the Emergency Relief Program which provides reimbursement to States for expenses related to highway infrastructure damage associated with natural disasters and other emergency situations. To date, Federal Highways has provided \$10 million dollars in quick release emergency relief funds to Louisiana and Mississippi.

While quick response is important, we are also mindful that financial accountability is also important. Federal Highways has taken specific steps to effectively manage expenditures relating to Hurricane Katrina recovery efforts. We will ensure that these funds are spent wisely and that emergency relief projects comply with the Federal requirements.

Mr. Chairman, members, thank you for opportunity to testify, and I will be pleased to answer the questions that you may have.

Mr. PETRI. Thank you very much. Ms. Schruth?

Ms. SCHRUTH. Thank you, Mr. Chairman and Mr. DeFazio, members of the Subcommittee. Thank you for the opportunity to testify today on behalf of the Federal Transit Administration regarding FTA's activities and progress in the Gulf Region affected by Hurricane Katrina.

The weekend of August 27th, our Nation watched with growing concern as Hurricane Katrina strengthened across the Gulf. In her aftermath, FTA's response has been focused, aggressive, and ambitious. Public transportation is a lifeline for countless Americans. From the start of the response effort, FTA has been providing on-site and hands-on technical assistance to transit agencies.

As we move forward, we are dealing with two separate but related crises. First, we need to restore service in communities devastated by Hurricane Katrina, and clearly the most significant damage was realized by New Orleans and the Gulf Coast in Mississippi. But second, we need to expand service in communities such as Baton Rouge and smaller rural areas that have seen their populations increase overnight, in the case of Baton Rouge doubling overnight, because of the influx of evacuees.

In the first days after landfall, FTA coordinated with transit agencies unaffected by the disaster and with our industry partners to provide buses, equipment, and personnel for the immediate response. Within the first week, FTA delivered vital information into the hands of our grantees, including how to contact local FEMA officials by state and information about how to access information concerning financial assistance.

FTA detailed over 20 staff and 7 contractor teams to disaster areas across the affected region to help local transit authorities reestablish transit service and to support the recovery effort. Within two weeks, FTA announced it would allow transit agencies affected by the hurricane to make use of Federal funds to buy supplies, repair equipment, or begin reconstruction without immediately having to provide local matching funds.

The Mississippi Department of Transportation became the first agency to benefit from this action, with a \$6.1 million formula grant. These funds will be used to benefit 22 transit bus operators to buy new vehicles, pay salaries, or provide other necessities that will help restore service.

We have worked to secure a \$47 million mission assignment with FEMA for emergency relief funds for transit services in New Orleans and Baton Rouge for a period of six months. We worked to secure two 60-day mission assignments from FEMA for emergency transit in six Mississippi Gulf counties, first for \$1.4 million for Coast Transit and the three counties it serves, and second for a \$492,000 mission assignment which will be administered by the State of Mississippi for three rural counties north of the coast. These emergency funds will give residents the mobility and freedom to go grocery shopping, apply for social services, or such basic things as keeping appointments with doctors.

These are small steps but necessary steps in the reestablishment of normal daily routines. I want to underscore the importance of these funds for rural communities throughout the entire region affected by the disaster. Small transit agencies, nonprofit providers, and many rural areas in the Gulf Region have seen demand increase dramatically as thousands of evacuees have joined their communities, but they often do not have the excess operating capacity to meet that demand.

We are pleased that over 60 larger transit systems are providing free transit passes to evacuees who have been relocated to their cities. This is not the case in the rural areas where sometimes there is no public transportation or very small transit systems.

Our priorities for the coming months include: to carry out the FEMA mission assignments which we have received; to work with the Gulf States and FEMA to fund additional mission assignments so that we may provide transit service in areas that have these relocations of evacuees; we are working to help transit agencies secure FEMA public assistance funds which will pay for reconstruction and replacement of damaged vehicles, facilities, and systems; and we will continue our onsite technical assistance with contractor support to the entire Gulf Region.

Finally, we will actively support the local planning process as communities invite us to do so to ensure that transportation options are integral considerations in the future planning for the cities in the region.

As with any natural disaster, Hurricane Katrina challenged us as public servants to deploy the substantial resources of the Federal Government in a way that works for local communities as they strive to rebuild. Mr. Chairman, in the seven weeks since Katrina made landfall, FTA has met this challenge, and we will continue to do so in the coming months.

Thank you very much for this opportunity, and I am happy to answer any questions.

Mr. PETRI. Thank you.

Mr. DeFazio, any questions? Would you care to start?

Mr. DEFAZIO. Thank you, Mr. Chairman. Mr. Capka, I would just like to get into the emergency funds: what is available; what has been spent; and the sourcing of the funds, whether we are talking about the emergency funds under the trust fund section or whether we are looking at FEMA general funds for some of these emergency funds; some of the funds you talked about that have been used for the bridge repair and that. Is there a split, or where are they coming from?

Mr. CAPKA. Well, sir, the funds that are being used on the Federal Aid Highway System are Federal aid dollars that come through the trust fund. Specifically responding to the damages associated with the hurricanes, those funds would be out of our Emergency Relief Program, our emergency relief funds. We don't manage or we don't pass through FEMA dollars in our Emergency Relief Program.

We work carefully with FEMA to ensure that we have defined the damage that is eligible under emergency relief and then damages that would have to be picked up by FEMA. So if it is on a Federal Aid Highway road system, then it would be emergency relief. If it is off-system, then it would be up to FEMA to provide the funding.

Mr. DEFAZIO. What about debris removal from the Federal System, is that FEMA's responsibility or your responsibility?

Mr. CAPKA. Debris removal from the Federal Highway System would be the emergency relief. It would be Federal Highway funds to do that.

Mr. DEFAZIO. Okay. My understanding is, as I recall during the deliberations over SAFETEA-LU, there was some discussion of oversubscription of these emergency funds in past years.

Mr. CAPKA. Yes, sir. As you are aware, we have on the first of October of every year, we are given another \$100 million to add to the Emergency Relief Program. Our backlog to date of all the unpaid claims against emergency relief is about \$610 million. So there is a backlog.

Mr. DEFAZIO. Let me see if I understand this. So if there is a backlog of \$610 million, but we are currently expending funds, so are we putting the Katrina work first in line and they are getting direct reimbursement, or are they just getting credited for potential future reimbursement when there are funds, and it is being spent out of the State allocation?

Mr. CAPKA. Sir, the latter is more accurate than the former. However, in every year we set aside a small amount of money, relatively speaking, of the \$100 million to be available for immediate release in the event of a major catastrophe.

This year, we provided \$5 million to Louisiana and \$5 million to Mississippi, certainly a small down payment on a very large amount of repair work that needs to be done. The balance of the program is generally allocated to the States that have the backlog claims against the account in a prorated share.

So in answer to your question, Mississippi and Louisiana have had to use other funds to accomplish some of this work with the promise of being reimbursed at some time in the future.

Mr. DEFAZIO. Okay. What about when there is, say, an upgrade involved? Sometimes if you had a bridge that was pretty well decimated that was substandard or obsolete, obsolescent, it would not necessarily make sense to rebuild it in the same configuration. How would that be apportioned as an obligation against future emergency funds versus the State's regular allocation?

Mr. CAPKA. Yes, sir, there may be cost sharing involved with respect to betterments. But in answering to your question about some of the bridges, the first decision we have to reach with respect to emergency relief eligibility is whether the bridge, as an example, would be repaired in kind to pre-Katrina condition or replaced in kind to pre-Katrina conditions.

And we have to do an analysis of the difference between repair versus replace, much like an insurance adjuster would do in totaling a car as an example. And if the repair cost approaches that of replacement, then we would allow the State to replace the bridge using ER money.

Now, once that decision—

Mr. DEFAZIO. But if it was an upgrade on the replacement, that would be different?

Mr. CAPKA. Absolutely, yes, sir. Now, if it is eligible for replacement, the bridge would then be replaced to a standard that reflects the current view, the current forecast of traffic requirements, loading requirements, the best of the design criteria that we are aware of today. So we would allow the full upgrade of the bridge, using the emergency relief funding.

Mr. DEFAZIO. Really?

Mr. CAPKA. If it is beyond current traffic projections.

Mr. DEFAZIO. Right.

Mr. CAPKA. If a traffic projection called for a four lane bridge, but they wanted to, the State wanted to go to six lanes, if that six lanes was not justified by traffic forecast, it would a betterment to be borne by the State and other funds.

Mr. DEFAZIO. Okay. I assume that the Davis Bacon Waiver promulgated by the President applies also to these projects?

Mr. CAPKA. It does, sir.

Mr. DEFAZIO. I asked this question of the FEMA IG. I asked if the FEMA IG could quantify cost savings, since here we have contracts that are being let on an extraordinary basis with large incentives for prompt completion. I don't know how those estimates are set to say that it would really take 30 days to reopen fully two-way traffic on one bridge with unlimited lanes versus 20 days, who makes those estimates and determines how big those rewards are for early completion?

And I hope that is all done very carefully, so this doesn't provide a windfall when it could have readily been done in 20 days no matter what. Secondly, the IG from FEMA could not quantify and will be looking at the no-bid contracts that are being let to see whether or not we just end up with excess profit-taking as opposed to any savings to the taxpayers from the suspension of Davis Bacon to have people work at less than living wages.

Mr. CAPKA. Sir, in answer to and in response to your first comment about the --

Mr. DEFAZIO. Timelines.

Mr. CAPKA.—the contracts with incentives and whether or not the estimates of time to complete reflect accurately the incentives that are provided, I would like to comment by saying that these contracts where we have had incentives were competed contracts. And so the various contractors who bid on this work understood the risks and the benefits going in, and our assumption is that is reflected in the bid.

Mr. DEFAZIO. You can bid certainly on costs, but I am wondering if they just said: There it is. We want it open as soon as possible. Give us a bid and a number of days it will take you to do that bid. As opposed to: We think it is going to take 30 days. You give us a bid for doing it in 30 days, but if you can do it—do you know what I am saying?

It seems like you might want to include both variables in a bid and say: Okay, we want it done as cost effectively as possible, as quickly as possible. Now, go out and give us a bid.

Mr. CAPKA. What we did, as an example, on the Slidell Twin Span Bridge in Louisiana, the requirement was to restore two lanes of traffic, one span in 45 days. That was the requirement from the Louisiana Department of Transportation. The contract also specified if you can do it sooner, we will give you \$75,000 a day to do it sooner. There is also a penalty if you take longer, and a maximum of 15 days worth of incentive.

So if they finished in 16 days, which they did, they only got 15 days worth of incentive. So there were some boundaries put on the incentive. That was known to all four. I believe there were four bidders on that contract. That was known to all four.

So when they submitted their bids, they understood how quickly they could do it, what kind of equipment, what kind of hours they would need to work, and that was all kind of cranked into the number. The lowest bid, the winning bid by Boh Brothers in Louisiana was \$31 million. Of course, they received better than \$1 million in incentives. So in effect, it was a \$32 million contract to Louisiana. The second low bid was \$40 million, and you can go up higher for the third one.

Mr. DEFAZIO. Sure. But I guess the variable here and the thing concerning me is: Do you review? Do you have engineers from USDOT that review the LDOT's estimate that this Federal eligible structure needs the 45-day window they set, whether that was reasonable? Do you know what I am saying? There are some people that do not have a tremendous amount of confidence in some of the Local Government down there or State Government.

Mr. CAPKA. Well, sir, what we did specifically on that particular bridge is we brought in experts from Florida who had had similar experience on their bridge in Escambia Bay and Pensacola. So we brought the experts in who had firsthand experience, and we sat them down with the officials there in Louisiana. Collectively, we looked at—

Mr. DEFAZIO. Okay, so, you are. So you are.

Mr. CAPKA. Yes.

Mr. DEFAZIO. Okay, all right. That is good. So the second thing is in terms of being able to apportion, calculate, or otherwise estimate what the effect of suspending Davis Bacon was on these contracts?

Mr. CAPKA. Sir, that is very difficult for me to assess at this point.

Mr. DEFAZIO. Well, is there going to be a built in review process? If we are going to do this, we ought to know whether or not it just ends up in the contractor's pocket or it actually saves the taxpayers money. And if it ends up in the contractor's pocket, even the President wouldn't have a rationale for suspending—well, he would because they may be contributors, but otherwise he wouldn't have a rationale for suspending Davis Bacon.

Mr. CAPKA. Sir, I think the assurances that we have tried to apply to the way we let contracts is to go competitive bid. Aside from the very early emergency work that had to get done immediately, debris removal and some of that very, very early work, we have had the Emergency Relief Program managed on a competitive bid basis.

And so the competition among the various bidders will keep those, the bids, low and I think that is the implied philosophy that we are taking towards this. It will all be normalized because they are bidding against one another, using the same labor rates that are permissible. And so they are all on the same footing, and the low bid will reflect the best possible price for the State and for the Federal Government.

Mr. DEFAZIO. Okay, thank you. Thank you, Mr. Chairman.

Mr. PETRI. Thank you.

Mr. Sodrel?

Mr. SODREL. Thank you, Mr. Chairman.

Ms. Schruth, could you tell us which of the transit agencies were the most affected by Katrina, and do you have cost estimates on what it will take to make them whole, transit agency by transit agency?

Ms. SCHRUTH. I can give you some of that information. New Orleans Transit had the most damage and partly because they were the largest system affected by the hurricane. They had 360 buses and approximately 60 light rail vehicles. They had over 40 paratransit vehicles and then other support vehicles that were all under water for a significant amount of time. They had four facilities, bus facilities and a car barn, as well as an administration facility that were all damaged.

We had our contractors, our project management oversight contractors, engineering firms, go with NORTA to inspect their facilities. NORTA could not actually get access to their facilities until about September 20th. We were there with them when they did their initial inspection. We don't have final estimates of what it will cost. Some things will be salvageable; some things will have to be completely replaced.

We have just decided that we also need to send a vehicle firm down because of the undercarriage damage to buses. We are not sure what impact that has on the whole vehicle. That was the most significant damage. Also, obviously, the tracks can't carry the sys-

tems that support the rail. I think some of the rail cars will be salvageable, but some will not. We just are not exactly sure yet.

Coast Transit also received significant damage. They had about 80 bus kiosks that were along the coast that were completely ruined. Most of their buses were damaged, and we are in the same situation trying to figure out if they are salvageable or have to be replaced. They had damage to their bus facility as well as their administration facility that can be repaired.

There was some damage in Miami. There was some damage in Mobile. And then Jefferson Parish, which is the largest county next to New Orleans, I believe lost most of its fleet which is about, I think, 20 vehicles. So we don't have a price yet.

Mr. SODREL. Just as a follow-up, I understand you can't move buildings, and I understand that you may have a limited ability to move trolley cars, transit cars, rail equipment, but do you have any idea why the rolling stock was not moved to higher ground when you have several days advance notice?

You know there is a Cat 5 coming. You know your levees are good for Cat 3. Why weren't they moved to higher ground?

Ms. SCHRUTH. Well, I think—

Mr. SODREL. If you know.

Ms. SCHRUTH. We know that 200 of the vehicles were used by the mayor to help evacuate folks from the City of New Orleans. And we frankly think that New Orleans did an admirable job, to the point that those vehicles were in service for such a long time and so late trying to evacuate people, that the bus drivers actually had to go to the roof of the bus facility and get rescued themselves, and part of that was their commitment to get as many people out of the City as they could.

The other vehicles, I don't know. We assume that they were in regular transit service, but at least two-thirds of them were actually being used by local officials for evacuation purposes.

Mr. SODREL. Thank you. Thank you, Mr. Chairman.

Mr. PETRI. Thank you. Mr. Blumenauer.

Mr. BLUMENAUER. Thank you.

I am curious about the contracting principles you had discussed earlier with Mr. DeFazio that promote more timely performance. To what extent are other Federal agencies in consultation with you to talk about utilizing the same techniques to make sure that people who are providing other services and activities have contracts that are structured similarly, that are pointed towards delivering efficient outcomes?

Mr. CAPKA. Sir, I am not personally aware of interagency discussions of contracting techniques other than what is provided through the FAR and the Federal Acquisition Regulations that we do have as guidance. We also have within the Emergency Relief Program, we have our own principles that we use when we are contracting. And so we basically followed the procedures that we had in place.

Now, if there are some discussions in terms of lessons learned, and certainly we had many from last year that we employed this time around, there are many opportunities for us at those lessons learned forums that will certainly take place to share those, the good news and the challenges that were out there.

I would say we are integrating and incorporating these lessons learned as we go along. We are not waiting until the very end. But personally, I have not been personally involved in those kinds of discussions with other Federal agencies.

Mr. BLUMENAUER. Mr. Chairman, in the spirit of the notion of lessons learned and that we are not waiting but we are trying to incorporate it as we go along, I would hope that there may be a way, as we are discussing with our other subcommittees a variety of other projects and contracts, to be able to explore the extent to which there are contracting techniques that are cost-based with incentives for performance. Hopefully, we are getting to a point now where these are all routinely subjected to competitive bidding.

I am pleased that even though you were talking about quick turnaround for projects that were vital to the recovery effort, they nonetheless were subjected to perhaps truncated but nonetheless competitive bid. I think that is an important lesson for us in terms of being able to deliver to the taxpayer.

We are in the process of looking at billions of dollars in contracts. We have, I think, \$25 or \$30 billion as yet that is unobligated. We have authorized it, but it is not really in the pipeline. Maybe this is something we could help with to try and zero in on how the rest of these contracts are going to be executed, look at the good example from our friends in Transportation, and see if they could have broader application.

My other area of inquiry deals with the extent to which facilities that are going to be designed and relocated and that we are making sure that, again apropos to Mr. DeFazio's point about maybe in some cases it makes sense to upgrade or not give people the best state of the art facility from 1956, we are paying attention to the typography, the hydrology, the geology, so that we are not putting things back in harm's way, that we are looking at new standards and new placement.

Is that part of the thinking from either of your agencies at this point, or is that beyond the scope of what you feel you are able to do now?

Mr. CAPKA. Sir, that is absolutely part of our looking forward and the recovery work that we are taking, particularly the permanent repairs. Examples of the permanent repairs are the bridges at Biloxi and Bay St. Louis. We did not have an opportunity nor the materials to go in and do a rapid repair like we did on the Slidell Bridge to get things just back up and running.

So the next step is to fully replace those two bridges. We have had design conferences in Mississippi to work with the Mississippi DOT, bringing experts in from our office in Washington to review exactly that.

What are the new design criteria that need to be established to ensure that we have the clear freeboard, that we won't have storm surge issues with bridges in the future, or what are the design adjustments that need to be made? So we are collecting that information now.

And in fact, we had this design conference in Mississippi that will allow them to move forward in a design-build way to issue a request for proposal before the end of this month, using those en-

hanced design requirements. So we are doing that with respect to the repairs and recovery work that we are doing right now.

In addition, we are looking further. We are looking forward into other areas that may be susceptible, may not have had a hurricane problem this year, but what about other locations that might be vulnerable. And so we are looking at other inventory bridges to see where that might occur and then to look to see if there might be a retrofit program that would be appropriate to handle those bridges before the event occurs.

So we are trying to take these lessons learned, incorporate them as we go along, and as importantly look to the future to where other areas may be vulnerable and apply those as well.

Mr. BLUMENAUER. Thank you very much. I am curious, Mr. Chairman, about taking it a step a little further in terms of the larger environmental context. We find that there has not been the greatest sensitivity, shall we say, to the preservation of wetlands, the sense of how natural design can buffer the impacts of nature, and I would be curious how far that philosophy that you articulated extends to a broader environmental sensitivity that has not necessarily been evidenced with much of our federally financed infrastructure in the region.

Mr. CAPKA. Sir.

Mr. BLUMENAUER. Thank you.

Mr. PETRI. Representative Taylor?

Mr. TAYLOR. Thank you, Mr. Chairman and Mr. Secretary. I apologize for running late.

A couple of things I would like to ask you. I noted with interest your talk of the replacement of the Biloxi and Bay St. Louis Bridges, and I do want to thank you for what is being done, as we speak, to get Highway 90 in Harrison County, that is the County where Biloxi is, operable again as quickly as possible. As you note from your visits down there, we have Highway 90 which parallels the coast, and then you go 10 to 15 miles inland parallel to that is I-10.

So if you happen to have lived in a place like Bay St. Louis, and you now want to visit your neighbor three miles as the crow flies over in Pass Christian, you have probably got off the top of my head a 25 to 30 mile drive instead of what used to be a 2 mile drive. Same thing on the other side, not quite as bad getting from Ocean Springs to Biloxi but substantial.

Since a significant portion of our revenue is from tourists, gaming, casinos, and hotels, and since a significant portion of that does come from Louisiana and New Orleans in particular, what would be the mechanism, if any, and is there historic precedence after other disasters of trying to apply for some sort of ferry, either car or passenger, between Bay St. Louis and Pass Christian, between Biloxi and Ocean Springs in the approximately two years it is going to take to replace those bridges?

I am told that even in this design-build that we are looking at 18 months. There obviously has to be some time for the competition to take place, and there is obviously going to be some wiggle room on both ends of the contract. So we are looking at two years of significant inconvenience to people's lives. Is there a precedent after previous storms for doing that.

And the third thing I would ask you to look at, in addition to the ferry service, is one of the good news stories is that the railroads, apparently since their bridges were pre-stress and since they intend on just replacing them as they were, think they can pick up a significant number of the sections of those bridges and just put them back in place and have the rail line going in six months instead of two years.

Is there precedence for ever using the railroads to transport vehicles across that body of water, let them dismount, and get back on the highway as an alternative to a passenger ferry or a car ferry?

Mr. CAPKA. Sir, with respect to your first question about ferries, I am not aware of the precedent, but I am aware that it would be eligible to receive Federal support from the Emergency Relief Program to work a ferry. I do know that Mississippi and Alabama have been conferring over the possibility of Mississippi picking up some ferries from Alabama to work that.

Mr. TAYLOR. How was that initiated? What is the process for that?

Mr. CAPKA. The Mississippi Department of Transportation would determine what is in the best interest from their perspective, and then they would apply for emergency relief funding to cover the operations of a ferry.

Mr. TAYLOR. And off the top of your head, what is the reimbursement ratio on that?

Mr. CAPKA. Sir, off the top of my head, I am not quite sure, but it would probably be cost shared 80-20 percent, more than likely, because it is a long term operation of a ferry, but I would have to get back with you on that specifically.

Mr. TAYLOR. Would you, please?

I know years ago the railroads were touting loading vehicles on trains and running that train from a place like New York or D.C. down to Florida. So obviously, that type of equipment exists. Is there precedent for a shorter haul doing the same thing, but a shorter haul of only a couple of miles, again getting from one side of Bay St. Louis to the other, getting from one side of Biloxi Bay to the other, since those bridges will be up and running as far as rail lines, hopefully within the next six months?

Mr. CAPKA. Sir, again, I am not sure about the precedent. I am not an expert on the rail. I do know from the discussions that Mississippi and Alabama have, or at least the deliberations in Mississippi, they are considering cycle time. How long it would take to get cars using a ferry or in the suggestion that you have made using some kind of rail transport, the cycle time, and then comparing it to what the detour cycle time might be. So I know that they are trying to analyze that.

The second piece of information I think they are waiting for are the proposals that come in from the contractors on this design-build, to see what kind of time frames they are looking at for the replacement of the bridges, and then I think they will have all the information they need to make their best decision.

Mr. TAYLOR. I am a big believer in making the most of whatever hand you are dealt, and obviously we have been dealt a pretty bad hand.

One of the good things that this Committee has done in the past couple of years is work with myself and others in passing legislation that said if a bridge is within X number of miles of a navigable waterway, and it is going to be destroyed anyway, of making it in the national interest that that bridge and the rubble from that bridge be taken offshore and doing some beneficial use with it, being the construction of a jetty, a fishing reef, estuaries, or protection of coastal marshes from erosion.

It is the law of the land. I can't remember if we passed last session or the one before that, but it is on the books.

I would sure ask for your cooperation in the case of those two bridges in Mississippi. I hope this is a one time, once in a lifetime event. I hope I don't see the next Biloxi Bridge and the next Bay St. Louis Bridge end up like the last two. But since it is, hopefully, a once in a lifetime event, I would sure hope that we make good use of this and take that in the case of the Biloxi Bridge off of Deer Island which is a State owned island near shore which has been eroding significantly, and try to put a barrier out there to keep it from washing away.

In the case of the Bay St. Louis Bridge, we have a precedent just in the past couple of years of taking an interstate bridge that was replaced. We took it offshore and made a fishing reef out of it. And I would hope in your capacity that you would help, and cooperate, and encourage that as well.

I just happen to have met with the head of the Mississippi Department of Marine Resources at lunch today. He is very much interested in this. In fact, he has already applied for the permits through the Corps of Engineers. The Corps is on board. The State is on board. I hope our Nation will be on board towards this effort as well.

Mr. CAPKA. Yes, sir, we will ensure that the consideration is given in the deliberations that lead up to these proposals that come in and are affected in terms of the bridge replacements.

Mr. TAYLOR. I have got a town meeting in Biloxi Monday night, and I am sure one of the questions is going to be how big, talking about wide, the new bridge will be, how many lanes. I have already been told by the Coast Guard that is going to have an 80 foot clearance vertically. Can you tell me how many lanes I can report to these folks that you all have agreed upon for the new bridge?

Mr. CAPKA. Sir, I would like to report back to you on that. My understanding is that at Biloxi it would be a six lane bridge, and they are landing the bridge so that the footprint changes either on the Ocean Springs side or the Biloxi side would be minimal. But I would like to get back with you with the specifics on how all that is shaping up and to confirm that it is, in fact, six lanes.

Mr. TAYLOR. Okay, and if you could provide me any additional information. A fairly common topic in my town meetings is the need for ferry service. It comes up, particularly in those areas fairly often, and if I could report to them whatever progress you are making along that, I am sure they would appreciate it, and I know I would appreciate it.

Mr. CAPKA. Yes, sir, and I will be sure to pass that on to the Mississippi Department of Transportation as well.

Mr. TAYLOR. I guess the very last thing I would want to mention, and again we are very grateful for the help we are getting from you and from all the other National agencies.

One opportunity that has recently presented itself is, as I am sure you know, prior to the storm, the casinos by law had to float. It is a holdover from the old days when they went from riverboats that had to be underway, then to riverboats that were docked, to barges that were docked, but the key word was that they had to be over water. That law has been changed. Governor Barbour signed that law change, I think, yesterday that allows them to come 800 feet inland.

Before, Highway 90 did have some fairly significant bottlenecks near the casinos for obvious reasons. You couldn't go south because the casino was there; you couldn't go north because of the existing dwellings that were there.

A lot of that landscape has changed. I do think the movement of the casinos to the north side of the road does present some opportunities on the south side of the road to move traffic a bit more rapidly for the people trying to make haste going from east to west or the other way around. I would hope your engineers are keeping that in mind for these changes so that when we rebuild Highway 90, we do it right the first time.

Mr. CAPKA. Yes, sir, the Highway 90 is being restored in phases, and the first two phases are to do the essential repairs just to get all four lanes open and operating. And so they are going to go back in immediately to try to get that done as quickly as they can to support the recovery effort.

The last phase of Highway 90 would be the complete restoration to the appropriate standard. It would be at that time that the Mississippi Department of Transportation would then have to figure out whether they need to do just an alignment, whether they would need to make some other alterations in how Highway 90 was to run between Bay St. Louis and Biloxi. At that point, I think there will be opportunities to discuss exactly how that would occur.

Mr. TAYLOR. Okay. Thank you, Mr. Chairman. Thank you for being here, Mr. Secretary.

Mr. PETRI. Mr. DeFazio, do you have something?

Mr. DEFAZIO. Thank you, Mr. Chairman.

To Ms. Schruth, we had some discussion on the highway side about emergency apportionment that we have as part of the formula even though it is oversubscribed. I understand there may be some, and I was surprised here.

I hadn't heard that the Transit folks had done such a great job in evacuating, and that is heartening to hear. I assume that was done under local authority, and I guess there is a question of whether or not that is a reimbursable activity since they were operating outside their normal charter, is that correct?

Ms. SCHRUTH. We issued policy guidance that the emergency use of transit vehicles was in the public interest, and we were supportive of that. It would probably be considered incidental use which would be the typical determination we would make for the use of transit vehicles, so.

Mr. DEFAZIO. So it would be federally eligible?

Ms. SCHRUTH. Yes.

Mr. DEFAZIO. Okay. Do you feel that we need to look on the transit side at setting up some sort of-I don't know where the funds will come from. Of course, you are not providing operating dollars, right?

Ms. SCHRUTH. We do for areas under 200,000.

Mr. DEFAZIO. Okay, but for New Orleans, they wouldn't be eligible?

Ms. SCHRUTH. Right.

Mr. DEFAZIO. They could apply to FEMA, I guess, for the costs of operating those buses to evacuate people, is that correct?

Ms. SCHRUTH. Yes, at DOT or ESF-#1, Emergency Support Function 1, which is the Department of Transportation. We receive the mission assignment from FEMA. So we are actually the contracting agency with NORTA who will provide service in both Baton Rouge and in New Orleans. It is FEMA Funds, and it is FEMA. It is a Stafford Act Program.

Mr. DEFAZIO. Well, that is what you are talking about, the restoration. I am talking about the actual evacuation costs and those sorts of things in the future. I am trying to get at the point of whether there is any impediment here. We don't ever want a local jurisdiction to hesitate to use whatever resources they have to get out of harm's way because they are worried what it costs.

Ms. SCHRUTH. We can make that clearer. I think we have sponsored drills and have paid for about 90 of them around the Country, specifically to get transit at the table so that they are part of the evacuation process.

Mr. DEFAZIO. Okay, that is good. Okay. Thank you, Mr. Chairman.

Mr. PETRI. Thank you. Just a few final questions.

We are having next week a panel of State and Local transportation officials from the affected areas. You both had experience in dealing with a variety. This is not the only disaster, unfortunately, that we have encountered, and you coordinated transit things in response to 9/11 at the Federal level in Manhattan for some time.

Could you characterize at all the level of cooperation that you are getting between Federal and State officials in dealing with the transportation issues to maximize return of service?

Mr. CAPKA. Sir, I will take the first stab at your question and then pass it on to my transit colleague here. I think the cooperation communications have been excellent between our Federal Highway Division Offices that exist in each State and their counterpart State agencies.

Are there disagreements? There are always disagreements as we go forward, but the communications are there so that we are constantly looking at the challenge ahead and focused on meeting the requirements. I would say it is reflective, I think, of the fact that we do have a division, a Federal Highway Division Office in each State.

So when the emergencies occur, the players know one another, and it is not a pickup team going after the task at hand. Unprecedented challenge with respect to the damage that we have seen here, and the widespread damage, and the type of damage. The flooding in New Orleans really did close access to a lot of the highway systems just because it was underwater, and we certainly had

to wait for that to abate. In Mississippi, just the widespread devastation. And so cooperating with the State agencies was absolutely essential, and I thought was done very well.

Ms. SCHRUTH. Yes, Mr. Chairman. I think one of the positives that comes out of emergency situations is the focus on getting the job done, and I would say that was true in New York. I was lucky enough to be in Atlanta during the Olympics when we brought 1,400 transit buses in.

And I would say the same here, that there is tremendous cooperation. FTA works extensively with FEMA in providing funding for the transit assistance, and I think we have found FEMA to be responsive. We don't always agree. They are the experts on the Stafford Act. So they have had to educate us a little bit.

But I think that we have been on the ground. We don't have division offices as Federal Highway does, but we were able to deploy staff rapidly and have them in place, and we do have strong partnerships with the State DOTs as well as the major transit systems. So I think it has worked very well. I think it is staff-intensive but has, I think, paid off to the benefit of the communities affected.

Mr. PETRI. I don't know if you can respond to this with much precision, but if you can just give us a rough idea, too. When an emergency like this happens, there is clearly an initial phase where nothing is happening, that the roads can't be used and so on. Then there is a period when emergency service has been restored, but you are not back to normal. And then, you are back to normal.

Where are we in this? I assume that we are somewhere in the emergency service has been restored. Basically, is the area open to travel, even if inconvenient, now throughout the region.

Mr. CAPKA. Sir, I would say we have restored the essential traffic. If you were to look at the traffic even now backing up, waiting to cross the I-10 Bridge at Slidell, both going in and out of the New Orleans area, there is a lot of congestion as recovery traffic is going in and out.

So we are nowhere near being back to normal, but we have opened up Interstate 10 so that traffic can traverse. We are in a position by the end of the month where Highway 90, with the exception of one bridge at Henderson Curve, will be open for traffic, one lane each direction to support the return of residents and the recovery efforts that would need to take place.

The major pieces of infrastructure are functioning now. It will take a while before they are back to normal just because of the length of time it is going to take to restore bridges, something as significant as the Slidell Bridge, the Twin Span.

There also, the final work won't be done on roads until recovery is practically complete. Because of the construction loading on these roads, there is going to be collateral damage. So one of the reasons why we determined that phasing the recovery of Highway 90 was a reflection of the fact that we knew that the heavy traffic was going to cause some damage.

So we decided to wait for the ultimate permanent repair at the end of the recovery effort. As we are phasing, the short answer to your question is we are still in the minimum operation. We are recovering, but I think we have restored the essential service.

Ms. SCHRUTH. I think from the transit perspective, Mr. Chairman, we have some areas of the Southeast which would still be in a disaster state, and part of that is because evacuees who had mobility in New Orleans have been relocated to areas that have no public transportation, and a lot of these folks came without any kind of their own transportation. That is a problem area that we are still working on.

Obviously, the most significant example of that is Baton Rouge, and FEMA has supported a six month increased transit service in the Baton Rouge area. They are doubling the number of vehicles in their fleet. They have about quadruple the demand on their system that was there the day before Hurricane Katrina struck.

I think along the Gulf Coast, the system will come back more rapidly than in New Orleans. The service that is being provided right now with FEMA assistance is different service than what existed there before, but it is actually serving the needs of evacuees and residents. A lot of the roads were damaged.

So their previous routes aren't really passable at the moment, but that will be a shorter term solution. And then, obviously, New Orleans where you have major systems destroyed, major assets having to be replaced, that will be a much longer term resolution and will somewhat be determined by how New Orleans decides to rebuild itself.

Mr. PETRI. Mr. Boozman?

Mr. BOOZMAN. Thank you, Mr. Chairman. I apologize that I was late and didn't get to hear the majority of the testimony. I was in a markup in another committee concerning our veterans.

But as I go home and, in fact, I was in an earlier meeting today concerning the Corps' efforts with Katrina and things. I hear about gasoline prices. I hear about health care. But right up there at the top is a real concern in my District, and I think a real concern on the part of Congress and the American people that the funds that we have allocated in going down for relief are going as they need to be gotten to, spent in the correct way.

Can you talk to us a little bit and reassure us some of the mechanisms that maybe we can have even greater transparency in those dealings than we normally have; some of the things that we are going to be doing to reassure us as a Committee, reassure my constituents, reassure the American people that those funds are going to be spent in the correct way; and maybe some of the things that you are going to institute to make sure that we have a mechanism? We are talking about a lot of money.

Like I say, I know that the Committee, and I know that my constituents are very concerned that we do have good oversight and that you have got a plan in place to make sure that that money goes where it is supposed to go.

Mr. CAPKA. Yes, sir, I would like to take the first opportunity to respond. First of all, from the Department level, the Secretary has made it clear to all of us that the management of the fiscal resources that we are given is top priority, and he has established a team headed up by our Department's Chief Financial Officer to oversee the expenditure of resources across the Department.

So the emphasis has been placed by Secretary Mineta. Specifically, within Federal Highways, we are also very cognizant of the

responsibilities that we have to be good stewards of the Federal dollars over which we have control and have oversight.

The first thing we do is to identify, for an example with our emergency relief funding that we will be managing, and is to ensure that the money is being spent on eligible work. That is the first criteria because there is a lot of good things out there that could use money, but we need to make sure it fits the requirement for being eligible.

And then secondly, we have controls in place where the actual disbursements are not made on the emergency relief until we have legitimate bills that need to be paid. So the money isn't paid up front. The money is disbursed as the expenses are incurred.

Secondly, in the contracting mechanisms that we are using, we very much focus on the competitive bid process to ensure that the work to be done is given an opportunity to see the best and the most efficient way of expending dollars. And so we focused on ensuring that the competitive bid—once we were out of the absolute, out of the starting block kind of requirements of getting debris out of the way, we settled down to the competitive bid process. That is another technique to ensure that the process itself yields the most efficient use of the Federal dollars that we do have, sir.

Ms. SCHRUTH. We are currently administering \$48.5 million of FEMA funds through contracts with local transit agencies and the Mississippi State DOT. We have an existing oversight program which we are tailoring to these situations. We have staff currently detailed to the regions. So we have an onsite presence, both for Mississippi and in Louisiana are certified contract administrators. We have major engineering firms that we have under contract also present in the region.

So I think we are providing a higher level of oversight than we typically would. And the IG is married to us, apparently. They have spent a week there already just wanting to see what we think we are going to be doing. So I think, as Administrator Capka said, this is a high priority for us, that we know that we are spending the taxpayers' dollars, and we will do everything we can to make sure it is spent well.

Mr. BOOZMAN. Again, thank you very much. I really do appreciate your hard work, and I know that you are doing your very best. This is a difficult situation. So thank you very much.

Mr. CAPKA. Thank you, sir.

Mr. PETRI. One last question, you may have covered this but just again. Do you have an estimate, Mr. Capka, as to the total cost of the hurricane damage in the transportation area in the Gulf Region and what the Federal cost or percentage of that cost will be?

Mr. CAPKA. Sir, I can't give you a final cost this afternoon just because it is a moving target, and we are doing some evaluations. But to give you an idea of what the States have requested, and of course we have to go through the process that I just described just a short minute ago about determining eligibility: Louisiana has requested \$1.5 billion in emergency relief support.

Mississippi has requested on the order of \$700 million in terms of Federal, and that is all 100 percent Federal. Alabama has been around less than \$25 million, and I would say Florida less than \$100 million as a result of what occurred over in their area. That

is what they have requested. We are in the process of going through those in detail and ensuring, first of all, that they meet the criteria for the Emergency Relief Program, and then secondly, to ensure that our estimates and their estimates are on track.

So we are in the process of doing that internally, and we should have something that we will be happy to work with you here in the very short future.

Mr. PETRI. Yes?

Ms. SCHRUTH. The infrastructure replacement for our transit will be paid for by FEMA under the Stafford Act. And so we are working with the transit agencies to develop applications for public assistance, and we do have our contractors down, making estimates just so we can be aware of what we think that will be and to help them put these packages together.

But I know New Orleans has not submitted an application yet. I think that Coast Transit has had preliminary conversations with FEMA, and we have been there, but I don't really know the final figure.

Mr. PETRI. Just a follow-up, could you give us a feeling? You mentioned the numbers they had requested and said, obviously, you have to trust, or verify, or whatever the phrase is, to check it out and make sure that it is, in fact, necessary and related to what happened.

Can you give us a feeling? This isn't the first disaster. These sorts of requests must have been dealt with on many occasions in the past. Do you have a range? Are they almost always fully granted, or is it cut back by a third or half, or is it just all over the field?

Mr. CAPKA. Sir, I can maybe walk you through the process that we use. I can't give you a percentage of what I think our estimate of the emergency relief requirement will be. But as an example, a big question is: Do we use emergency relief money to replace and rebuild the new Slidell I-10 Bridge, or is that going to be a mix of emergency relief, and state, and other dollars to do that? We need to get the engineering reports in on the condition of the bridge so we know what the repair requirement is, and we are working this with Louisiana.

While they have assumed that the bridge needs to be replaced, we need to again, as you pointed out, verify that that is an appropriate thing for the Emergency Relief Program. It is certainly appropriate from what the bridge requirements are but specifically on the Emergency Relief Program. And I would say there are some other estimates, too, that are out there of damage that are being anticipated as opposed to damage that exists.

In terms of inundated roads that have been under water for quite some time, the questions are: Is the base course, the foundation for the road damaged to the point where it needs to be replaced, or will the roads dry out and be fine?

So there are those kinds of issues that make it extremely difficult for us at this point to converge on a number today. We are working very hard to do this, but those are the kinds of issues that are out there, and some issues we have absolutely no difference with the States. Working shoulder to shoulder with them, we are able to work through those. But there are some other items that we do need further analysis on.

Mr. PETRI. Thank you both very much. I appreciate your willingness to be here and your testimony today. The hearing is adjourned.

[Whereupon, at 3:15 p.m., the subcommittee was adjourned.]

**Statement of
J. Richard Capka, Acting Administrator, Federal Highway Administration
United States Department of Transportation
Before the Subcommittee on Highways, Transit, and Pipelines
Committee on Transportation and Infrastructure
United States House of Representatives
Hearing on Rebuilding Highway and Transit Infrastructure on the Gulf Coast
Following Hurricane Katrina
October 20, 2005**

Introduction

Mr. Chairman, Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Federal Highway Administration's (FHWA) actions to rebuild the highway infrastructure on the Gulf Coast following Hurricane Katrina. Our hearts go out to all those affected by the recent hurricanes, and we look forward to continuing our efforts to help the citizens of the Gulf Coast rebuild their transportation infrastructure and their lives. These storms have presented enormous challenges to all those involved, but the events also have helped to bring out the best in the public servants at our Agency, and I am grateful for their continued service.

I visited the affected areas with Louisiana's Secretary of Transportation and Development, Johnny Bradberry, and Mississippi Department of Transportation's Executive Director, Butch Brown, and the Highway Commission Chairman, Wayne Brown, and had an opportunity to see the devastation first-hand. While TV coverage, aerial surveys, and photos of bridge and roadway damage along I-10, US 90, and other area roads tell the story of Katrina's force, they could not convey the full impact of the devastation that I witnessed.

Critical sections of Federal-aid highways in New Orleans were submerged for an extended period of time. An I-10 bridge structure at Pascagoula was damaged, forcing single lane traffic across the remaining structure. Highway bridges along both I-10 and US 90 had huge deck slabs, weighing many tons, shifted and lifted off their support piers and dumped into the water. Massive casino barges along the Mississippi coast were yanked from their moorings and deposited onto US 90 at locations, in some cases, that were more than a mile away from their original sites. US 90, an important artery for Gulf Coast residents, was impassible in numerous locations due to the debris and structural damage. This highway infrastructure damage represents only a small fraction of the total devastation inflicted on the communities in Mississippi and Louisiana.

The United States Department of Transportation and FHWA remain firmly committed to helping the ravaged areas recover as quickly as possible. There is much work to be done in both the short-term and long-term. FHWA has been working closely

with our State and Federal partners before, during, and after the storm. Today, I would like to share with you some of the details related to our response.

Pre-Hurricane Activities

FHWA was well positioned to rapidly respond to the effects of Hurricane Katrina. We have permanent Division Offices in each State, and have developed both first-hand knowledge of the States and strong professional and personal relationships with State and local highway officials. The mutual trust and confidence that preexisted Hurricane Katrina provided an excellent foundation for an effective plan and team effort to execute a timely highway response to the hurricane disaster. Our Division Offices provided advice to State and local jurisdictions concerning Emergency Relief program eligibility and engineering and contracting issues, and shared lessons learned from prior emergency situations.

Response Immediately after Hurricanes

As soon as we could re-enter the affected areas, FHWA deployed personnel, including employees from outside the affected States, to work alongside State highway and local officials to help assess the damage and to help facilitate response and recovery efforts. In response to Hurricane Katrina, FHWA deployed 104 employees from our Headquarters and from 24 field offices to Alabama, Florida, Georgia, Louisiana, and Mississippi to support relief activities.

I must express my admiration for the State and local road crews, many of whom suffered great personal losses along with their community neighbors. Mississippi and Louisiana responded exceptionally well in getting debris removal underway. Road crews began clearing debris – including downed trees and power lines – from highways and bridges as soon as it was safe to do so after the storm. Consequently, with the exception of areas that were flooded, the States opened their essential Federal-aid highways for responders in less than a day, where re-entry was warranted.

FHWA employees worked shoulder to shoulder with our State and local counterparts to rapidly assess the situation and to shape strategies that would provide the most efficient response. We provided ready access to past lessons learned and helped Mississippi and Louisiana to work with Florida experts in addressing the bridge damage along I-10 and US 90, since Florida had experienced similar challenges following Hurricane Ivan last year. FHWA-provided information was used to support the flow of relief goods and services into the Gulf Coast region. This information was shared throughout all levels of government and with industry organizations, such as the American Trucking Associations. For example, FHWA posted State proclamations and weight permit and waiver information on our web site.

Just after the hurricanes, our Division Offices in the impacted areas conducted refresher training on our Emergency Relief program for joint FHWA and State damage assessment teams. For example, the Louisiana Division Office met with the Louisiana Department of Transportation and Development leadership and the team members and explained the Emergency Relief Program. The same type of training was held for the local jurisdictions of Jefferson and Orleans parishes. This training increased the efficiency of the teams to make Emergency Relief program eligibility decisions.

The Emergency Relief program provides reimbursement to States for expenses related to highway infrastructure damage associated with natural disasters and other emergency situations, such as Hurricane Katrina. Examples of the type of work eligible for Emergency Relief program reimbursement include repairing pavements, shoulders, slopes, embankments, guard rails, signs, traffic control devices, and bridges, and removing debris from the highway rights-of-way. Reimbursement under the Emergency Relief program is for the repair and restoration of highway facilities to pre-disaster conditions. However, Emergency Relief program reimbursement is not for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities.

FHWA has made down payments to the States of Louisiana and Mississippi for emergency relief. We provided Louisiana with \$5 million of "quick release" Emergency Relief funds for the I-10 Twin Span Bridge, which connects New Orleans and Slidell, with the understanding that more funds to support the repair of the bridge and damage to other Federal-aid highways and bridges would be forthcoming. We also provided Mississippi with \$5 million in "quick release" Emergency Relief to reimburse the State for repairs to US 90, I-10, and other Federally funded roads and bridges.

In addition to the immediate infusion of funds, FHWA has expedited environmental reviews to ensure that we can get work underway as quickly as possible, while still being good stewards of the environment. In Headquarters, we coordinated with the Council on Environmental Quality and other Federal agencies to use existing expedited procedures to streamline the environmental analysis process for the States. For example, we worked with affected Federal and State agencies to approve the preparation of an expedited Environmental Assessment, with limited deviations from FHWA's standard procedures, for the US 90 bridge replacement and associated approach roadwork in the area of Biloxi Bay and Ocean Springs. Furthermore, our employees in the field have used rapid-response coordination techniques to get critical environmental information immediately by phone or electronic mail.

Recovery

FHWA also has been working actively to support long-term recovery efforts across the region. Every day we are making more progress in repairing the transportation

systems destroyed by Hurricane Katrina. Our primary goal is to help restore the stability and quality of life to the people of the Gulf Coast as quickly as possible. Over the past few weeks we have made remarkable strides, and we will continue to build on that success to ensure that the region's transportation network serves as an engine of its economic recovery.

We worked with the States to provide appropriate expedited procedures to get contractors underway with repairs. Incentives have been employed effectively to ensure the timeliest possible restoration of lost essential service. For example, Mississippi awarded a \$5.2 million contract to repair one of the highest priority roads in the region – the I-10 bridge at Pascagoula – and included not only an incentive if work is completed in less than 31 days, but also a corresponding penalty for finishing late. I am pleased to report this bridge reopened on October 1 – almost ten days ahead of the contract completion date. Louisiana is using a similar technique to restore initial service across the I-10 Bridge at Slidell. The first phase of the I-10 repair was completed on October 14 – 16 days ahead of schedule. The sight of traffic congestion in both directions returning to the bridge within minutes of being reopened was convincing testimony to the vital nature of the service that had been restored. We strongly support these “incentivized” contracts, and we are out in the field working closely with the States to exercise all appropriate options and tools available during this rebuilding effort.

The long-term restoration of roadways is considered permanent repair work under the Emergency Relief program. Generally, permanent repair and reconstruction work, not accomplished as emergency repairs, must be done by a competitive bid contract method unless the State demonstrates some other method is cost-effective. This work can be expedited using innovative contracting procedures available under the Federal-aid Program, such as the design-build contracting method.

In addition to the “quick release” Emergency Relief funds, all affected States may use up to \$100 million per State per event for Federal-aid highway roads and bridges damaged as a result of the hurricanes. When an event of the magnitude of Hurricane Katrina occurs, the repair cost can far exceed available Emergency Relief funding. However, repairs can still get underway with other Federal-aid or State funds.

We will continue to work with State and local governments to identify long-term highway recovery needs. We are engaged in interagency coordination with the US Army Corps of Engineers to ensure that infrastructure recovery is coordinated and synchronized. We are leading coordination among other agencies to ensure that up-to-date engineering design criteria are provided and environmental requirements are accomplished in ways that will not impede the rapid recovery of lost or damaged infrastructure.

A number of longer-term projects have been identified in the impacted States.

The following is a brief description of such projects.

Louisiana: Hurricane Katrina severely damaged the I-10 Twin Spans over Lake Pontchartrain in New Orleans. A \$31 million "incentivized" emergency repair contract was let to provide interim two-way, single-span access to New Orleans by October 30 and access across both spans by January 18, 2006. The first span of I-10 re-opened on October 14 – 16 days ahead of schedule. Louisiana is considering a replacement bridge that would be constructed to current design standards and criteria, and we will work with them on those efforts. In addition to the bridge, many sections of I-10 were flooded due to the levee breaks. The Lake Pontchartrain Causeway and routes LA 1 and LA 23 also sustained some damage.

Mississippi: Emergency repair projects are currently underway to restore sections of US 90 from Pass Christian to Biloxi-Ocean Springs. A series of emergency repair projects are under contract (via force account) to restore US 90 to two lanes from Pass Christian to Biloxi-Ocean Springs by December 9th. Storm surge heavily damaged approximately 30 miles of US 90 roadway between Bay St. Louis and Biloxi. Additionally, two US 90 bridges – the Bay St. Louis bridge and Biloxi-Ocean Springs bridge – collapsed during Hurricane Katrina. Design-build contracts will be utilized to replace these bridges. Requests for proposals will be issued for both bridges before the end of October.

Alabama: Mobile and Baldwin Counties suffered the majority of the damage from Hurricane Katrina in Alabama. The Cochrane-Africatown Bridge over the Mobile River at Mobile was damaged by an oil rig that floated into the structure during the storm. Currently, the four-lane bridge is open only to one lane in each direction. The contract to repair the bridge so that it may be opened to unrestricted traffic was awarded on October 17, 2005.

Due to damage sustained during Hurricane Katrina, five spans of the eastbound on-ramp from US 90 to I-10 eastbound must be replaced. Currently, the ramp is closed to traffic. Alabama is preparing plans to replace the five damaged spans

Florida: US 98 on Okaloosa Island sustained substantial damage during Hurricane Katrina. Many traffic signs and signals were damaged in the Miami area. Additionally, debris removal was needed throughout the affected parts of Florida.

Future Preventative Actions

The Bush Administration recognizes that more will have to be done to restore the Gulf Coast. I-10, US 90, and other important local roads are the economic lifeline of the hurricane-damaged region and play a central role in the economy of the entire Gulf Coast region. FHWA is bringing all its resources to bear to ensure that this region can get moving again. Projects that will be the foundation for a long-term rebuilding effort will

begin soon.

We have begun a review of existing bridges that might be impacted by storm surge conditions in the future. Before we can identify suitable retrofits for existing bridges of the types damaged during recent hurricanes, we must improve our understanding of, and ability to quantify, the lateral/transverse and uplift forces that result from floods and storm surges. Accordingly, we have initiated research at the Turner-Fairbank Highway Research Center to aid our understanding in this area. With respect to the design of new bridges, FHWA has developed a policy that defines a flood frequency approach for the hydraulic analysis and design of coastal bridges. We also are reviewing the problem of loose barges impacting bridges during storm conditions.

“Contraflow” is an emerging traffic operations area that requires close coordination of all levels of government. “Contraflow” (sometimes called “one way out”) is a technique used to increase highway capacity temporarily. The technique involves reversal of one or more lanes and shoulders in the inbound direction for use by outbound traffic. We recognize the challenges of evacuation and contraflow and the need for more attention to these areas in the future. As we did after Hurricane Ivan in 2004, we will analyze the events of Hurricane Katrina for lessons learned that can be applied to future situations. We also will continue to work with other Federal agencies to determine where transportation assets and systems can continue to contribute to evacuation planning and execution. FHWA will assist the Office of the Secretary of Transportation and the Department of Homeland Security in developing the Catastrophic Hurricane Evacuation Plans Report to Congress as mandated in SAFETEA-LU.

Stewardship and Oversight

While quick response in getting funding and support to the Gulf Coast region is important, we are also cognizant of the importance of financial accountability and stewardship. As the recovery work continues, I want to assure you that I am very mindful of the responsibility we have as stewards of these critical Federal resources. FHWA has taken steps to track all transactions related to the Hurricane Katrina recovery efforts. We will ensure that funds are spent wisely and judiciously, and that projects comply with the requirements of our Emergency Relief program. American taxpayers deserve to know that each and every dollar dedicated to this tremendous effort is fully justified and properly accounted for every step of the way.

Conclusion

I believe that we have made significant progress thus far and are on our way to ensuring that the Gulf Coast region has a transportation system that will meet its long-term needs. We will continue to work with our State and Federal partners to ensure that highway recovery efforts are completed quickly and in a fiscally responsible manner.

Mr. Chairman, members, thank you for this opportunity to testify. I will be pleased to answer any questions you may have.

*Submitted by
Susan Schrueth*

**Statement of
Jennifer L. Dorn
Administrator
Federal Transit Administration
United States Department of Transportation
Before the
U.S. House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Highways, Transit, and Pipelines
Hearing on "Rebuilding Highway and Transit Infrastructure on the Gulf Coast
following Hurricane Katrina"
October 20, 2005**

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today on behalf of the Federal Transit Administration (FTA) regarding FTA's activities and progress in the Gulf regions affected by Hurricane Katrina.

The weekend of August 27, our nation watched with growing concern as Hurricane Katrina strengthened across the Gulf. Although we could not prevent landfall or deflect Katrina's course, FTA's regional offices were actively engaged with transit agencies prior to landfall. In Katrina's aftermath, FTA's response has been focused, aggressive, and ambitious.

Public transportation is a lifeline for countless Americans. Nowhere is that more evident than in the Gulf region disaster area. From the start of the response effort, FTA has been providing on-site and hands-on technical assistance to transit agencies. We have focused on freeing up transit resources to support the broad response effort, and on expediting the delivery of relief funds to support transit agencies' long-term rebuilding efforts.

As we move forward, we are dealing with two separate but related crises. We need to restore service in communities devastated by Hurricane Katrina, and we need to expand services in communities such as Baton Rouge that have seen their populations double almost overnight with the influx of evacuees. FTA has met--and will continue to meet--both of these goals.

In the first days after landfall, FTA helped to provide transportation into and out of hurricane-ravaged communities. FTA coordinated with transit agencies unaffected by the disaster and with our industry partners to provide buses, equipment and personnel for the immediate response. To date, over 60 transit agencies nationwide have offered free transit for evacuees.

Communication in the aftermath of Katrina was critical--and challenging. Within the first week after landfall, FTA got vital information into the hands of our grantees through phone calls, the FTA website, and informational packets with comprehensive contact information and policy guidance. Our message was clear: using public transit vehicles to restore mobility and for emergency transportation is consistent with Federal law--and an agency priority.

Before and after Katrina, our headquarters staff and regional office staff in Atlanta and Fort Worth reached out to transit authorities in the Gulf region to ascertain their operating status and offer assistance. In the first week after landfall, once the full scope of the damage was known, we began to detail over 20 staff and seven contract teams to disaster areas across the entire affected region to help local transit authorities re-establish transit service and support the recovery effort. In Louisiana, a team of FTA regional administrators, project management oversight contractors, and transit operations consultants was deployed. This FTA team produced damage assessments and assisted both urban and rural transit authorities with service restoration plans. Similar teams have also been assisting Mississippi and Alabama. Thus, we deployed the formidable human resources of FTA where they are needed the most.

Transit has a vital role to play in the restoration of strength and vitality to hurricane-ravaged communities. Our nation's ability to repopulate these communities and restore economies washed away by disaster will require, among other things, local transit systems to provide transportation for workers, commuters, and families—many of whom lost their only means of getting around.

With this priority in mind, we considered ways to expedite the delivery of emergency funds for transit systems to restore service. Two weeks after landfall, on September 15, FTA announced that it would allow transit agencies affected by the hurricane to make use of federal funds to buy supplies, repair equipment, or begin reconstruction without immediately having to provide local matching funds. The local match, typically 20 percent, has been deferred for many communities in the disaster area.

This means that federal dollars already designated for these areas can flow more quickly, and we can award new grants before local funds can be identified. The Mississippi Department of Transportation became the first agency to benefit from this action, as FTA gave 22 transit bus operators access to a total of \$6.1 million in FY 2005 transit formula funds to buy new vehicles, pay salaries or provide other necessities that will help restore service.

Before Hurricane Katrina, the New Orleans Regional Transit Authority (NORTA) provided over 50 million transit trips per year. The system sustained considerable damage and destruction to vehicles, rail, and facilities in the hurricane's wake. An on-site assessment of NORTA's transit facilities was not possible until September 20. On that day, at our first opportunity, an FTA team conducted an initial damage assessment, including vehicle storage and maintenance facilities. We are still honing our estimates of recapitalization costs.

On the same day, we worked to secure a \$47 million mission assignment with the Federal Emergency Management Agency (FEMA) for emergency relief funds for transit services in New Orleans and Baton Rouge for a period of six months. These funds will provide existing Baton Rouge residents with more transit options and give evacuees in Baton Rouge access to vital social services, jobs, and medical care.

It will help returning residents of New Orleans reclaim their city. The funds will also facilitate the re-employment of NORTA workers to establish transit service in Baton Rouge, New Orleans, and surrounding parishes. We are working to address the need for intercity services between Baton Rouge and New Orleans for recovery workers and commuters.

On October 3, we helped to secure a \$1.4 million, 60-day mission assignment with FEMA for emergency transit in the three Mississippi gulf coast counties of Hancock, Harrison, and Jackson. FTA expects to finalize an additional 60-day mission assignment of \$492,000 for the three rural Mississippi counties of Pearl River, Stone, and George. These emergency funds will give residents the mobility and freedom to go grocery shopping, apply for much-needed social services, or visit a doctor. These are small steps in the re-establishment of normal, daily routines.

I want to underscore the importance of these funds for rural communities throughout the entire region affected by the disaster. Small transit agencies, non-profit providers, and many rural areas in the Gulf region have seen demand increase dramatically as thousands of evacuees have joined their communities. But, they often do not have the excess operating capacity to meet that demand. Many have also lost buses and vans to the disaster, and staff and drivers have been displaced. In some cases, evacuees are set up in temporary housing, where public transportation does not exist. Funding for emergency services will help local authorities give residents and evacuees the basic mobility they need. It is a first, vital step in the long process of rebuilding individual lives and communities.

Our priorities for the coming months are to:

- Implement FEMA mission assignments in Louisiana and Mississippi;
- Work with the Gulf states and FEMA to fund transit service in areas that have a significant number of evacuees;
- Continue to work with transit agencies to secure FEMA emergency funding assistance for assets damaged or destroyed;
- Continue our on-site technical assistance to transit agencies in four states. This assistance ranges from identifying staff to helping with bus route planning in devastated communities. And, a final goal is to:
- Engage in the planning process, as communities invite us to do so, to ensure that transportation options are part of the future planning for cities and regions.

I am proud of the exemplary and proactive efforts of the FTA before and after Hurricane Katrina made landfall. As with any natural disaster, Hurricane Katrina mandated us as public servants to deploy the substantial resources of the government and our own common sense to help rebuild lives and communities. In the seven weeks since Katrina made landfall, FTA has met that challenge, and we will continue to do so in the coming months. Thank you.