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NOMINATION OF JOE M. ALLBAUGH

HEARING

BEFORE THE

COMMITTEE ON GOVERNMENTAL AFFAIRS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON THE

NOMINATION OF JOE M. ALLBAUGH TO BE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

FEBRUARY 13, 2001

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CONTENTS

	Page
Opening statements:	
Senator Thompson	1
Senator Lieberman	3
Senator Voinovich	4
Senator Akaka	5
Senator Cochran	6
Senator Carnahan	6
Senator Domenici	7

WITNESSES

Hon. Phil Gramm, a U.S. Senator from the State of Texas	2
Hon. Kay Bailey Hutchison, a U.S. Senator from the State of Texas	3
Joe M. Allbaugh to be Director of the Federal Emergency Management Agency (FEMA)	8

ALPHABETICAL LIST OF WITNESSES

Allbaugh, Joe M.:	
Testimony	8
Prepared statement	21
Biographical and financial information	24
Pre-hearing questions and responses	33
Post-hearing questions and responses	47
Gramm, Hon. Phil:	
Testimony	2
Hutchison, Hon. Kay Bailey:	
Testimony	3

NOMINATION OF JOE M. ALLBAUGH TO BE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

TUESDAY, FEBRUARY 13, 2001

U.S. SENATE,
COMMITTEE ON GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:35 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Fred Thompson, Chairman of the Committee, presiding.

Present: Senators Thompson, Voinovich, Cochran, Domenici, Lieberman, Akaka, and Carnahan.

OPENING STATEMENT OF CHAIRMAN THOMPSON

Chairman THOMPSON. The Committee will be in order, please. This morning, we are holding a hearing to consider the nomination of Joe Allbaugh to be Director of the Federal Emergency Management Agency (FEMA). We recognize Senator Gramm and Senator Hutchison of Texas.

The Director of FEMA is one of the most important positions in government and is extremely important to the safety of the public. FEMA is the central Federal agency for emergency planning, preparedness, mitigation, response, and recovery. It works closely with State and local governments by deploying Federal resources when disaster occurs, funding emergency programs, and offering technical guidance and training to communities nationwide.

FEMA has coordinated the expenditure of upwards of $2.8 billion in a single year for disaster relief. Because of the nature of FEMA's mission, the Director will need to assure that we have invested in adequate capacity and resources and then manage them effectively in order to serve the expected emergency needs of the country. The agency faces a number of management challenges, such as creating a performance-based culture, strengthening internal control deficiencies, performing cost-benefit analysis of information technology investments, and better managing disaster grants. With strong leadership, I believe this agency will represent what the Federal Government does best, facilitate and coordinate assistance to communities in need of support after a natural disaster.

Mr. Allbaugh has filed responses to a biographical and financial questionnaire, answered pre-hearing questions submitted by the Committee, has had his financial statements reviewed by the Office of Government Ethics. Without objection, this information will be made a part of the hearing record, with the exception of the finan-

cial data, which is on file and available for public inspection in the Committee's offices.

Our Committee's rules require that all witnesses at nomination hearings give their testimony under oath, so Mr. Allbaugh, would you please stand and raise your right hand.

Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. ALLBAUGH. I do.

Chairman THOMPSON. Thank you very much. Please be seated.

At this point, I would like to give Mr. Allbaugh an opportunity to introduce any family members that may be in the audience this morning.

Mr. ALLBAUGH. Thank you, Mr. Chairman and Members. I am honored today to have my bride with me of umpteen years, 16 years. I am lucky that she is here.

Senator CARNAHAN. You are already in trouble.

Mr. ALLBAUGH. I know. I am always in trouble. [Laughter.]

But Diane is at my side almost every day, every hour, and I am blessed to have her a part of my family and I am blessed to be a part of her family, as well as our kids. We are very fortunate. Thank you, sir.

Chairman THOMPSON. Well, thank you very much. We welcome all of you here this morning, both family and friends.

I will call on Senator Lieberman now for any opening remarks. I understand, however, that Senator Gramm has another hearing that he must attend, so we will try to get to you.

Senator LIEBERMAN. Do you want to go ahead, Senator Gramm?

Senator GRAMM. Thank you very much, Senator.

Chairman THOMPSON. He is the senior Senator.

Senator LIEBERMAN. If you do, you owe me a big one.

Senator GRAMM. Well, listen, I have already paid. I am introducing the man that helped keep you in the Senate. [Laughter.]

A higher and better use of your talents.

Senator LIEBERMAN. I knew I should not have let you go forward. You have stolen my opening line.

TESTIMONY OF HON. PHIL GRAMM, A U.S. SENATOR FROM THE STATE OF TEXAS

Senator GRAMM. Mr. Chairman, I will be brief. Thank you. As you know, the Banking Committee has Alan Greenspan downstairs and everybody always wants to speak for him and what he says is sort of like the Bible.

To make a long story short, I have known Joe Allbaugh for a very long time. He is highly respected by everybody in Texas who has worked for him. As you all know, he has been our governor's right-hand man on numerous issues, including disaster relief in Texas. The thing that has always impressed me about Joe is that when we have had disasters in Texas—as the governor's chief of staff, he has been the point man in dealing with disasters in our State—Joe has always cared enough to go out where the disaster occurred, look people in the face, and ask them what he and the governor and the State could do to help.

He is a very effective administrator: He follows up, he gets the details right. He is exactly the right person for this job, in my opin-

ion. He is what we call in my State a "top hand." He is the kind of guy you want on your side when you have something important to do, and it seems to me that this is an important function.

So I am very happy to be here and commend Joe to you. I just cannot imagine anybody who would have been a better appointment by our new President. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much. Get down there and make sure Mr. Greenspan does not change his mind.

We will now call on Senator Hutchison.

TESTIMONY OF HON. KAY BAILEY HUTCHISON, A U.S. SENATOR FROM THE STATE OF TEXAS

Senator HUTCHISON. Thank you very much. I appreciate the Committee allowing us to go forward, because I think it is important to note that both Senators are here because we know Joe Allbaugh personally. We have worked with him on many issues and he brings the right experience to this job. Because of his role as the Chief of Staff for the Governor of Texas, he managed and monitored the State's responses to disasters and emergencies in Texas, and, of course, that was working very closely with FEMA. So he knows what the States need and what people need in a disaster.

I think his management skills are very well known and well regarded, and I would say that in his tenure as Chief of Staff for Governor Bush, he presided over 18 disasters. In Texas, we seem to have them all, floods, tornadoes, and hurricanes. So he has the kind of experience that I think will not only help him coordinate these emergencies, but relate to the governor's offices that are the first line of knowledge and defense for the constituents in any State.

I, too, have known him for a long time. There is not a time when I called Joe Allbaugh on something important to Texas that I did not get an immediate response and all of the information that I needed to do my job to represent my State. I think that he is totally equipped to handle this job and I think this should be one of the easiest confirmations that we have this year. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much, Senator Hutchison. I appreciate your being here, and I know you have other business, so thank you for being here with us.

Senator Lieberman.

OPENING STATEMENT OF SENATOR LIEBERMAN

Senator LIEBERMAN. Thanks, Mr. Chairman. Good morning, Mr. Allbaugh, and congratulations on your nomination to direct FEMA. I would just repeat by reference the gratitude that Senator Gramm expressed on my behalf to you for returning me to this job that I love so much.

As you know, the Federal Emergency Management Agency is there for people when they need assistance the most, to help them prepare for and recover from major disasters that destroy their property and disrupt their lives. As such, it is one of the government's most important front-line agencies.

For the last 8 years, FEMA has been in the hands of an extremely capable and experienced emergency manager. James Lee Witt overhauled the entire agency in its operations. He heightened FEMA's response capabilities, and in doing so, I think improved the agency's public image overall. I hope, if confirmed, that you will build on Mr. Witt's successes and also tackle some of the issues that remain.

For example, FEMA has rightly put pre-disaster prevention and preparedness at the top of its priority list, but attention now needs to be directed toward ensuring these prevention programs are accomplishing what they are meant to accomplish. The modernization of flood insurance rate maps is another important project, but here, too, funding has been a problem. Last year's modifications to FEMA's authorizing act, which put more emphasis on mitigation and require changes in FEMA's response and recovery programs, must now be properly implemented. I will say that within my own State of Connecticut, where we have had our share of flood and hurricane damage, we have called on FEMA for help and, generally speaking, the help has been there and been very important.

I do want to report to you as you begin this work that my office in Hartford has heard some complaints from constituents who were dissatisfied with the service they received from some of the claims adjustors with which FEMA has contracted. I do not know whether this is a local experience or whether it is more national, but I would urge you to take a look at it. Obviously, the destruction of home and property strikes at the heart of an individual's world, and I am sure you will agree that when disaster hits, those caught in the way need quick, efficient, and, indeed, compassionate help to put the pieces of their lives back together again.

I want to add, finally, that a number of communities in Connecticut, including Westport and Easthaven, have been selected by FEMA to participate in Project Impact, which as I am sure you know now is a pre-disaster mitigation program designed to reduce losses through preparedness. It is too early to pass judgment on this project, but I am pleased that towns in my State have been included in the effort and we look forward to working with them.

Mr. Allbaugh, I appreciate your responses to the Committee's pre-hearing questions. If confirmed, your background in State Government will be an asset as you fulfill your duty to coordinate FEMA's activities with State and local governments. I look forward to your testimony and to getting to know you better. Thank you.

Chairman THOMPSON. Thank you very much.

Senator Voinovich, do you have any opening comments.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you, Mr. Chairman. I would like to welcome you, Joe Allbaugh, to this hearing. I enjoyed our meeting together. It is always good to have someone working in the Federal Government that has got some local and State experience. As chief of staff, you had to deal with many of the emergencies that you had in the State of Texas. I think that is going to serve you in good stead because you really have had an opportunity to observe the relationship between FEMA and State agencies.

One of the things that I hope you are going to look at carefully is the emergency response capacities of the States in terms of how well they are organized. I remember when I became governor that one of the first things we did was to look and see if the counties in our State had their own emergency management capacities, and it was interesting that the ones that did when we had the floods and other things that occurred, they were able to deal with them responsibly and create partners with us and with the Federal Government.

I will never forget one that I had where no one seemed to know what was going on and we finally turned it over to the State Highway Patrol captain who was on the scene who seemed to know more about what was going on than others. So I think that is a big challenge for you to see how well these States are organized to interface with FEMA.

The other thing that we talked about was the issue of human capital, and again underscoring the fact that we know that by 2004 at least one-third of the people in your shop will be eligible to retire and another 22 percent will be eligible for early retirement. Unfortunately, you really have no time to prepare for that because you never know when you are going to get hit. It could happen tomorrow, then you are going to have to respond. So that is an issue that I know you are looking at.

As we talked earlier, you are fortunate in that of all these new applicants seeking jobs in the administration over the Internet, 10 percent of them would like to work in your agency. So it says a lot for that agency and what Mr. Witt did there and I feel very good about the fact that you are willing to come to Washington and take on this major responsibility and we look forward to working with you. Thank you, sir.

Chairman THOMPSON. Thank you very much.

Senator Akaka, do you have any opening comments?

OPENING STATEMENT OF SENATOR AKAKA

Senator AKAKA. Thank you very much, Mr. Chairman. I want to join my colleagues in welcoming you to the Senate, Mr. Allbaugh, and also your wife, Diane.

Mr. ALLBAUGH. Thank you.

Senator AKAKA. I also want to tell you that it was a pleasure to meet with you and to discuss your vision for FEMA.

Mr. ALLBAUGH. Thank you.

Senator AKAKA. No one needs to remind you that you will be following the footsteps of a big man, as was mentioned. However, it is no joke when I say that your predecessor, James Witt, transformed FEMA into a top-notch organization that won the praise of those it serves, the people of America. I also, in that light, mention that we look upon you, also, as a big man coming into the job.

As you know, I represent a State that is celebrated for untold natural beauty resulting from its geographical location and geological makeup. Even so, Hawaii is vulnerable to many natural disasters—hurricanes, volcanic eruptions, tsunamis or tidal waves, torrential rains and flooding, earthquakes, and even wildfires.

FEMA has done a tremendous job in responding to Hawaii's disasters, most recently helping residents in the wake of a November

storm that left some areas with over three feet of rain in a 24-hour period on the Island of Hawaii. FEMA personnel were there to help the Big Island residents cope with the $40 million worth of damages to homes, bridges, and roads.

Helping the folks in Hawaii is just one example of FEMA's responsibilities in supporting the Nation in responding to natural disasters. FEMA also works with the States in preparing for homeland attacks and is the lead agency for disaster mitigation. As such, I urge FEMA to be in the forefront of cross-utilization of existing and emerging technologies. I commend the inter-agency cooperation, that exists and which was very clear in Hawaii's last disaster. FEMA has demonstrated through Project Impact, both of which utilize NASA satellite imaging data to help predict natural hazards and modify floodplain maps.

Along the same line, I believe it would be beneficial to the Nation if FEMA joined with the U.S. Geological Survey and the Department of the Interior in working with DoD on the Hazard Support System. This program monitors wildfires, volcanic activity, using existing environmental and ballistic missile warning satellites. I look forward to working with you, Mr. Allbaugh, and FEMA on these issues that I believe hold so much promise for all of us.

Again, thank you for being with us this morning and I wish you well.

Mr. ALLBAUGH. Thank you, Senator. I appreciate it.

Chairman THOMPSON. Thank you very much.

Senator Cochran.

OPENING STATEMENT OF SENATOR COCHRAN

Senator COCHRAN. Mr. Chairman, I am glad to join others in welcoming Joe Allbaugh to our hearing this morning and congratulating him on his nomination for this job for which he is obviously very well qualified. I look forward to working closely with him as he directs this important agency in our government.

Chairman THOMPSON. Thank you, Senator. Thank you very much.

Senator Carnahan, I do not believe I have had the opportunity to welcome you to the Committee yet, so welcome. We are delighted to have you. Do you have any preliminary comments.

OPENING STATEMENT OF SENATOR CARNAHAN

Senator CARNAHAN. Thank you,, Mr. Chairman. Mr. Allbaugh, I want to welcome you to this Committee. As you know, Missourians are not unfamiliar with natural disasters. Just 8 years ago, in 1993, we experienced one of the worst natural disasters in Missouri history. Flood waters ravaged nearly every corner of our State and many hundreds of Missourians were left homeless. Countless businesses were shut down temporarily, and unfortunately, some of them for good. Damage estimates exceeded the $1 billion mark and it took years to recover.

I can still remember watching from our residence at the governor's mansion as the water was rising day by day, breaking through the strong levees on the Missouri River, creeping over pasture land, and covering all but the rooftops of the hangars at our local airport. Ripping up the only highway into town, and spread-

ing like an ocean onto the bluffs a couple miles away. The visual impact was overwhelming, but the hardest thing to deal with was the personal loss, the human suffering. The pain was so real and so deep.

But Missourians are a resilient and resourceful people and communities came together, first to respond and then to rebuild. Our governments at the local, State, and Federal levels worked seamlessly to provide assistance during the crisis, and then to recover for the long term. Families moved back when it was safe to do so or they moved on to higher ground when it was not. The water subsided and life did, indeed, go on.

I took so much with me from that experience. Far too much to share with you today during this hearing. But in the context of considering your nomination to head up this critical agency, the key lesson that I learned was the importance of inter-governmental cooperation. Without question, the cooperation between the various levels of government made a dramatic difference in our ability to respond. Communication was streamlined, resources flowed relatively quickly, and most important, we provided comfort to the victims who were scared and needed assurance that they would receive help.

In Missouri, we benefitted from a talented and decisive director of our State Emergency Management Agency. We also benefitted from the leadership of James Lee Witt at the Federal level. I give his tenure at FEMA high marks from the strong relationship he maintained with State directors to his focus, mitigating the effects of disasters, and his reform of the agency. Given your background and commitment, I have every reason to believe that you will continue that same high standard.

It has been my experience that people are often critical of government, and sometimes rightly so. But in times of crisis, people naturally turn to our government for the assistance that only governments are equipped to provide. And they expect our government to respond quickly and effectively and compassionately. Your job, therefore, is extremely important. Not only will your actions impact the lives of thousands of Americans who have suffered through great tragedy, but it will also play a large role in determining the confidence and the faith that citizens have in our government.

I would like to leave with you the words of Oliver Goldsmith, who said, "The greatest object in the universe is a good person struggling with adversity. Yet, there is still a greater one, and that is the good person who comes to relieve it." My best wishes to you.

Chairman THOMPSON. Thank you, ma'am.

Senator Domenici.

OPENING STATEMENT OF SENATOR DOMENICI

Senator DOMENICI. Mr. Chairman, first of all, I want to thank you for expediting these hearings. I think it is imperative that we get Joe Allbaugh in that position as quickly as possible and your hearings are going to accommodate that.

I am presiding over a Budget Committee hearing and will not be able to stay, but I would, with your concurrence, Mr. Chairman, I want to just do two things. I want to welcome you and tell you that my review of your record and my talk with you in my office would

indicate to me that the President has chosen wisely. I wish you well.

Chairman THOMPSON. Thank you.

Senator DOMENICI. It is a very tough job, no question about it.

And second, everybody talks about problems they have in their State and I just want to tell you that this Congress was extremely generous and appropriated over $600 million in extraordinary special relief to the County of Los Alamos, New Mexico, after the big fire that burned down 400 homes and did untold amount of damage to businesses and burned down a lot of our forest, etc. We did an extraordinary thing. We passed a bill certain for them. We are giving all of them damages because the Federal Government started this fire. It was a fire started by somebody running a park adjacent to Los Alamos. It was a controlled burn and done according to everyone that looked at it, improperly and it burned down about $700 million worth of assets, homes and the like.

I am not very happy about what is happening to that project under FEMA right now. Maybe it is because James Lee Witt is gone and it is not under control, but I would ask you if you would particularly look at that from the standpoint of whether we are spending too much money on administration, whether the delays are justified in terms of coming up with the conclusions required by law. We required certain things of the agency and they have not been done yet and they only have a couple of weeks to do them, and I am kind of wondering why.

So I guess, generally, I am going to ask you or lay before you that you take a look at that with your best people in order to expedite it and see that fairness and the statutory desires and the statutory goals are met. I am sure you will do that, and it is good for me to have an opportunity to tell you about it publicly. After you are in there for a while, I would appreciate hearing from you with reference to this issue.

Mr. ALLBAUGH. I will be happy to do that, Senator.

Senator DOMENICI. And I will have a signed letter on your desk when you become the head man. It will be waiting for you there. Thank you very much.

Mr. ALLBAUGH. Thank you, sir.

Chairman THOMPSON. Thank you very much.

Mr. Allbaugh, do you have a statement that you would like to make?

TESTIMONY OF JOE M. ALLBAUGH[1] TO BE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

Mr. ALLBAUGH. Mr. Chairman and Members, I do have a statement, but in the interest of time and not running the risk of wanting to offend anybody, I would prefer not to read it to you and just have it submitted, without objection, for the record.

Chairman THOMPSON. It will be part of the record.

Mr. ALLBAUGH. I would like to make a few comments, though, if you do not mind. First, I would like to thank Senators Gramm and

[1] The prepared statement of Mr. Allbaugh appears in the Appendix on page 21.
Biographical and financial information appear in the Appendix on page 24.
Pre-hearing questions and responses appear in the Appendix on pages 33
Post-hearing questions and responses appear in the Appendix on pages 47.

Hutchison. Texas could not be represented by two finer individuals. I am honored that they came this morning to introduce me.

Second, the President nominated me to this position because of our close relationship over the last 7 years. Then-Governor Bush and I, his chief of staff, worked diligently in handling nine Presidential disaster declarations during that time period. I know firsthand that it is very important for State Governments as well as the Federal Government to act swiftly, as Senator Carnahan said, with the full resources that are available at our disposal.

Based upon our relationship and knowing exactly the kind of information that the President will need to make disaster decisions, I believe I am well suited for this job. It is a good fit. I am a doer. I consider the agency a doing agency and I am honored to have been nominated.

Many people have alluded to James Lee Witt this morning. I was very fortunate to get to know James Lee Witt when I was the Chief of Staff for Governor Bush. He was the FEMA Director, as you know, and he did an outstanding job. I think the country owes him a debt of gratitude for his service over the last 8 years.

Last, I would like to thank the Committee, also, for making time for me to appear this morning, and for your staff's work in preparation for this hearing. I would be happy to entertain any questions, should you have any.

Chairman THOMPSON. All right. Thank you very much. As I indicated earlier, the Committee submitted some substantive pre-hearing questions to the nominee and the nominee has also met with Committee staff to discuss a variety of issues of Congressional interest regarding FEMA. Your written responses to the questions will be made a part of the record

I will start my questioning with questions we ask of all nominees. Is there anything that you are aware of in your background which might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. ALLBAUGH. No, sir.

Chairman THOMPSON. Do you know of anything personal or otherwise that would in any way prevent you from fully and honorably discharging the responsibilities as the Director of FEMA?

Mr. ALLBAUGH. No, sir.

Chairman THOMPSON. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted Committee of Congress if you are confirmed?

Mr. ALLBAUGH. I do.

Chairman THOMPSON. All right. Thank you very much.

I think that you can see from the fact that we have several Senators here this morning at your confirmation hearing, which is not always the case, your area is where we really live, so many of us. I was noticing Tennessee has had five tornados during the last 6 years, in addition to other problems. So many of us know that at one time or another we are going to have to work with you. That may not be good news for you, but it is important to us, and I am sure several people will have questions concerning those activities.

I want to concentrate on something a little bit different regarding this Committee's responsibility which has to do with some of the

management issues that we face. On the Results Act issue, have you become somewhat familiar with the Results Act——

Mr. ALLBAUGH. Somewhat, sir.

Chairman THOMPSON [continuing]. And the fact that what we are trying to do nowadays is try to get departments and agencies to plan for results, to plan for outputs instead of just inputs, and to figure out ways in which we can measure those things and report them every year. FEMA has received high marks recently for its renewed emphasis on management. In a recent report, the Mercada Center wrote that, "the experience of the Federal Emergency Management Agency confirms that it is possible for a Federal agency to achieve major improvements in both performance and cost effectiveness. Such achievements resulted not from a single silver bullet but from a collection of management actions that transformed a bureaucratic process-driven organization into a responsive result-driven organization."

The Mercada Center attributes this change largely to the performance-based management that is now in place at FEMA. I take it that you plan to sustain this management improvement and maintain the organization's role as a model for other agencies. We spend an awful lot of time criticizing an awful lot of agencies—the high-risk list and failure to comply with the Results Act and so forth. FEMA is one of the few bright spots, frankly, that I have seen lately. But again, that is mixed news to you. You have something that you have to live up to and then build on, and I take it that you understand that and plan to renew the commitment to the implementation of the Results Act.

Mr. ALLBAUGH. I do, indeed. It is my understanding that FEMA in recent years has made great strides in the area of accountability. I am one that is a stickler for accountability. I like to align responsibility with authority, and quite frankly, the person that I would hold most responsible for that right off the bat would be myself. I will measure up or muster out, as they say. I know that the agency has come a great distance and has received high marks and I would like to review that act and continue that policy.

Chairman THOMPSON. I think the key to good results, as proven by other agencies, too, is accountability—you put somebody on it who is primarily responsible for it under you who is good at it and that you hold them accountable and that you become accountable yourself.

There is another area where the news is not quite as good. As you know, FEMA relies heavily on information technology to meet its operational goals. In fact, all agencies, of course, rely more and more on it. Earlier this year, we conducted a review of Federal agency compliance with the Clinger-Cohen Act and found that many agencies were not complying with the law and were not conducting cost-benefit analysis before investing in computer systems, and as you know, FEMA relies heavily upon computers to provide services to disaster victims. Yet FEMA sometimes seems to be making less than a full attempt to comply with this information technology law.

In fact, the report that we commissioned found that FEMA does not have a capital planning and investment process in place, which is required by the Clinger-Cohen, and, therefore, it is not con-

ducting cost-benefit analysis before investing in its computer systems. Will you take a look at that and make a renewed commitment? This is an area where you can show, I think, marked improvement.

Mr. ALLBAUGH. I will be happy to take a look at it. I am not familiar with the specifics, but I know IT all across the world is an important component of our survival these days and I will report back to you as soon as I can.

Chairman THOMPSON. All right. I would appreciate that, because we are a little behind the curve in that area.

Finally, more than 28 government agencies are involved in some aspect of the response and recovery phases of disaster response recovery. Some of those include the Department of Treasury, Department of Health and Human Services, Department of Housing and Urban Development, and others. Many times, the coordination between and among these agencies is not efficient or effective. Everybody looks to FEMA, but as you know, there are a lot of cooks in the kitchen sometimes.

How would you characterize the inter-agency coordination as you see it and are there phases—as you know, there are basically four phases, preparedness, response, recovery, and mitigation—for which you believe the need for coordination is more significant?

Mr. ALLBAUGH. I would imagine that there is always room for improvement from top to bottom and across the lines of authority among all the agencies. I would take the initiative myself to reach out to those agencies and make sure that there is a two-way dialogue and ongoing constant communication among those agencies so there would be in time of need close cooperation for those resources that we will call upon.

I am not particularly familiar with how the structure works right at the moment, but I can assure you I will get my teeth right into it as soon as I have the ability to get over there and I will also report back on that coordination.

Chairman THOMPSON. I appreciate that.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Mr. Allbaugh, let me indicate that two of my colleagues who are unable to be here this morning, Senator Levin and Senator Torricelli, will have post-hearing questions for you. Senator Levin has already given his to me and we will convey them to the folks who are working with you. Senator Torricelli said that he would have his this afternoon and we will get those to you as quickly as possible.

Mr. ALLBAUGH. Yes, sir.

Senator LIEBERMAN. I would appreciate as quick a response as you can.

Mr. ALLBAUGH. You bet.

Senator LIEBERMAN. Mr. Allbaugh, I think you know that there is a lawsuit in Texas which has raised some controversy and questions which some have directed toward your nomination and I wanted to ask you some questions about it here. I know the Committee has asked you some before the hearing, and I appreciate your cooperation in answering those, but I think it is important to get some questions and answers on the record.

For the record, as I am sure you know, a lawsuit is pending in Texas regarding an investigation by the Texas Funeral Services Commission into the activities of a major funeral home corporation called Service Corporation International, SCI. The lawsuit alleges that the Executive Director of the Funeral Commission, Ms. Eliza May, was wrongfully terminated because of her role in the investigation of SCI, the funeral corporation. Some of the allegations in this lawsuit involve incidents that occurred during meetings and conversations in which you were involved as Governor Bush's Chief of Staff.

I want to ask you a few questions about that now and I am going to be as direct as possible. Did you ever try, as is alleged, to stop the Funeral Service Commission investigation of SCI and its related entities from going forward?

Mr. ALLBAUGH. No, sir, I did not.

Senator LIEBERMAN. If you want to add any more as we go on, I invite that, but I will go through the questions. Did you ever limit or try to limit the scope of the records or other materials that the Texas Funeral Services Commission was seeking from SCI or its related entities as part of this investigation?

Mr. ALLBAUGH. No, sir, I did not.

Senator LIEBERMAN. Did you ever speak to Ms. May about this investigation or related events in a threatening manner?

Mr. ALLBAUGH. No, sir, I did not. I invited her to my office, as I did with a lot of executive directors as a part of my role as chief of staff and we had a conversation, albeit a brief conversation, but I would not do any such thing.

Senator LIEBERMAN. Have your actions in this matter ever been the subject of any ethics, criminal, or similar type of investigation?

Mr. ALLBAUGH. No, sir, they have not.

Senator LIEBERMAN. And I understand that though you were mentioned in the lawsuit, you are not a named defendant in the lawsuit, is that correct?

Mr. ALLBAUGH. That is my understanding, as well.

Senator LIEBERMAN. Let me ask you, finally, having asked those specific questions, if you would now, just for the record, to the best of your recollection, state the nature of your involvement in the situation in the case that is the basis for the lawsuit that I have mentioned.

Mr. ALLBAUGH. I was asked by a State Senator from Houston to facilitate a meeting, actually, attend a meeting he was having on a Friday, I believe, about 3 years ago. He had invited representatives from the Texas Funeral Commission and SCI to be in attendance. I told him I could not be in attendance. In another part of the building, I was due to do some things with Governor Bush and I could not leave. But I offered up my office as a place to host the meeting. Everyone congregated. I turned to Senator Whitmire, who was the Senator who asked for the meeting, and I basically said, the show is yours.

Senator LIEBERMAN. Let me interrupt just for a moment. Do I understand correctly that Senator Whitmire asked for the meeting because he was concerned about the way in which the Funeral Services Commission was going after SCI?

Mr. ALLBAUGH. The way he explained it to me was that there were numerous documents that the Texas Funeral Service Commission was after, and his constituents, SCI, were curious in trying to figure out exactly what documents the Texas Funeral Commission were after. That was the purpose of the meeting, to try to bring some conclusion and finality as to what they were after. I saw my role, quite frankly, no more than a facilitator, which is something I did with great regularity as the chief of staff when there were two parties that had differing opinions about things.

Senator LIEBERMAN. And what happened at the meeting?

Mr. ALLBAUGH. Probably 10, 12, or 15 people showed up. It seemed like forever, and I brought the meeting to closure by asking the Chairman of the Funeral Services Commission, who was present, Dick McNeil, and his staff to ultimately provide a list of materials that they were interested in obtaining from SCI. They agreed to do that. They provided that later in the afternoon after the meeting adjourned and that was the end of it.

Senator LIEBERMAN. Did you have any further contact with the matter after that?

Mr. ALLBAUGH. I called the executive director, which was normal course of business for me, to set up a meeting. I noticed in the larger meeting with everyone present, she was not really participating and it was a clear signal to me that there might be something that this office needed to know about, the governor's office. So I asked for a private meeting. She came over and there was not really anything that she shared with me. That was the end of the meeting and that was the last time I spoke with her.

Senator LIEBERMAN. And the tenor, the mood of that meeting was business-like and——

Mr. ALLBAUGH. It was business-like, short, sweet, to the point. Actually, she was non-participatory in any questions that I asked except that she alluded to the fact that there were several death threats against members of the commission and I suggested to her that we needed that information as quickly as possible to turn it over to the proper authorities, the Texas Public Safety Department, and the Texas Rangers——

Senator LIEBERMAN. Based on this case, she said——

Mr. ALLBAUGH. I beg your pardon?

Senator LIEBERMAN. In her opinion, the death threats were related to the investigation of SCI?

Mr. ALLBAUGH. That was her opinion, and I needed that information to turn over to the proper authorities, the Texas Rangers, for investigation.

Senator LIEBERMAN. Did she ever provide you with that information?

Mr. ALLBAUGH. Sir, she did not.

Senator LIEBERMAN. And that was Ms. May, I gather?

Mr. ALLBAUGH. Yes, sir.

Senator LIEBERMAN. And after that meeting, did you have further involvement in this matter?

Mr. ALLBAUGH. Only one additional meeting. Chairman Dick McNeil dropped by at his request to bring me an update as to the status of things and that was my last involvement with this entire issue.

Senator LIEBERMAN. To the best of your recollection, what was the nature of the investigation and how did it conclude?

Mr. ALLBAUGH. I believe there was a fine involved, which has been appealed, and I really do not know that it has been brought to closure, quite frankly.

Senator LIEBERMAN. But the basic nature of the investigation, presumably, was that there had been complaints against the funeral home or the——

Mr. ALLBAUGH. As I understand it, there were complaints against SCI for some type of educational practices. I really do not know any more than that, and the basis for the investigation by the Texas Funeral Commission was to get at the core of those complaints.

Senator LIEBERMAN. Is it a fact, to the best of your knowledge, that Ms. May was sometime thereafter terminated as Executive Director of the Funeral Services Commission?

Mr. ALLBAUGH. That is my understanding. I read about it in the *Austin American Statesman.*

Senator LIEBERMAN. Right. I am tempted to ask you whether you believe everything you read in the *Austin American Statesman.*

Mr. ALLBAUGH. Parts.

Senator LIEBERMAN. Do you remember how soon after, generally speaking, this series of events regarding SCI that Ms. May was terminated?

Mr. ALLBAUGH. I want to say 5 or 6 months. I do not exactly know. My meeting with Ms. May was in August 1998 and I think she was terminated in early 1999.

Senator LIEBERMAN. Did you have any involvement in the commission's decisions that led to her termination?

Mr. ALLBAUGH. None whatsoever.

Senator LIEBERMAN. So that what you are testifying today is that the first time you heard about it was, to the best of your recollection, when you read about it in the newspaper?

Mr. ALLBAUGH. That is exactly what I would say. The first time I ever heard about her dismissal was reading about it in the newspaper.

Senator LIEBERMAN. Fine. Thanks, Mr. Allbaugh. I do not have any further questions about that. I believe some of my colleagues in some of the post-hearing questions may.

Mr. ALLBAUGH. Sure.

Senator LIEBERMAN. Let me step back now from that and ask you an open-ended question about the position for which you have been nominated, and I understand that you have had experience with FEMA from the State level. Coming in, what would you say are the biggest challenges that are facing FEMA today? What kind of priorities do you have as you contemplate beginning this work?

Mr. ALLBAUGH. I think the biggest challenge is proper training. There is nothing in the world that can replace experience other than experience. Being prepared is probably its most important goal at FEMA, to handle disasters as they arise. An ongoing, aggressive training program, not only at the national level but at the State level, would be one of my top priorities. I know there is close coordination right now, but I believe there probably needs to be a little more attention paid to training.

Senator LIEBERMAN. OK. The State emergency management directors in the Northeast have raised a concern regarding the costs that State and local jurisdictions incur in conducting rescue and recovery operations after a major rail or aircraft disaster is what they are thinking of here. A number of these accidents have occurred in recent years, such as the TWA Flight 800 and Egyptian Air Flight 990, and while the Federal Government has eventually reimbursed those expenses, this repayment has usually only come months later through a special Congressional appropriation. There is no regularized process under which disaster assistance is provided to States or municipalities handling these accidents. I am sure you are aware of that. Unfortunately, this can be a real burden for a small government that counts on that money to pay local expenses.

I note that FEMA's jurisdiction does not now include rail or aircraft accidents as major disasters, which would allow States to apply for this assistance. I do not know if you have ever given this any thought, but I wonder, if you are confirmed, would you be open to working with the States and local governments to finding a solution to this problem either through an expansion of FEMA's jurisdiction or some other means?

Mr. ALLBAUGH. I am not familiar with any particular rail or air disaster, Senator, but I would be happy to take a look at the issue, if confirmed and when confirmed, and report back to you as soon as I could and see what we might be able to work out insofar as expanding FEMA's focus, if necessary.

Senator LIEBERMAN. Fine. The final question is really one that I would bring to your attention, and I doubt that you have had a chance to think about it, but it may be coming in your direction. If you have any first reactions to it, I would welcome them.

A few weeks ago, a blue ribbon panel chaired by former Senators Gary Hart and Warren Rudman issued a draft final report, and this was about national security threats we are going to face and how to best deal with them. I want to quote from one of their findings. "The combination of unconventional weapons proliferation with the persistence of international terrorism will end the relative invulnerability of the American homeland to catastrophic attack. A direct attack against American citizens on American soil is likely over the next quarter century," from the Hart-Rudman Commission.

The report raises the concern that our Nation has no coherent or integrated governmental structures to prepare for the possibility of such an attack and suggests the formation of a new agency that would have responsibility for planning, coordinating, and protecting our citizens and our critical infrastructure. Now, naturally, some of these concerns are not dissimilar to what FEMA does now, although FEMA's work is, of course, related to natural disasters.

I wonder if you have any first thoughts on the commission's alarm, and if not, I understand, of course, and I urge you to think about it and, if you are confirmed, get involved in the governmental response to this concern because I think it is real.

Mr. ALLBAUGH. The only thoughts I would have is that I am familiar with the report, the Hart-Rudman report, as well as the Gilmore Commission reports, and I share your concern as well as

many others on the threat of domestic terrorism. There has to be an apparatus where there is an authority, an entity that is ultimately responsible for implementation at the appropriate time and I would love to have some time to review those reports and respond back to you, Senator.

Senator LIEBERMAN. I would appreciate that. Thank you very much.

Mr. ALLBAUGH. Thank you.

Senator LIEBERMAN. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you. Senator Cochran.

Senator COCHRAN. Mr. Allbaugh, I noticed when you mentioned one of your high priorities would be improved training of personnel at FEMA, and I applaud you for that because if some experiences that we have had in my State between the Federal staff of FEMA and local officials. There have been misunderstandings. Some local officials have reported that depending on who they talked with at the Federal agency, conflicting information about the assistance FEMA would provide for the repair of damaged structures, public buildings, and roads and bridges—following a federally-approved disaster—was given.

I hope that you will follow through with that priority because I think there can be improvements made in the way the Federal staff interact with local officials to try to keep misunderstandings to a minimum. I know there are bound to be some, and human error is going to happen from time to time. But this has been a problem that I have had brought to my attention in my State and wonder how you plan to go about trying to minimize that difficulty in the future.

Mr. ALLBAUGH. Well, I agree with you, Senator. There will always be mistakes made and the name of the game is to minimize mistakes. So the best way to keep those misinformation items to a minimum is a two-way dialogue between the States and FEMA, whether it is at the regional office or at the national office, and I would work hard to achieve that.

Senator COCHRAN. One thing that has been created is a new program, the Firefighters Assistance Grant Program, that would provide some Federal assistance for local governments and communities for emergency equipment and vehicles, firefighting equipment in particular, and the funding is going to be made available, as I understand the new law and new appropriations language, through the U.S. Fire Administration. I noticed in your opening statement, which we have accepted for the record, you mentioned improving the administrative strength of the U.S. Fire Administration. Is this an agency that comes directly under FEMA? How would you interact with that agency?

Mr. ALLBAUGH. It is my understanding it does.

Senator COCHRAN. One of the things that we hope will be done is that those communities that would like to have the benefit of this program can look forward to early action by the administration to make available these new items of equipment for firefighting and, through training and response programs, help communities prepare to minimize the damage from natural disasters., I commend you for your making a point to emphasize the enhancement

of the capabilities of the U.S. Fire Administration. I wish you well in that.

Mr. ALLBAUGH. Thank you, sir.

Senator COCHRAN. And if you need any additional funds for that, let us know about that. I hear that OMB is going through the budget request and making it pretty hard on anyone looking for additional funds, and may be looking to rescind some funds that have been previously appropriated. I hope you will weigh in real hard to try to keep any cuts from occurring in the U.S. Fire Administration's program that would benefit local communities.

Mr. ALLBAUGH. I will be happy to look into that.

Senator COCHRAN. My last question has to do with flood zones and mapping. FEMA has a special responsibility in this area, maintaining and updating flood maps to identify areas and communities that are in a flood zone which would require certain flood insurance protection of local owners of property. This program has generally been beneficial in our State, but some have been put at a disadvantage financially when they buy a house, for example, that was not in a flood zone but then the new map comes out and it shows that it is in a flood zone and the property values decline. The requirements for insurance purchases impose new financial obligations.

The reason I bring this up is because there is still a lot of mapping that is yet to be done and completed, and in a lot of areas of the country, this has been slow in being finalized. So I hope that you will be able, as the new administrator, to give a higher priority to completing these flood maps so that people who are worried about what their future is and how their property values are going to be affected will get some expeditious attention and we can see that program completed at an early date.

Mr. ALLBAUGH. The program will be a high priority for me.

Senator COCHRAN. Thank you very much. Thanks, Mr. Chairman.

Chairman THOMPSON. Thank you. Senator Akaka.

Senator AKAKA. Thank you very much, Mr. Chairman.

Before I go on with my questions, I want to thank you, Mr. Allbaugh, for your responses to questions regarding the Texas State Funeral Commission.

As Senator Lieberman mentioned, there have been many recent proposals to reorganize the Federal agencies with respect to national preparedness and terrorism response. These include establishing a new executive office for combatting terrorism and creating a special assistant for homeland issues on the staff of the Vice President or a new cabinet-level position.

The Hart-Rudman Commission proposes building a National Homeland Security Agency upon the capabilities of FEMA, an agency they recognize as performing well in recent years, especially in response to national disasters. The new agency would retain and strengthen FEMA as a core element of its organizational structure. Finally, to fully complement the different activities that a National Homeland Security Agency would need to perform, the commission recommends transferring the Customs Service, Border Patrol, and Coast Guard to the new agency while preserving them as distinct entities.

How do you think that such a restructuring would take place and potentially affect FEMA as a whole, especially the non-national preparedness activities of FEMA, such as flood plain mapping and national hazards research?

Mr. ALLBAUGH. I am not sure that I know enough to comment intelligently about the creation of a new agency, Senator. I would love to get my arms around that particular subject and study Hart-Rudman a little bit longer, quite frankly, before I respond to you, but I would be happy to get back to you as soon as I do that.

Senator AKAKA. Thank you. We would certainly like to hear from you on that.

I would like to discuss biological threats in a little more detail because of the special issues they present. Unlike other terrorist attacks, a biological weapon threat is not finite or overt. It may take days or weeks before the health care community realizes that there is a problem and even longer before the source of the event, whether natural epidemic or bioweapon, is known.

FEMA's Rapid Response Information System is a good start in getting Federal, State, and local emergency responders prepared for responding to a weapon of mass destruction event. However, attending physicians and nurses are not typical emergency respondents. According to a presentation at a recent bioterrorism conference, there are too few doctors aware of the bioweapons threat and fewer hospital administrators willing to implement programs to prepare for what they perceive to be a very unlikely event.

My question to you is, how can FEMA improve awareness among these health care providers?

Mr. ALLBAUGH. Senator, there is an opportunity to reach out to the professionals who know this area better than anyone else and I would look to include them in an ongoing dialogue with FEMA if I am confirmed. Additionally, you should know, I spoke with Senator Mikulski earlier in the week about this particular subject. It is a high priority for her, as well, and I would like to be in a position to respond to both you and Senator Mikulski at the appropriate time on this subject.

Senator AKAKA. Thank you very much, Mr. Chairman. Thank you, Mr. Allbaugh.

Chairman THOMPSON. Thank you very much.

As Senator Lieberman said, there will be written questions submitted. Perhaps we can get those in by the end of the day. Senator Lieberman, do you think that is a possibility?

Senator LIEBERMAN. That is my hope, Mr. Chairman. I have Senator Levin's now and Senator Torricelli has indicated he would have his in to us by this afternoon. We will get them right to you.

Chairman THOMPSON. The quicker you turn that around, the quicker we can operate.

Senator Lieberman, do you have any further questions?

Senator LIEBERMAN. I do not, Mr. Chairman. I thank the witness.

Chairman THOMPSON. I thank the witness. I appreciate the hearing today. We will move on your nomination as soon as we can, and good luck to you.

Mr. ALLBAUGH. Thank you, Mr. Chairman. Thank you, Senators. I look forward to working with all of you.

Senator LIEBERMAN. Thank you.

Chairman THOMPSON. Thank you very much. We are adjourned.

[Whereupon, at 11:35 a.m., the Committee was adjourned.]

APPENDIX

STATEMENT OF JOE M. ALLBAUGH,
NOMINATED TO BE DIRECTOR,
FEDERAL EMERGENCY MANAGEMENT AGENCY
BEFORE THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
UNITED STATES SENATE

February 13, 2001

Mr. Chairman and Members of the Committee, I am honored to be here today. Thank you, Mr. Chairman, for your gracious introduction, as well as Senator Gramm and Senator Hutchison for their kind words on my behalf.

Mr. Chairman and Committee Members, I appreciate the time that you and your staffs have spent with me in preparation for this hearing. I am pleased that we are developing working relationships that will serve the country well, both in dealing with future emergencies and in setting emergency management policies.

I am deeply honored and privileged by the President's nomination of me to be the Director of the Federal Emergency Management Agency. I will do my best to justify the trust that he placed in me to lead an agency of such importance to the health and safety of our fellow citizens. This opportunity, which represents the best in America's tradition of helping others in need -- is especially humbling for me. To join ranks with the thousands of FEMA employees and reservists, and the countless State and local emergency response professionals and volunteers, is an honor and a privilege. There can be no higher calling than providing speedy, appropriate help to our fellow citizens in their times of need.

I plan to work closely with the President and his staff to ensure that Federal response to natural and national disasters is always quick and sure, and that FEMA has the resources it needs to meet its challenges.

Let me take this opportunity to thank my predecessor, James Lee Witt, for his dedication and tireless work at FEMA.

I have seen the work of FEMA first hand. During my entire tenure as then-Governor Bush's Chief of Staff, I kept a close watch on disasters and emergencies within the State of Texas, helped coordinate relief efforts for nine Presidential disaster or emergency declarations, and also worked to ensure that the State was prepared to respond to disasters. My number one priority during that time was to manage and monitor the State's rapid response to disasters and emergencies. For example, the devastating floods in October-November 1998 caused nearly thirty deaths and an estimated $500 million of property damage in south Texas. Thirty-four hundred homes were completely destroyed, and another 13,000 homes were damaged. I remember spending an entire Sunday

flying over the flooded Guadalupe, San Antonio, and San Marcos rivers to assess the damage. The normally tranquil Guadalupe River had spread from its usual width of 150 feet to become six miles wide at some points. I worked with the Texas Emergency Management Council at the state Emergency Operations Center to determine the extent of the destruction and respond to this disaster. The Federal and State governments ultimately provided over $160 million in disaster relief assistance. But the true measure of the response was in the grateful eyes and words of those Texans affected by this disaster.

Another disaster that had a profound effect on me was the May 1997 tornado that struck the town of Jarrell, Texas. This tornado was among the top one percent of tornadoes in strength and had effects similar to an atomic blast, with winds above 300 miles per hour. It killed 27 people, leveled 50 homes, and even scraped asphalt off the roadway, ultimately causing between ten and twenty million dollars in damage. I was involved in coordinating Texas' efforts to respond to the tornado, including those of the National Guard. As always, volunteer groups – including the Salvation Army, the Red Cross, church groups, and local businesses and neighbors -- played a key relief role.

As a result of these and other disasters and emergencies we addressed while I was Chief of Staff, I learned the importance of getting assistance in as quickly as possible, and responding with all available government and community resources. In Texas, I played a role as a 'consumer' of FEMA's emergency management programs, and I have a special understanding of the importance of close coordination between Federal and State governments. If confirmed, I will work hard to strengthen the relationships between FEMA and State and local governments.

I know from personal experience the particularly central role Governors play in emergency management efforts, and I was fortunate to develop close relationships with the vast majority of our country's governors during my time as then-Governor Bush's Chief of Staff. Among my most important goals at FEMA will be to enhance its responsiveness to governors and local leaders, because I know and understand the critical importance of proper, immediate response in such times of need.

If I am confirmed, I will pay special attention to volunteers and non-governmental organizations responding to disasters. Fire fighters are frequently the first to respond to a disaster. Faith-based groups like the Salvation Army play critical roles in disaster relief, as does the American Red Cross. And the individual actions of neighbors helping neighbors by donating time, food, and clothing should never be underestimated. These are the people who make a vital difference, without any expectation of thanks or recognition.

Taking my lead from Congress' enactment of the 2000 Stafford Act amendments, I plan to focus on implementing pre-disaster mitigation programs

that encourage the building of disaster resistant communities. FEMA has made solid progress in this area, but more can be done to limit the human and financial toll of disasters. I intend to place special emphasis on enhancing the capabilities of the U.S. Fire Administration, which I believe has a new opportunity to make a real difference in the firefighting community. I will also work with the Federal Insurance Administration, which is the single national source of flood insurance, to implement policies that will both encourage the purchase of flood insurance and reduce the costs of flood-related disasters.

I want to assure the Committee that, if confirmed, I will take great care to foster and support the professional, experienced workforce at FEMA. FEMA has many dedicated, long-term employees, who perform their duties day-in and day-out, steadily and competently. They are truly the "Cal Ripkens" of the Federal Government who get the job done when it matters.

If I am confirmed as Director, with your support I will make FEMA an even more vital national resource in preparing for and responding to all types of disasters, and an agency that will be an international model for disaster response, mitigation, and recovery. I consider myself a "doer," and I view FEMA as a "doing" agency. I think the fit is a good one. I look forward to the opportunity to work with you and other Members of Congress on the many issues of concern to you and your constituents.

Thank you for the opportunity to appear before you and for the time you have given me. I am happy to answer any questions you might have.

Joe M. Allbaugh
BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.)

   Joe Marvin Allbaugh

2. **Position to which nominated:**

   Director of the Federal Emergency Management Agency

3. **Date of nomination:**

   January 20, 2001

4. **Address:** (List current place of residence and office addresses.)

   Office: 1800 G Street, N.W.
   Washington, D. C.

5. **Date and place of birth:**

   July 27, 1952
   Blackwell, Oklahoma

6. **Marital status:** (Include maiden name of wife or husband's name.)

   Married.

   Marilyn Diane Campbell Allbaugh

7. **Name and ages of children:**

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8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.

Blackwell High School, August 1967-May 1970
Diploma, 1970
Oklahoma State University, August 1970 – July 1975
BA, Political Science, 1975

9. **Employment record**: List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)

See Attachment I.

10. **Government experience**: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

See Attachment I.

11. **Business relationships**: List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

I currently serve as President and Director for three entities: Bush for President, Inc.; Bush/Cheney 2000, Inc.; and Bush/Cheney 2000 Compliance Committee, Inc. In each case, I have resigned my positions effective January 31, 2001. If confirmed and appointed before January 31, 2001, I would resign these offices before the appointment.

12. **Memberships**: List all memberships and offices held in professional, business, fraternal, scholarly, civic, public, charitable and other organizations.

Austin Club - Austin, TX

13. **Political Affiliations and activities**:

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

I have been a member of the Republican Party throughout the last 10 years. I have served as campaign manager for George W. Bush in two of his three

elections during that period. I have provided advice to various Republican campaigns during that period. I currently serve as President and Director for three entities: Bush for President, Inc.; Bush/Cheney 2000, Inc.; and Bush/Cheney 2000 Compliance Committee, Inc. I have resigned each position, effective January 31, 2001.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of $50 or more for the past 5 years.

To the best of my recollection, my political contributions during this period consist of the following:

Bush for President, 1999	$1,000.00
Mayor Kirk Watson, 2000	$ 100.00
Justice Al Gonzalez, 2000	$ 500.00
Tony Garza for Texas Railroad Commissioner	$ 125.00

14. **Honors and awards**: List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

None.

15. **Published writings**: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. **Speeches**: Provide the Committee with three copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Selection**:
(a) Do you know why you were chosen for this nomination by the President?

At the press conference announcing my designation as his nominee for the position of Director of the Federal Emergency Management Agency, President-elect Bush said the following:

"During my years as Governor, I came to know Joe Allbaugh as an individual with extraordinary management capabilities who can be counted on in times of need. I have the utmost confidence in his abilities and am pleased that he has agreed to serve as Director of the Federal Emergency Management Agency,"

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

My background and employment experience have prepared me very well for this responsibility. Most recent and relevant is my service as Chief of Staff for the Governor of Texas – a position that included responsibilities for management of crises and emergency responses. Many of the occasions for my exercise of those responsibilities required me to work closely with the Federal Emergency Management Agency; all of those experiences were valuable. And, of course, throughout my time as Chief of Staff, I worked with the Division of Emergency Management of the Texas Department of Public Safety.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

   Yes. I will sever all such connections before my appointment. Indeed, I have already resigned those connections, effective January 31, 2001.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

   No.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

   No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

   No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

   Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, or other continuing dealings with business associations, clients or customers.

   I have no continuing dealings with business associations, clients or customers.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

   I am not aware of any. To the extent that FEMA's designated agency ethics official (DAEO) concludes that any of our investments pose potential conflicts of interest, I will address any such situations by means of an appropriate ethics agreement.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

   None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

   During the past ten years, I held two State government posts that required me to participate intimately in the legislative and executive functions of those State governments. In particular, I served as Chief of Staff in the Office of the Governor, State of Texas; and I served as Deputy Secretary of Transportation for the State of Oklahoma.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

   As mentioned above, I do not foresee any conflicts of interest but will work with FEMA's DAEO to resolve any that might arise.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

   Yes.

D. LEGAL MATTERS

1. Have you every been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

   No.

2. Have you every been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

   No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

   No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

   No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

   None.

E. FINANCIAL DATA

Financial Data retained on file with the
Committee on Governmental Affairs

AFFIDAVIT

Joe M. Allbaugh, being duly sworn, hereby states that he has read and signed the foregoing Statement on Biographical and Financial information and that the information provided therein is, to the best of his knowledge, current, accurate, and complete.

Subscribed and sworn before me this 30th day of January, 2001.

Notary Public

Dimitria M. Lomax
Notary Public
District Of Columbia

MY COMMISSION EXPIRES: Nov. 14, 2002

Joe M. Allbaugh
Attachment I- Employment Record
Response to Questions 9 and 10,
"Biographical and Financial Information Requested of Nominees"

7/99 to Present
Campaign Manager
Bush/Cheney 2000, Inc.
Austin, TX

1/95 to 7/99
Chief of Staff
Office of the Governor
Austin, TX

3/94 to 1/95
Campaign Manager
Bush for Governor, Inc.
Austin, TX

2/91 to 3/94
Deputy Secretary of Transportation
Oklahoma Dept. of Transportation
Oklahoma City, OK

9/90 to 2/91
Unemployed

8/88 to 9/90
Investment Banker
Stephens, Inc
Little Rock, AR

1/87 to 8/88
Legislative Director and Secretary to the Cabinet
Governor Henry Bellmon
Oklahoma City, OK

1/86 to 1/87
Campaign Manager
Bellmon for Governor Campaign
Oklahoma City, OK

12/84 to 1/86
Private Consultant
Oklahoma City, OK

2/84 to 12/84
Deputy Regional Political Director
Reagan-Bush '84
Washington, DC

4/79 to 2/84
Republican National Committee
Regional Political Director, Regional Finance Director, Republican Governors Association Field Director
Washington, DC

5/80 to 9/80
Campaign Manager
Ed Noble For US Senate
Oklahoma City, OK

11/78 to 4/79
Unemployed

3/78 to 11/78
Political Director
Bob Kamm for US Senate
Oklahoma City, OK

8/77 to 3/78
Political Director
Oklahoma Republican Party
Oklahoma City, OK

8/75 to 8/77
Field Representative
US Senator Henry Bellmon
Enid, OK

PRE-HEARING QUESTIONS FOR JOE M. ALLBAUGH TO BE DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY

I. Nomination Process and Conflicts of Interest

1. Why do you believe the President nominated you to serve as Director of the Federal Emergency Management Agency (FEMA)?

   At the press conference announcing my designation as his nominee for the position of Director of the Federal Emergency Management Agency, President-elect Bush said the following:

   "During my years as Governor, I came to know Joe Allbaugh as an individual with extraordinary management capabilities who can be counted on in times of need. I have the utmost confidence in his abilities and am pleased that he has agreed to serve as Director of the Federal Emergency Management Agency."

2. Were any conditions, expressed or implied, attached to your nomination? If so, please explain.

   No.

3. What specific background and experience affirmatively qualifies you to be Director of FEMA?

   My background and employment experience have prepared me very well for this responsibility. Most recent and relevant is my service as Chief of Staff for the Governor of Texas – a position that included responsibilities for management of crises and emergency responses. Many of the occasions for my exercise of those responsibilities required me to work closely with the Federal Emergency Management Agency; all of those experiences were valuable.

4. Have you made any commitments with respect to the policies and principles you will attempt to implement as Director of FEMA? If so, what are they and to whom have the commitments been made?

   I have made no commitments.

5. There have been allegations in the press that, during your tenure as Governor Bush's Chief of Staff, you were involved in one or more meetings at which representatives of Service Corporation International (SCI), a Texas-based funeral home company, and representatives of the Texas Funeral Services Commission (TFSC) were present. The allegations include claims that TFSC staff members were pressured during the meeting(s)

and in conversations afterward to terminate an ongoing investigation into SCI. Please explain to the Committee your involvement in these meetings and subsequent conversations and provide your response to these allegations.

I was present at one meeting attended by representatives of both the Texas Funeral Service Commission (TFSC) and Service Corporation International (SCI). I attended two other meetings, each with just a single TFSC representative. I never pressured anyone, including TFSC staff members, to terminate an investigation of SCI or any other company.

On May 18, 1998, Texas state senator John Whitmire (a Democrat) invited me to a meeting he had arranged between senior representatives of Service Corporation International, on the one hand, and Chairman Charles "Dick" McNeil and Executive Director Eliza May of the Texas Funeral Services Commission, on the other, and four or five others. I recall that Senator Whitmire was incensed that the TFSC had engaged in what his constituent Robert Waltrip (chairman of SCI) considered to be TFSC's overly aggressive tactics in investigating alleged improprieties by SCI affiliates. In particular, Senator Whitmire was outraged at an unannounced "raid" on Good Friday morning, the previous month, during which investigators demanded immediate production of what Mr. Waltrip considered to be an extraordinary amount of documents from a number of SCI affiliates (and perhaps other companies) in the Dallas area. I recall that the dispute between SCI (on behalf of whom Senator Whitmire spoke) and the TFSC in that meeting was over the extent and manner of the production of documents demanded by the TFSC, and the identity and description of the desired documents, but *not* about the existence of the investigation itself. Most of the dialogue in that meeting was among Senator Whitmire, Mr. Waltrip, and Chairman McNeill. The meeting concluded when I asked TFSC's general counsel to provide a list that afternoon of the documents TFSC required, and indicated I would provide that list to Senator Whitmire's staff immediately thereafter. I did so, and the parties soon resolved their dispute over this issue.

I viewed my participation in this meeting as that of a facilitator to resolve this dispute over production of documents, and nothing more. It is my belief that Senator Whitmire, SCI, *and* the TFSC representatives also viewed my participation in this meeting as merely that of a facilitator. Indeed, both principal camps to the dispute were seeking the assistance of the governor's office to perform that role. Moreover, the only reason the meeting was held in my office is that I did not have time to attend it at the location established by Senator Whitmire, so I offered them the benefit of my office that morning as the only option allowing me to attend.

I recall having only two other meetings with any TFSC representatives on this topic; each meeting involved just one TFSC representative. It is my recollection that I met Executive Director May in August of 1998 -- *after* the TFSC had

reviewed the documents provided by SCI and had announced its $450,000 fine against SCI -- to inquire about the facts behind the press reports associated with these developments. Possibly a month later, Chairman McNeil came by my office at his request to report on the status of the matter. Each of these meetings was brief and inconsequential from my perspective. Neither at these meetings nor at any other meeting, nor in any conversation, did I pressure any TFSC representatives to stop any investigation. In fact, by the time of my August meeting with Ms. May, the TFSC had announced its fine against SCI.

TFSC was the principal regulator of Texas funeral services, and was an agency independent of control from the governor's office. The only relationship between the governor's office and the TFSC was in the appointment of commissioners to multi-year terms of office. By state law, the governor could remove commissioners only for three statutory reasons: neglect of duty, incompetence, and fraud or dishonest conduct. Moreover, I am not aware of *any* mechanism by which the governor's office could affect the employment of TFSC staff. Thus, there is no means under Texas law that would have permitted me to pressure the commission (in that or any meeting) to take any action. In any case, I had no desire to affect the investigation adversely, and I did not exert any such pressure.

The reported allegations referenced in your question are not grounded in fact, nor are they credible.

I both recognize and support the role of regulatory agencies to ensure that rules governing the conduct of regulated industry are followed. I viewed my role in this matter as consistent with that objective. So, even though the governor's office had no power or authority to compel action by either the TFSC or SCI, I accepted the invitation to help facilitate resolution of their dispute over the TFSC's demand for SCI records.

II. Role and Responsibilities of the Director of FEMA

1. How do you view the role of Director of FEMA?

The Director of FEMA is the President's representative in matters pertaining to the federal responses to and recovery from natural and man-made disasters (whether accidental or intentional) on American soil. The Director should lead the Agency in its mission of reducing the loss of life and property from all types of hazards through a comprehensive, risk-based, emergency management program of preparedness, mitigation, response and recovery. The Director has the important role of carrying out the President's initiatives in these areas in cooperation with federal partner agencies, and with State and local governments. Among FEMA's roles is the responsibility to supplement State and local responses to events that are beyond their capability. Therefore, the Director

must ensure timely and appropriate support and reassurance from the federal government.

2. What challenges currently face FEMA? How will you as Director address these challenges and what will be your top priorities?

FEMA has made great strides in recent years. A significant challenge will be to consolidate and build upon those gains in capability, performance and stature. Yet there is room for improvement, and there are a number of immediate challenges in implementing FEMA's programs, such as those associated with threats from or responses to flood and fire. There also appear to be challenges in improving efficiencies in delivery of services and expenditure of funds. Larger challenges include reassessing FEMA's roles in national security and preparing FEMA for appropriate roles in responding to the possibility of domestic terrorism.

If confirmed, my priorities will include maintaining and improving FEMA's response and recovery capabilities in the event of any disaster; building on the relationships with State and local governments and non-governmental organizations; and evaluating FEMA's current missions, organization and practices in order identify potential improvements or refinements.

3. How do you plan to communicate to Congress on your efforts to address FEMA issues?

Following the lead of President Bush, I plan to maintain open, bi-partisan channels of communication with all interested Members of Congress. More than being receptive to inquiries, I expect to consult routinely with Members and committees, and staff, on FEMA programs, roles and initiatives, as well as on FEMA's responses to particular emergencies or disasters.

4. How do you plan to communicate to FEMA staff on efforts to address FEMA issues?

If confirmed, I will be joining a very successful team of professionals. In order to make the most of that team's experience and capabilities, I will expect our communications to be a dialogue, not a one-way transmission. I understand that the previous Director used a wide variety of media for communicating with FEMA staff, and I would expect to take advantage of those existing methods. Undoubtedly, over time, I will develop my own system for communicating with this team. For example, my experience with State and local roles in emergency management gives me a deep appreciation of the need for effective communication with those critical partners in the overall emergency management mission. Thus, I expect to be consistently very attentive to FEMA's regional offices and staff (important links to those State and local entities), as well as FEMA staff in Washington.

III. Policy Questions

1. What are your views regarding balancing FEMA's role as public servant and that of state and local governments assuming responsibility for initiating appropriate preparedness, response, recovery, and mitigation measures before a disaster strikes?

   As appropriate in our federal system, the national government (represented principally by FEMA) and State and local governments share responsibility for these important public functions. Currently, the State and local governments prepare for, and respond to, many emergencies and disasters without FEMA's assistance. FEMA's role, as defined in the Stafford Act (and the Disaster Mitigation Act of 2000), is to supplement State and local efforts, leaving the primary responsibility with the States. In virtually any emergency, the first to respond will be a State or local professional – a fireman, policeman, or emergency manager. FEMA's resources and expertise thus are rightly viewed as supplemental and supportive of State and local efforts. To be sure, those resources and that expertise should be appropriately available in anticipation of disasters and emergencies, as in training and preparedness efforts, and in mitigation efforts. Even then, however, FEMA should not supplant the States, but rather should support them.

2. What is your assessment of the capabilities of state and local governments to respond to disasters?

   My current assessment is based on my direct experience in such activity in the State of Texas, and as an observer of that activity in other States. From that perspective, I believe that current capabilities nationwide are formidable, yet vary in degree. One of my priorities, if confirmed as Director, will be to take another look at those capabilities in order to assist and prepare appropriately.

3. What are your views on whether FEMA has an adequate system to assess state and local responses?

   I understand that, in 1997, FEMA and the National Emergency Management Association jointly developed the Capability Assessment for Readiness (CAR) process, which established a national set of performance criteria for measuring the capability of the States within the areas of mitigation, preparedness, response, and recovery. From June to August 1997, the States (along with some local jurisdictions) conducted self-assessments of their capabilities for responding to disasters, working to develop an initial baseline level of their capabilities. These assessments are now conducted biennially and they have been expanded to include tribal nations. Based on the assessments, the States appear to have the basic capabilities in place to respond effectively to disasters. There appear to be certain functions that require more attention, however, such

as the need to continue to develop the logistics and facilities necessary to support response and recovery operations.

If confirmed, I will of course evaluate FEMA's internal systems for assessing State and local responses. An adequate internal system for such assessments will be critical for allocating FEMA resources not only in responding to emergencies and disasters but also in assisting States in training and preparation.

4. What has been your experience dealing with state emergency management agencies?

My principal experience in dealing with State emergency management agencies comes from my role as then-Governor Bush's chief of staff from early 1995 through mid-1999. As requested by the Governor, I was responsible to him for overseeing and managing the State's emergency and disaster responses.

5. FEMA is one of the agencies that has received high marks for its effective use of the Government Performance and Results Act (GPRA) to improve its management and performance. Will you continue to give high priority to GPRA planning and measurement requirements to address ongoing management challenges at the agency?

New technology and new ideas will always bring management challenges. One of the best ways to address those challenges is through planning and performance-based management, as required by the GPRA. If confirmed as the Director of FEMA, I would strongly support FEMA's efforts to build on its past GPRA success. I also would foster an environment where discussion of management challenges could lead to timely resolutions. That means setting goals, putting resources toward those goals, and holding people accountable for achieving them. I would work very hard to assure FEMA's success in this area.

6. What is your opinion of FEMA's implementation of GPRA? Are there improvements that you feel are necessary in FEMA's strategic or performance plans?

I understand that FEMA has been successful in accomplishing most of its annual performance goals in both 1999 and 2000. It has also made good progress in moving toward outcome goals. For instance, the agency has managed to go from 65 goals in 1999 to 19 for 2002. That is good, but there is room for continued improvement. Strategic planning is an ongoing process. It is only successful when senior leaders become strategic thinkers and shape the culture of the agency to embrace performance-based management.

7. How would you view your own role in achieving the goals set forth in FEMA's strategic plan and annual performance plan? How do you plan to hold yourself and FEMA's other senior managers accountable for implementing the goals and objectives set forth in FEMA's GPRA plans?

I am committed to planning and working with FEMA to achieve performance-based management. I would hold myself accountable for the success of FEMA's plans, and I would expect my staff at all levels to share that accountability. That means that discussion needs to be regular, open, and candid in regard to FEMA's performance. I understand that there is, on paper, a requirement of the Senior Executive Service staff to commit to seeing that goals in their area are met. I support this concept and encourage its appropriate application at all management levels.

8. Under President Clinton, the Director of FEMA has been a Cabinet-level position. Do you believe the Director should continue to hold this status? Has President Bush made any commitments or representations to you on this issue?

While it would be inappropriate for me to discuss my conversations with the President, I know that President Bush considers the role of FEMA to be among the most important roles. I, too, appreciate that role.

9. FEMA has made disaster mitigation a primary goal in its efforts to reduce the costs of federal disaster assistance. Do you agree that disaster mitigation should be a primary focus for the agency? How do you plan to effectuate that goal?

Disaster mitigation is critical to the safety of our Country and should remain a primary focus for the agency. As our population continues to grow and at-risk areas become more heavily populated, the impact of natural hazards will continue to intensify. An important defense against this trend is to make educated, sensible decisions with respect to land use and building construction. With the passage of the Disaster Mitigation Act of 2000, Congress recently endorsed the importance of both pre- and post-disaster mitigation.

These efforts should pay dividends. Though difficult to measure precisely, effective mitigation by definition diminishes the impact of disasters and, in so doing, results in:

- Reduced emergency management costs and disaster assistance;
- Reduced losses in tax revenue from economic disruption; and
- Increased safety, security, and peace of mind.

If confirmed, I expect to be an advocate for the importance of mitigation, both before and after disasters. I also expect to review and evaluate FEMA's efforts in this area, and adopt or refine them accordingly. Effective mitigation is a worthy effort.

10. Concerns have been raised regarding the extent to which flood insurance losses have exceeded premiums received from policyholders in the National Flood Insurance Fund.

However, homebuyers in some areas have also expressed concern about the high cost of flood insurance premiums. What action will you take, as FEMA Director, to improve the financial condition of the Fund but still keep premiums affordable for homeowners?

I understand that this problem has been chronic, and may not be susceptible to an easy solution – and certainly not one to be crafted unilaterally. If confirmed, I hope to work with the Congress and other interested parties to address this important issue.

The long-term financial condition of the National Flood Insurance Fund probably requires educating property owners about their flood risk and encouraging loss reduction measures, as well as developing appropriate insurance premium charges and coverages. I will be particularly mindful of the ability of homeowners to pay for flood insurance coverage, seeking a balance between the need for adequate premiums and the need for affordable premiums related to how properties are occupied and used.

11. FEMA has instituted a modernization of its Flood Insurance Rate maps, many of which are more than 10 years old. According to FEMA's FY 2001 Annual Performance Plan, "re-mapping would place thousands of additional properties in Special Flood Hazard Areas and could trigger mitigation initiatives as well as stimulate the purchase of flood insurance." This is an expensive undertaking that is currently funded by policyholders' fees, although the whole country may benefit. What will you do as Director to ensure that it is fully funded and completed within a meaningful time?

Modernizing the flood maps is a critical need. Current, accurate information is important in guiding communities' mitigation, planning, and recovery efforts. Yet, I am informed that this requirement may have been consistently under funded, though apparently FEMA has been exploring new and creative sources to identify the best combination of funding. For example, in FY 2000, Congress established the Flood Map Modernization Fund with $5 million in direct appropriations, and in FY 2001, Congress authorized FEMA to use up to $15 million from the Disaster Relief Fund (DRF) in the aftermath of a major disaster to update and modernize the flood maps in the affected area. Over the last two years, FEMA has also established strong partnerships with States, regional agencies, local governments, and other Federal agencies, who have not only agreed to participate in the mapping process, but also to contribute resources. A notable example is FEMA's Cooperating Technical Partnership agreement with the State of North Carolina. Under this agreement, the State has appropriated $25 million to begin re-mapping the entire state starting with the eastern part affected by Hurricane Floyd. In addition, there are 16 other Federal agencies that have signed the agreement and will be contributing funds, data, and technical assistance. If confirmed, I expect to evaluate FEMA's efforts, and hope to work with Congress and other parties to craft a timely solution to this problem.

12. Concerns have been raised regarding the turnaround time for claims filed on homes covered by the National Flood Insurance Program (NFIP). Specifically, homeowners have complained that claims for flood damage to homes have not always been handled expeditiously, delaying for months some homeowners' ability to make necessary repairs. Property loss due to flooding is a stressful experience for many homeowners, however some have found that local claims adjusters under contract to NFIP have not been sufficiently understanding or considerate during this difficult time. What will you do, as FEMA Director, to improve customer service and satisfaction with NFIP claims processing?

    Flood losses can be devastating to a homeowner, and it is at that time of need that an insurer must respond with swift, professional service. If confirmed, I will ensure that the Federal Insurance Administration reexamines its internal policies to improve customer service and satisfaction with NFIP claims processing.

13. What improvements are needed in FEMA's financial management systems to ensure that the agency is capable of producing accurate, relevant and timely data to support its ongoing management and decision-making? Are you aware of any impediments to achieving this goal?

    I understand that recent Inspector General audit reports recommended improvements in FEMA's Integrated Financial Management Information System (IFMIS). The IG reported that FEMA could not produce financial information in a "timely and useful fashion" to "comply with internal and external reporting requirements." It would be premature for me to declare with confidence the appropriate response to the Inspector General's recommendations. If confirmed, I will examine this and other applicable reports, and will consult with appropriate professionals and FEMA staff, in order to address this vital issue.

14. As you know, FEMA relies heavily on Information Technology resources to accomplish its mission. Last year, Chairman Thompson and Senator Lieberman sponsored S. 1993, the Government Information Security Act, much of which was incorporated into the Floyd Spence National Defense Authorization Act for FY01 (P.L. 106-398). Under the new law, agency heads are responsible for developing and implementing an agency-wide security program to address how that agency will upgrade its practices and procedures in order to ensure protection for computer information. What are your plans to implement this new law and how quickly do you anticipate being able to do it?

    I appreciate the importance of the efforts required by this new law. These are especially important in an agency charged with responding to emergencies and disasters. FEMA must be doubly sure of its information security, because, in this information age, a general failure of information security alone could be the cause of or could exacerbate an emergency or disaster. I am advised that the staff at FEMA believes it has made great strides in implementing the

requirements of this new law, and hopes to "achieve satisfactory compliance with all aspects in FY 2002," provided FEMA has the necessary resources. If confirmed, and with your help, I will work to ensure speedy and effective implementation as soon as possible.

15. On January 22, 2001, the United Nation's Intergovernmental Panel on Climate Change released its third report on global warming. According to this report, unless we find ways to stop global warming, the projected increase in the Earth's average temperature may swell sea levels significantly by 2100, flooding homes and coastal property. The report also predicts that severe weather disturbances and storms triggered by climatic phenomena, such as El Nino, will become more routine. What will FEMA do under your leadership to address the findings of this report?

    I have not studied this report thoroughly, and I am not personally qualified to evaluate its findings. If confirmed, I will work to ensure that FEMA is prepared to respond to emergencies and disasters, including floods, caused by any phenomenon.

16. On January 10, 2001, outgoing FEMA chief, James Lee Witt, was quoted in the *St. Petersburg Times* as saying that while the government was adequately prepared for a domestic terrorist attack, he was concerned that the government's office to deal with domestic terrorism is in the wrong place. The office is buried deep inside the FBI instead of "at a neutral site" that could be run jointly by the FBI and FEMA. Witt said he was concerned it will take a long time for the FBI to learn what FEMA has learned in its 20-year history of responding to natural disasters. "You've got too many agencies doing the same thing," Witt said. The effort has been slowed by a lack of coordination among the many agencies that have a role. GAO and a panel chaired by Virginia Gov. Jim Gilmore have criticized the planning efforts, saying the agencies overlap and that the effort is uncoordinated and warning that if there is an incident, it may not be clear who is in charge. Last month, the Gilmore commission recommended that the government create a new office for combating terrorism that can coordinate efforts by many agencies. What are your reactions to the findings of the Gilmore Commission and insights of Director Witt?

    Vigilance against the possibility of domestic terrorism and preparation for responding to such acts should they occur are critically important responsibilities for all levels of government: national, State, and local. Many interested observers of this and related issues have recommended adjustments to the current allocation of responsibility among those levels of government as well as within the executive branch of the national government. The Gilmore Commission in particular has applied keen insight and thoughtful recommendations for addressing the threat of domestic terrorism and weapons of mass destruction. Just last week, the United States Commission on National Security/21st Century issued its Phase III report, urging a dramatic reordering of responsibilities throughout the government to address this and related concerns.

As a general matter, I believe that the most effective management approach to any issue is to ensure alignment of responsibility, resources, and accountability.

If confirmed, I will be especially attentive to FEMA's role in this very important matter and related matters, and I will work with the Congress, my colleagues supporting President Bush's initiatives, and State and local officials to address the Country's needs in this area.

IV. Relations with Congress

1. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

   Yes.

2. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

   Yes.

V. Assistance

1. Are these answers your own? Have you consulted with FEMA or any interested parties? If so, please indicate which entities.

   These are, of course, my own answers. I have not directly consulted with FEMA, though the President's Transition Team has assisted me in my preparations for my new responsibilities – should I be confirmed. I understand that the FEMA staff has given outstanding support to the Transition Team, including providing information necessary to respond to these questions.

AFFIDAVIT

I, Joe M. Allbaugh, being duly sworn, hereby state that I have read and signed the foregoing Statement on Pre-hearing Questions and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

Subscribed and sworn before me this 5th day of February, 2001.

Notary Public

My Commission Expires
May 14, 2005

Pre-Hearing Questions for
nominated FEMA Director
Joe M. Allbaugh
Submitted by Senator Daniel K. Akaka

Disaster Fraud

1. As the lead federal agency for "consequence management" following disasters and incidents, FEMA is responsible for emergency relief. Unfortunately, in the aftermath of disasters, some contractors knowingly defraud disaster victims who have received federal financial assistance. Do you believe that the existing measures in place to mitigate the risk of assistance fraud are sufficient, and if not, what additional steps would you take to protect federal disaster victims from fraud? Do you believe that it should be a federal crime to defraud someone who receives federal disaster assistance or a person who fraudulently accepts and uses federal disaster assistance?

   Fraud in this or any other context should be unacceptable. I am not now sufficiently familiar with FEMA's existing measures to mitigate the risk of assistance fraud. If confirmed, I will evaluate those measures and take steps to improve them, if necessary. While I think that federal law should apply to federal interests, I am not a lawyer, and do not have an informed opinion about the application of federal criminal law in the many possible contexts covered by this question.

Personnel Management

1. The GAO just added strategic human capital management to its high-risk list. What steps will FEMA take to address this challenge?

   I recognize the importance of FEMA's "human capital." FEMA's employees are experienced valuable professionals who are critical to the well-being of the Country at large. If confirmed, appropriate management of this national asset will be one of my priorities.

2. As demonstrated at FEMA's fifth annual Technology Partnership for Emergency Management Workshop this past August, science and technology play a critical role in disaster prevention and mitigation. A particular human resource concern of mine is the shortage of scientists and engineers in federal agencies. Is FEMA experiencing a problem in this regard, and if so, how will you deal with this issue?

   I am advised that FEMA has been fortunate in attracting civil, mechanical, hydraulic and general engineers to its workforce because of the opportunity to work on projects that are both personally and professionally challenging and rewarding. Even so, if confirmed I would be mindful of the responsibility to build a workforce for the future, and would ensure that FEMA's personnel managers monitor recruitment and retention to ensure continued capabilities in these areas.

National Preparedness

1. Essential components of our national anti-terrorism program of support to local communities are Civil Support Teams (CST) and Metropolitan Medical Response Systems (MMRS), such as the 93rd WMD-CST in Hawaii and Honolulu's MMRS. Do you feel that these groups are located in enough regions around the country to provide adequate protection and training to the entire United States? Are there parts of the country that have not been integrated into the program? Do you believe the existing groups have adequate resources to perform their function?

   I am advised that some on the FEMA staff believe that more resources are needed to meet the needs of the States and local jurisdictions. Even so, the activities to develop and place the CSTs supported by the Department of Defense and the MMRS teams supported by the Department of Health and Human Services have increased emergency managers' overall capability to respond to terrorism incidents around the country. I understand that some believe that available resources are disproportionately focused on the higher population centers. If confirmed, I will make my own assessments of these programs and FEMA's role.

2. The coordinated TOPOFF exercise in May 2000 was used to test how well local, state and federal groups could handle a weapon of mass destruction crisis. TOPOFF also examined how well federal resources could react to multiple events by simulating chemical, biological and nuclear attacks occurring simultaneously in Portsmouth, New Hampshire, Denver, Colorado, and Washington, D.C., respectively. What do you believe were the most important lessons FEMA learned from the TOPOFF exercise? What steps will you take to correct any problems and/or shortcomings that were exposed?

   As I did not participate in the TOPOFF exercise, I can not respond with great authority. I am advised that FEMA concluded the following:

   - There is a real need to do more planning at the federal, state and local levels to deal with the effects of a biological incident;
   - The federal government needs to refine its procedures for expediting the deployment of federal resources to an incident scene;
   - More work needs to be done to coordinate incoming resources at an incident site.

   If confirmed, I will review in detail with the FEMA participants their accounts of the exercise, as well as the Federal Response Plan and associated plans, and take appropriate steps.

3. Another threat to homeland security is critical infrastructure disruptions. Besides the traditional power and communication line systems, critical infrastructure also includes computers and the Internet. How is FEMA addressing the growing risk of cyber-terrorism or general failures with our information infrastructure?

Responsibility for coordinating the Nation's efforts to protect our infrastructure currently rests with the National Security Council. I am advised that FEMA is taking action to protect its own information infrastructure so that FEMA is ready at all times to coordinate the response and recovery to the consequences of disasters. Evidently, FEMA is also providing guidance to and increasing the awareness of the Nation's fire community to the threat of cyber-terrorism and how to prepare for it.

4. Weather forecasting and prediction is an important component of natural disaster preparation and mitigation. A growing concern of mine is the larger issue of "space weather," which can degrade or threaten parts of our critical infrastructure, mainly power grids, communication networks, and navigation systems. Do you see the need for FEMA to use space weather data, and if so, how will you address this?

   I understand that NASA and NOAA have initiated studies and research into this subject, but that FEMA has not yet addressed your suggestion. If confirmed, I would propose that FEMA confer with NASA and NOAA to examine their research relating to the potential impact on the various infrastructure systems. Depending upon the findings, it may be appropriate to modify FEMA's existing multi-hazard planning efforts.

FEMA/NASA Cooperation

5. NASA has recently become a partner in FEMA's Project Impact initiative. As you may know, NASA will provide satellite imagery and other data to better understand natural hazards and enhance FEMA's prevention and mitigation programs. Do you believe there are other programs where FEMA could benefit from satellite and remote sensing data?

   I am advised that there are other programs currently benefiting from the use of satellite imagery and aerial photography, most notably the area of disaster response. Evidently, for example, FEMA typically uses available remote sensing to support damage and impact assessment efforts during major and catastrophic responses. If confirmed, I would be attentive to advances or emerging capabilities that would enable FEMA to perform its missions better. Indeed, one of my earliest inquiries would be whether NASA's or other agencies' assets could efficiently assist FEMA in addressing its backlog of updating floodplain maps. I understand that some preliminary efforts in that regard proceed in Alaska and North Carolina.

6. NASA is also working with FEMA's Hazards US (HAZUS) program. NASA will assist FEMA to integrate hurricane and typhoon winds in island areas of the United States into the HAZUS wind module, an extension of NASA's ongoing research program in Hawaii. HAZUS and Project Impact are excellent examples of interagency collaboration. Do you see other areas where NASA and FEMA collaboration could improve disaster prevention and mitigation?

   I am advised that your efforts to promote collaboration between NASA and FEMA are bearing many fruits. For example, preliminary discussions have been held concerning NASA's potential role in supporting FEMA efforts to complete the HAZUS wind module beyond the areas of hurricane and typhoon winds in order to include other wind hazards such as tornadoes and hail. Additionally, I am told that FEMA continues to work closely with NASA on remote sensing earth science issues that relate to improving FEMA's understanding of earthquakes.

Joe M. Allbaugh

February 14, 2001

The Honorable Fred Thompson
Chairman, Committee on Governmental Affairs
United States Senate
Washington, D. C. 20510-6250

Dear Mr. Chairman:

Enclosed are my responses to additional questions pursuant to yesterday's hearing on my nomination to be Director of the Federal Emergency Management Agency.

I appreciate the Committee's attention.

Sincerely,

Enclosure: Answers to Questions posed by Senator Lieberman, Senator Voinovich, Senator Levin, Senator Akaka, and Senator Toricelli

QUESTIONS FROM SENATOR JOSEPH I. LIEBERMAN FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. **During your hearing before the Committee on Governmental Affairs, you testified regarding your involvement in several meetings and conversations concerning an investigation by the Texas Funeral Services Commission (TFSC) into the activities of a Texas funeral home corporation, Service Corporation International (SCI). In your testimony, you referred to three meetings in which you participated concerning this investigation. I would appreciate your responses to the following questions concerning the third of these meetings, at which I believe you testified that the TFSC Chairman, Charles "Dick" McNeil, provided an "update" on the SCI matter.**

   a. **When did this meeting occur?**

   Answer: I do not recall the exact date of the meeting with Chairman McNeil. As I indicated in my previous response, I believe that it was about a month after the TFSC had fined SCI.

   b. **Who proposed the meeting?**

   Answer: Chairman McNeil specifically asked to drop by my office.

   c. **Who attended the meeting?**

   Answer: Only Chairman McNeil was present.

   d. **To the greatest extent possible, please recount the contents of the conversation you had at the meeting.**

   Answer: As I indicated in my answer to the Committee's Pre-hearing Questionnaire, the meeting was very brief and inconsequential. I do not remember any of the conversation, but have the general recollection that he had no news to report, and that the meeting consisted principally of pleasantries.

e. **Why was an update necessary if this meeting occurred after the investigation was concluded and a fine had been levied against SCI?**

Answer: Chairman McNeil proposed the meeting. As was my custom to meet with chairman of state commissions when requested, I acquiesced to Chairman McNeil's request on this occasion. An update was not necessary.

f. **Did you discuss any mediation or reduction of the fine levied by TFSC against SCI? If so, please explain.**

Answer: No.

g. **Was there any discussion of Ms. Eliza May's employment at TFSC or of any action TFSC might take against her? If so, please explain.**

Answer: No.

2. **The Emergency Food and Shelter program (EFS), which is administered by FEMA, provides emergency assistance to supplement community efforts to meet food, shelter, and other related needs of homeless and hungry persons in all fifty states. Most of the money is allocated by local boards composed of representatives from religious and charitable organizations. These local boards guarantee that the money is directed to areas where it is most needed, and that all monies are accounted for. The money is spent on food or shelter, or on emergency one-month assistance with rent, mortgage, and utility payments. Administrative overhead is kept to an unusually low amount, less that 3%. What are your views of the EFS program?**

Answer: The EFS program is an important means of delivering temporary food and shelter for those in need. I admire in particular, its apparent ability to deliver these services with minimal overhead -- thus ensuring that the aid goes to those who need it and that it is not wasted on bureaucratic overhead.

3. **From 1990 the EFS program was funded at more than $130 million annually, but that number was cut back by appropriators in fiscal year 1996 and held steady at $100 million for years. In 1999, Chairman Thompson and Senator Lieberman introduced**

authorizing legislation that called for increased funding for EFS; the bill passed the Senate by unanimous consent. Funding for EFS was increased to $110 million in fiscal year 2000 and to $140 million for fiscal years 2001. Even this larger appropriation, however, has not kept up with inflation: $140 in 1990 dollars was equivalent to $165.5 million in 1999. Would you encourage the Administration to continue to increase funding for EFS? What are the Administration's plans regarding funding for the program?

Answer: If confirmed, I will evaluate all requests for increased funding within the overall budgetary needs of FEMA and the President's budgetary guidance. My resource priority will remain that FEMA be able to be respond to all disasters in the swiftest and most appropriate manner. If confirmed, I will encourage the continuation of the EFS program. If we are able to adjust upwards funding for valuable programs like EFS and stay within our means, then that is something we should consider.

QUESTIONS FROM SENATOR GEORGE V. VOINOVICH FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. **Describe your experience in evaluating workforces (factors such as age, attrition rates, diversity, and skills imbalances) to identify the most challenging human capital issues, and discuss how you propose dealing with these issues in your agency over the next several years.**

   Answer: In each of my previous roles as a manager-- particularly as then-Governor Bush's chief of staff-- I necessarily evaluated the workforces for which I was responsible. If confirmed, I intend to address all human capital issues, focusing on ensuring that FEMA has the trained workforce necessary to deliver on its core mission of providing swift and appropriate relief to those in need. I appreciate Senator Voinovich's leadership in this area and look forward to working with his staff on this issue critical to FEMA.

2. **FEMA has acknowledged that rising costs could be due in part to the state and local governments increasingly turning to the federal government for assistance. FEMA has also acknowledged that the current system of disaster relief tends to discourage state and local governments from assuming primary responsibility for initiating appropriate preparedness, response, recovery, and mitigation measures before a disaster strikes.**

   What are your views on the current system?

   Answer: As appropriate in our federal system, the national government (represented principally by FEMA) and State and local governments share responsibility for these important public functions. Currently, the State and local governments prepare for, and respond to, many emergencies and disasters without FEMA's assistance. FEMA's role, as defined in the Stafford Act (and the Disaster Mitigation Act of 2000), is to supplement State and local efforts, leaving the primary responsibility with the States. In virtually any emergency, the first to respond will be a State or local professional – a fireman, policeman, or emergency manager. FEMA's resources and expertise thus are rightly viewed as supplemental and supportive of State and local efforts. To be sure, those resources and that expertise should be appropriately available in anticipation of disasters and emergencies, as in training and preparedness efforts, and in

mitigation efforts. Even then, however, FEMA should not supplant the States, but rather should support them.

What is your assessment of the capabilities of state and local governments to respond to disasters?

Answer: My current assessment is based on my direct experience in such activity in the State of Texas; and as an observer of that activity in other States. From those perspectives, I believe that current capabilities nationwide are formidable, yet vary in degree. One of my priorities, if confirmed as Director, will be to take another look at those capabilities in order to assist and prepare appropriately.

3. **GAO and FEMA's Inspector General have issued a number of reports which outline recommendations for reducing disaster relief cost, including raising the damage threshold for replacing facilities and requiring adequate insurance for public buildings.**

   Are you familiar with these recommendations? If so, which specific recommendations do you think merit further considerations to improve FEMA's management and operations?

   Answer: In the course of preparing for my hearing and (if confirmed) my new responsibilities, I have reviewed these reports and marked them for further study. If confirmed, I intend to conduct a full review of the recommendations of the GAO and FEMA's Inspector General so that I may fully weigh the options available to respond both swiftly and appropriately to disasters. Cost certainly will be a factor in an overall strategic response plan.

4. **Concerning disaster mitigation, I would be interested in your thoughts on what FEMA has been doing to implement the Stafford Disaster Relief and Emergency Assistance Act, which authorized the pre-disaster mitigation program at FEMA. GAO has testified that for a number of reasons, state and local governments may be reluctant to take actions to mitigate natural hazards. GAO cited, among other reasons, local sensitivity to such measures as building code enforcement and land-use planning, conflict between hazard mitigation and development goals, and the lack of an understanding of mitigation and political support. How would you address these issues?**

   Answer: My preliminary impression is that FEMA has performed creditably in implementing the Stafford Act. Based on my experience as a governor's chief of staff, I understand the importance of a federal partnership with State and local

governments and believe that the effectiveness of federal emergency management programs are very dependent upon local policies and leadership. Accordingly, I will work to understand and address the local perspective in regard to the Agency's decision-making process. I see the local sensitivity cited by GAO as an opportunity to continue and enhance what FEMA can do as a leader and partner in the emergency management profession.

5. **FEMA has lead responsibility for managing the consequences of domestic terrorism-related emergencies. GAO has reported that domestic terrorism consequence management exercises were not well developed and that terrorism-preparedness training programs are sometimes duplicative and not well coordinated among the various federal agencies with terrorism-related responsibilities. What goals do you have for improving FEMA's management of terrorism-related emergencies?**

Answer: Training is a high priority for me. Terrorism consequence management exercises and terrorism-preparedness training programs are and will be especially important. While improving these exercises and programs generally and addressing the GAO concerns particularly are certainly among my goals, it is too early for me to articulate more detailed goals. If confirmed, addressing these issues will be an important task.

6. **During your tenure in this appointed position, what key performance goals do you want to accomplish and how would this Committee know whether you have accomplished them?**

Answer: If confirmed, I will lead senior staff in an early, full review of its performance goals, as well as those of the agency. I understand the importance of setting key performance goals, but believe it is also important first to consult with the senior career managers. Performance goals need to be measurable in order that their achievement can be ascertained. I expect to be working with this Committee during this process and throughout my tenure.

7. **GPRA envisions that agencies will link their human capital planning with their strategic and annual plans. However, we found that most agency plans did not sufficiently address how human capital will be used to achieve results. Can you describe your experience in building and maintaining the human capital needed to achieve results (getting the right employees for the job and providing the training, structure, incentives, and accountability to work effectively)? More generally, describe**

your experience in integrating human capital considerations and planning into programmatic planning.

Answer: Throughout my career, I have been in positions that required me to assess complex workforce issues on a regular basis. Most recently, as chief of staff to the Governor of Texas, I was in a position that required constant assessment of and response to workforce concerns across a large State. I recognized that ensuring we had appropriately trained people over the long haul was critical to accomplishing missions immediately and in the future. I believe that the workforce issues that face the Federal Emergency Management Agency are similar to those I encountered in the State of Texas. I have demonstrated in my past work experiences that my priorities will include focus on the human capital issues that are essential to maintaining a strong and highly-skilled workforce.

8. **If you have spoken with your predecessors – those who have held the position you now seek – about their "lessons learned" on how to manage the agency effectively, describe how their advice and experience have influenced your thinking and plans.**

Answer: While chief of staff to then-Governor Bush, I was responsible for, among other things, oversight of the State's emergency and disaster responses. In that role, I met and worked with the most recent FEMA Director, James Lee Witt. Over the past few weeks, I have been fortunate to spend more time with Mr. Witt in preparation for my hearing and for my role as FEMA Director, if confirmed. Through others and through study, I have also drawn on the experience of other previous Directors and senior FEMA employees. Among the most telling lessons from those contacts are the importance of the FEMA workforce in the accomplishment of FEMA missions, the importance of close coordination with Congress and State and local officials, and the importance of customer satisfaction. If confirmed, I intend to be attentive to those lessons.

9. **High-performance organizations draw on the strengths of employees at all levels and maintain honest two-way communications. Based on your experience, how would you assess your agency's capability for two-way communication, and what preliminary ideas do you have to promote such communication in your agency?**

Answer: As the former chief of staff to a Governor, I understand that honest two-way communications is vital to the success of any organization. Success can only be gained by staff support for leadership initiatives and this support will only come as a result of open and honest two-way communications. Just as employees must understand the Director's vision for the future of the Agency, the Director

should also understand and consider the employees' appropriate concerns and advice.

10. Numerous GAO reports have highlighted the need for agencies to expend more resources on effective training and professional development programs to better equip federal employees for the workplaces of the future. Based on your experience, what priority would you place on workplace development, and how would you emphasize continuous learning in your agency?

Answer: The real strength of the tremendous emergency management system in this country is in the skills and the dedication of its people. I am committed to fostering this human resource and intend to make training for FEMA staff and for State and local partners a high priority. American citizens have high expectations for how government at all levels should respond in times of trouble, and we must ensure that those expectations are met. I don't know any better way to do this than by developing and enhancing the skills and professionalism of emergency response professionals.

QUESTIONS FROM SENATOR CARL LEVIN FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. The former Chairman of the TFSC, Charles McNeil, is reported as saying at a May 1998 meeting that he had spoken with "members" of Governor Bush's office and that as a result, he was going to begin an investigation of the TFSC. Did you talk to Mr. McNeil in 1998 about opening an investigation into the Commission? If so, please describe when you had that conversation, the substance of the conversation and anything you did in response to the conversation.

Answer: I did not talk with Mr. McNeil about opening an investigation into the Commission.

2. It is alleged that there was a meeting in your office on May 18, 1998, concerning the TFSC's investigation into SCI. Did you arrange that meeting? Was that meeting called at anyone's request? If so, please explain who and why. If not, please explain how that meeting came to take place. Did you have a pre-meeting with anyone involved in the TFSC matter? If so, when, with whom, and what was the substance of the pre-meeting? At the May 18, 1998 meeting with Ms. May, did you express any opinion about the investigation by TFSC or of TFSC or of Ms. May's performance? Did you ever ask anyone at the TFSC to terminate the investigation into SCI?

Answer: As detailed in my response to the Committee's Pre-hearing Questionnaire, Texas state senator John Whitmire arranged the May 18, 1998 meeting.

To the best of my recollection, I had no earlier meetings on this matter, "pre-meetings" or otherwise. I do recall an earlier brief encounter with SCI's chairman, Robert Waltrip, and his lawyer, when they delivered a courtesy copy of a letter addressed to the TFSC complaining of its tactics in investigating alleged improprieties by SCI affiliates. After reading the copy, I forwarded it to the governor's general counsel, Margaret Wilson.

I do not recall expressing any opinion about the investigation by TFSC or of TFSC or of Ms. May's performance at the May 18, 1998 meeting.

I never asked anyone at the TFSC to terminate the investigation into SCI.

3. Did you talk to then Governor Bush about the SCI investigation at any time? If so, when were those conversations? Who was present at those conversations? Did Governor Bush ask you to do anything with respect to the TFSC and its investigation of SCI?

Answer: I never discussed the SCI investigation with then-Governor Bush prior to reading about Ms. May's dismissal in February of 1999. The conversation was brief, and we were alone. Then-Governor Bush never asked me to do anything with respect to the TFSC and its investigation of SCI.

4. It is also alleged that Ms. May contacted you around August 4, 1998, expressing concern about her personal safety and that you set up a meeting with her on August 6th. That meeting allegedly took place on August 10th, after it was rescheduled. Ms. May contends that in her complaint that you refused her request to allow a TSFC staff member to attend the meeting. Is that correct? If so, please explain your reasons for denying that request. It is also alleged that at that meeting you asked for more information on the SCI investigation and stated to Ms. May "(t)his isn't going anywhere," apparently referring to the SCI investigation. Is this allegation true? If so, please explain your statement.

Answer: I invited Ms. May to come to my office for a one-on-one meeting as I frequently did with various senior employees in State government. Ms. May arrived with an uninvited companion and I declined to include the companion in the meeting. I did attempt to inquire about the SCI matter (which had been prominent in the news because of the recent, large fine), and I attempted to inquire about her stated concerns for safety. I recall that Ms. May was uniformly unresponsive to my questions, and, accordingly, the meeting was very brief. I do not recall precisely what either of us said, but I certainly did not state or imply that the investigation was not "going anywhere." Indeed, that would make no sense, as the investigation by that time seemed to have run its course and an extraordinary fine had been assessed. What I was referring to was that our meeting was not going anywhere, and therefore I ended the meeting.

5. Did you have any involvement in TFSC's decision to fire Ms. May? If so, please explain in detail what that involvement was.

Answer: I had absolutely no involvement in any personnel actions by TFSC regarding Ms. May.

6. Have you been asked to provide a deposition in this case or has there been any discussion about the possibility of such a deposition? If so, please explain.

Answer: I was advised on the morning of February 13, 2001 that on May 23, 2000, Ms. May's counsel notified the Texas Attorney General's office that Ms. May's counsel then intended to take eleven depositions, including mine.

To the best of my recollection, I was never notified of this communication between Ms. May's counsel and the Texas Attorney General's office, nor of any desire to take my deposition. I was also advised on February 13, 2001, that apparently there was no attempt to so notify me because the Attorney General's office intended immediately at that time to seek an Amended Scheduling order, as the court's rules provided. Indeed, I am told that the presiding judge did issue an amended order that provided, among other things, that no one could attempt to depose me until at least after the first of December, 2000.

QUESTIONS FROM SENATOR DANIEL K. AKAKA FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. **Do you believe that agriculture safety, and the threat of argo-terrorism, falls under FEMA jurisdiction? Furthermore, do we know the extent of the risk in this country and is FEMA coordinating with other agencies, such as the Department of Agriculture, to prevent and prepare for an agricultural emergency?**

   Answer: It is my understanding that agriculture safety falls under the domain of the Department of Agriculture - one of FEMA's Federal Response Plan Partners. It is my understanding that FEMA has a history of working closely with that department. If confirmed, I would expect to continue that.

   As a farmer, I am particularly sensitive to agricultural safety, though I have not learned the extent of the risk the country faces with the threat of argo-terrorism. But I assure you that I am a fast learner, and if I am confirmed, I will get up to speed on this issue after careful consultation and briefings by the FEMA professionals who deal with all aspects of terrorism.

2. **FEMA is often called upon to lead consequence management in the aftermath of a wildfire or volcanic activity. The Hazard Support System is a wonderful example of agencies working together and using existing capabilities in new and exciting ways. I would like to see FEMA using this system to help monitor and prepare for wildfires and volcanoes. Will you work with me on this and other interagency activities that can help prevent natural hazards from turning into public crises?**

   Answer: Yes. I look forward to working with you and your staff on this important issue, if confirmed.

QUESTIONS FROM SENATOR ROBERT TORRICELLI FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. **Property Appraisal System**

In the aftermath of Hurricane Floyd, which has been regarded as one of New jersey's worst natural disasters, questions were raised regarding the property appraisal system used for disaster housing assistance. I was pleased to see FEMA had quickly sent appraisers to evaluate the widespread devastation caused by Hurricane Floyd. However, it is my understanding that FEMA had hired appraisers from outside the region who were not familiar with the local real estate and construction markets. This has lead to appraisals that were not consistent with local market value. Additionally, local officials and residents had express to me that damage inspections were done too quickly and inaccurately-thus undervaluing the extent of the damage.

How does FEMA ensure that appraisers are properly trained to inspect homes?

If the inspectors are from outside the region, how does FEMA educate the inspectors to evaluate the properties in question?

Answer: I appreciate your questions concerning FEMA's property appraisal system, and agree that properly trained and educated appraisers or estimators are important to an effective response. While I am not now familiar with FEMA's specific procedures on this issue, I will, if confirmed, look into those procedures. I look forward to working with you on this important subject.

2. **Flood Insurance Studies and Re-mapping**

The Flood Insurance Rate Maps (FIRMS) are used to delineate the degree of flooding risks within the participating communities. These maps are critical for effective land use management and they guide prospective homeowners in their decision-making process. The vast majority of FIRMS in New Jersey were completed between the early 1970's and mid 1980's.

Do flooding occurrences subsequent to that period suggest that re-studying and/or re-mapping is prudent?

What are the criteria for prioritizing communities for re-studies and re-mapping?

What is the schedule for these activities in the state of new Jersey?

Answer: It is my understanding that updating flood maps is a critical need that spans the country. If confirmed, I will turn quickly to evaluating this need with the FEMA professionals, and preparing an appropriate action plan.

3. <u>Flood Mitigation</u>

The Flood Mitigation Assistance program provides only $20 million a year nationally from the national Flood Mitigation Insurance Program for addressing flood plain buyouts. There have been about 243,000 losses paid on repetitive loss buildings amounting to $3.5 billion. Ten states, including New Jersey, account for more than 70% of repetitive loss buildings. If mitigation efforts aimed at repetitive loss buildings are not increased, it is expected that the NFIP will continue to pay out on average more than $200 million annually to repetitive loss properties.

What are your recommendations to reduce the losses paid on repetitive loss building?

Answer: Your question suggests that increased focus and resources for mitigation should pay dividends in reduced emergency response costs. I agree with that concept. At this point, however, I do not yet have specific recommendations to reduce the losses paid in repetitive loss building. If confirmed, I expect to evaluate this issue with the benefit of FEMA's staff and your assistance in order to develop specific recommendations.

What is the status of FEMA's Repetitive Loss Program?

I am advised that FEMA's NFIP Repetitive Loss Program has identified the worst of the repetitive loss properties, currently about 11,000, and is targeting them for flood loss mitigation actions by encouraging the State and local governments to use FEMA as well as other resources to assist them with these actions, particularly through the use of its Flood Mitigation Assistance and Hazard Mitigation Grant Programs. FEMA continues to develop flood risk information for individual repetitive loss properties and provide it to the local governments to assist them in this process. FEMA's Regional offices have been working directly with both State and local governments to encourage their flood mitigation actions.

FEMA has also been directly contacting these property owners advising them of their flood risk and indicating that it will be contacting them with suggestions of how they might reduce their flood risk exposure.

FEMA is continuing to implement those elements of the Repetitive Loss Strategy that it can implement using existing programs and funding. The strategy targets a subset of these properties that includes buildings that are currently insured that have 4 or more losses and buildings that have 2 or 3 losses where the cumulative flood insurance claim payments are greater than the building value. There are around 11,000 of these Target Buildings that will be paid around $80 million a year in claims payments unless they are mitigated.

Often the delays are with the state, but will you consider policy changes that will create deadlines for this money to be distributed by FEMA and the state?

Answer: Yes, if confirmed, I will evaluate all FEMA policies and consider appropriate changes.

4. <u>National Dam Safety Program</u>
New Jersey has listed 1,592 dams under the hazard classification. This classification is consistent with federal guidelines for dam safety. Last year, new Jersey provided funds for the rehabilitation of high hazards dams as well as received a project grant of $86,874 through the FEMA's State Assistance program under the National Dam Safety Program. However, there is still concern that many of these dams are unsafe.

How can FEMA assist New Jersey repair the 184 high hazard dams, 412 significant hazard dams, and 996 low hazard dams?

How can the Federal government expand its efforts to increase dam safety?

Answer: I am advised that Public Law 104-303, the National Dam Safety Program Act, is very explicit that funds cannot be used for repair of dams, and that a statutory change would be necessary before FEMA could assist states to undertake these repairs. I am also advised, however, that funds under this act can be used for some useful purposes, such as public awareness, research, inspections, risk analysis and training. If confirmed, I will look forward to working with you and your staff on addressing this issue.

QUESTIONS FROM SENATOR FRED THOMPSON ON BEHALF OF CONGRESSMAN LINDSAY GRAHAM FOR JOE ALLBAUGH, NOMINEE TO BE DIRECTOR OF FEMA

1. **First, when President Bush was sworn into office on January 20, 2001, he imposed a sixty-day moratorium on all federal regulations in order to provide the Bush Administration an opportunity to review the Clinton Administration's policies and practices. Furthermore, President Bush limited his moratorium to non-emergency regulations. If you are confirmed by this Committee and the Senate, would you consider imposing a thirty-day moratorium on certain FEMA actions, such as finalizing flood maps, to give you and your staff an opportunity to review Mr. James Lee Witt's policies?**

   Answer: If confirmed as FEMA Director, I intend to review all aspects of FEMA policy in order to ensure it is fulfilling its missions to provide timely and appropriate aid in emergency situations and adequately preparing for unforeseen disasters. Should I be confirmed, I will direct my staff immediately to begin reviewing FEMA's programs, including those relating to flood maps.

2. **Second, during Mr. Witt's tenure, there appears to be a disconnect between what Mr. Witt stated publicly and what the Clinton Administration signed into law. For example, Mr. Witt publicly opposed the use of levees even though President Clinton signed into law Congressional authorization and appropriations for over $100,000,000 for FY 2001 for maintaining and building new levees. As FEMA's director, what will you do to avoid this disconnect and will you support long standing Congressional policies for building and maintaining levees?**

   Answer: If confirmed, I will do everything in my power to ensure the Administration speaks with one voice on matters of policy. Namely, I will take my lead from the President and strictly and effectively carry out his directives. I will of course also be sure that FEMA operates in accordance with applicable law.

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