In response to the extensive devastation caused by the September 11, 2001 terrorist attacks, the Federal Government dedicated $4.55 billion for several high-priority projects to reconstruct and enhance Lower Manhattan’s transportation infrastructure. The five high-priority projects are the Permanent World Trade Center PATH Terminal, Fulton Street Transit Center, South Ferry Terminal Station, the World Trade Center Vehicle Security Center, and the Route 9A/West Street/Promenade highway project. These large-scale projects will require vigilant oversight by the Department, state and local governments, and transit agencies.

The Federal Transit Administration (FTA) has the lead oversight role for the Department on these projects. Accordingly, as part of the Federal commitment, FTA has received nearly $90 million of dedicated funding to do so. To carry out its oversight responsibilities in Lower Manhattan, FTA has created a special oversight office, the Lower Manhattan Recovery Office. The Lower Manhattan Recovery Office is separate from FTA’s New York field office and its sole purpose is to oversee these high-priority projects in Lower Manhattan.

On July 13, 2006, the Acting Inspector General testified before the House Subcommittee on Management, Integration, and Oversight, Committee on Homeland Security, regarding Lower Manhattan reconstruction and stressed that effective day-to-day oversight of these large, complex transportation projects is critical to ensuring that the projects are completed on time, within
budget, and free from waste, fraud, or abuse. He also agreed to the Subcommittee’s request for the Office of Inspector General (OIG) to provide an independent perspective on these projects and established an OIG Lower Manhattan Transportation Oversight Team to support this oversight.

Our team will begin their oversight efforts in Lower Manhattan by conducting major project monitoring of the five high-priority projects that are being funded out of the $4.55 billion. The primary objectives of this effort will be to assess (1) the status of each Project, including costs, funding, schedules, and management, and (2) any risks that may adversely impact their completion. In addition, as part of the monitoring effort we will look at issues related to FTA’s Lower Manhattan Recovery Office’s oversight of these projects and the activities of the project management oversight contractors that are assigned to each project.

We will conduct the monitoring effort at FTA Headquarters, FTA’s Lower Manhattan Recovery Office, grantees of the 5 projects, and other related sites as needed. We plan to begin work the week of September 5, 2006, and will contact your audit liaison to schedule an entrance conference.

If I can answer any questions or be of further assistance, please do not hesitate to contact me at (202) 366-5630 or Tom Yatsco, the Program Director for this effort, at (202) 366-1302.

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cc: Audit Liaison, OST, M-1
Audit Liaison, FTA, TBP-30