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Press Release

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IMMEDIATE

MTA Submits Claims for \$65 Million from Tropical Storm Irene

Insurance and FEMA Expected to Reimburse Agency

The MTA has submitted its Federal Emergency Management Agency (FEMA) and insurance claims to recover the \$65 million in losses it suffered due to flood and wind damage to the regional transit infrastructure related to Tropical Storm Irene, which hit the region on August 28, 2011.

FEMA has so far approved a total of 59 project worksheets systemwide totaling \$27.7 million covering multiple locations throughout the MTA service area. Each "project worksheet" was verified, including site visits and document reviews. Copies of contractors' bids and contracts, audited payrolls including overtime payments, invoices for material procurement, project completion and more were included in the thousands of pages that were submitted to FEMA and more than 13 companies that insure the MTA.

"MTA employees in the field worked tirelessly, both to minimize damage in preparing for the storm and to make the repairs needed to restore service as quickly as possible," said MTA Chairman and CEO Joseph J. Lhota. "Then their unsung administrative counterparts stayed on top of the myriad paperwork in order to expedite our reimbursement. Completing this massive task in less than a year is a testament to their dedication. Frankly, it's a good occasion to thank the claims managers and project managers and other office workers who made this possible."

Typically FEMA reimburses about 75% of approved costs. This recovery is expected to cover a significant portion of the MTA's \$25 million insurance deductible. The MTA is diligently working towards maximizing recovery from all sources.

The insurers are reviewing the claim and already have made a \$5 million advanced payment.

Among the MTA's operating agencies, Metro-North Railroad was worst hit with catastrophic washouts on the Port Jervis Line, where the raging Ramapo River flooded miles of track and left some dangling in mid-air when it receded. A series of mudslides on the Hudson Line, including one in Riverdale that required the long-term evacuation of an apartment building, also contributed to the claim.

Metro-North's claim for losses is approximately \$27 million of which \$21 million is dedicated towards the West of Hudson. Metro-North repairs came in well below initial estimates made immediately after the storm and were completed expeditiously in just under three months.

New York City Transit's claim for losses is approximately \$22 million, including \$8 million in overtime spent preparing for the storm. In addition, New York City Transit claimed \$14 million in lost revenue when service was suspended for the first time ever.

Preparation for the storm included relocating the subway and bus fleets from flood-prone areas and securing assets along the tracks as well as at shops, yards and depots. In addition, the Department of Buses, in conjunction with NYC Office of Emergency Management helped with the evacuation of residents in flood-prone areas. The final piece was testing and inspection of all right-of-way equipment and facilities prior to restoring service.

MTA Bridges and Tunnels lost nearly \$9 million as a result of the storm, with the bulk of that due to revenue losses incurred through a large drop in traffic across all facilities. In addition, tolls were periodically suspended at several crossings to assist residents who were ordered or chose to evacuate, and the Rockaway bridges were closed for a period during the storm due to high winds

Although felt less severely on Long Island, Tropical Storm Irene nonetheless required systemwide storm preparations and a massive after-storm clean-up at a significant cost to the Long Island Rail Road. The \$5.7 million in damages includes the cost of the manpower mobilized for the event and the loss of revenue that resulted when the storm forced the LIRR to suspend service on its 11 branches beginning with a systemwide shutdown on August 27. Full service was not restored until three days later.