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THE FISCAL YEAR 2010 BUDGET FOR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

HEARING

BEFORE THE

SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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THE FISCAL YEAR 2010 BUDGET OR THE FEDERAL EMERGENCY MANAGEMENT AGENCY

Tuesday, June 9, 2009

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS,
PREPAREDNESS, AND RESPONSE,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:11 a.m., in Room 311, Cannon House Office Building, Hon. Henry Cuellar [chairman of the subcommittee] presiding.

Present: Representatives Cuellar, Thompson, Richardson, Pascrell, Titus, Olson, Cao, and McCaul.

Mr. CUELLAR. [Presiding.] The Subcommittee on Emergency Communications, Preparedness, and Response will come to order. The subcommittee is meeting today to receive testimony regarding the fiscal year 2010 budget for the Federal Emergency Management Agency.

Again, good morning to the members and to the witnesses. On behalf of the members of the subcommittee, let me welcome our sole witness for today, the Honorable Graig Fugate, the administrator of the Federal Emergency Management Agency, FEMA, at the department of homeland.

I believe you come from Florida, and we were talking about your state and local experience. And we appreciate that state and local experience.

At the outset, I would like to express our gratitude for your participation in today's hearing, especially given the commencement of the 2009 hurricane season.

Mr. Fugate, the subcommittee is impressed by your years of homeland security experience, both as a first responder and an emergency manager there in the state of Florida. We look forward in working with you as you lead FEMA's efforts to improve the federal emergency response, recovery and preparedness efforts across the nation.

In the years since Hurricane Katrina crashed the shores of the Gulf Coast, FEMA has made significant progress, especially in the preparation for and response to Hurricanes Gustav and Ike, as well as its response to the severe storms and tornadoes in the Midwest last year, in 2008, the Midwest.

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Yet there is definitely room for FEMA to improve. Mr. Fugate, you are certainly being put to task, and your leadership is definitely needed in the agency.

Today's hearing will be an opportunity to discuss President Obama's fiscal year 2010 budget request submitted to Congress on May 7, 2009. Specifically, the subcommittee wants to discuss the $7.2 billion proposed for FEMA, as well as the president's priorities in the budget.

I should note that this subcommittee is very supportive of the president's budget request for the fiscal year 2010 funding. We applaud the department for developing a comprehensive budget proposal to support FEMA's—to fulfill its critical mission to prepare, protect, respond and mitigate against major disasters or emergency.

Although the president's budget provided an increase of $197 million above the fiscal year 2009 enacted budget, there are a few programmatic changes within FEMA that I look forward to discussing in greater details in today's hearing.

In particular, the subcommittee is somewhat dismayed to learn that the proposed budget of $170 million—a 70 percent decrease—for the fire grant program. The committee is concerned that proposed funding is inadequate in addressing the equipment, training, and other resource needed for firefighters to carry out their critical life-saving missions.

Another area of concern that involves first responders is the leveling of grant funds for the inter-ability emergency communications grants program, which is 85 percent short of the authorized level of $400 million in the 9/11 Commission Act that this committee worked very hard to develop.

I will simply state that we must ensure that our first responders—the nation's first line of defense—are adequately equipped to protect, equip—to address any of the huge incidents that might hit us at any time.

As the chairman of this subcommittee, it has also become clear to me that a prepared citizenry is the cornerstone of a resilient nation. While the storm winds may change direction and the level of threats to our society may vary, one thing remains constant, and that is the spirit of the American people to withstand any adversity that they may face.

This is why I will work to ensure that the Department of Homeland Security, in particular FEMA, has the appropriate resources and authorities to strengthen their partnership with individuals, as well as the states, localities, and tribal governments.

In closing, Mr. Fugate, I look forward to your testimony and hearing how the budget for FEMA will pull together the talents of our diverse nation to make clear that our government can provide the American people the security, the accountability, and, most importantly, the freedom from fear.

The chair now recognizes Mr. McCaul, who is taking the place of our ranking member, and he will make an opening statement.

Mr. MCCAUL. Well, good morning. And thank you, Chairman Cuellar, for holding this hearing today.

I have been asked to sub in for Ranking Member Rogers, and I just got my prepared statement, so I will be brief and to the point.

But I do want to welcome our witness and thank him for taking the time from his important schedule to be with us here today.

And let me say, as a supporter of keeping FEMA within the department, I am pleased that the president agrees with us on this issue. FEMA has made great strides since Katrina and must stay integrated within the Department of Homeland Security.

This hearing is being held to look at the president's budget request for FEMA and to address whether the agency has the resources and support that it needs. The fiscal year 2010 budget request for FEMA shows a continued effort to strengthen preparedness and response programs and to continue to make the agency more effective.

The budget request for many key state and local homeland security programs is similar to or higher than last year's enacted level of funding. However, I have serious concerns about the administration's request to cut several programs, some of which were outlined by the chairman, such as the Assistance to Firefighters Grant, cutting that by 70 percent.

I think, Mr. Fugate, you are going to find that there is strong bipartisan support in the Congress to keep those grants in this budget. This vital program cannot afford to be undermined by a lack of funding in 2010, and it is important to our first responders.

You know, we all remain mindful of the important work FEMA does, and I look forward to working with you to ensure that FEMA moves forward in an efficient and effective manner.

I will say that my questions—we passed out of this committee last Congress a FEMA reform bill in response to the waste, fraud and abuse we saw out of Katrina. I am going to be interested in your comments on how those reforms were working and how FEMA is responding in terms of comparing its response to Katrina to the response to Hurricane Ike, that we more recently saw in our home state of Texas.

So with that, I yield back. And I thank the witness for being here today.

Mr. CUELLAR. Thank you, Mr. McCaul.

The chair now recognizes the chairman of the Committee of Homeland Security, the gentleman from Mississippi, Mr. Thompson, for an opening statement.

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

Welcome, Mr. Fugate. We have had a conversation, but this is our first opportunity to actually see you in person.

I think no other agency is as well known as the agency you direct. My own experience with Katrina was not good from a response standpoint in my state. There have been a lot of things with Hurricane Ike and Gustav since that time. My challenge to you, given your extensive experience in this area, is to help us get it right.

Our country looks to FEMA from a point of last resort, in terms of help. When we call the cavalry, the cavalry in this respect is FEMA. I want you to look at the housing mission of FEMA. I will talk a little bit about it later in my questions.

We are still over 3 years after Katrina, still have people in motels. That is clearly the most expensive housing effort probably

known to this government. We can do better, perhaps bringing the private sector in, asking them to help come up as an approach.

Apart from that, there are some efficiencies in working with the private sector to help respond to disasters that we need to enhance. There is clearly some training at the local level that continues to be needed.

We have had several field visits to impacted areas, and people have told us that part of the reimbursement process for FEMA continues to be problematic. In areas of my state, I continue to be told that the misinformation or incorrect information continues to ba a problem because people from FEMA at the local change from time to time.

One person will tell a community, "You do it this way." The next person comes and says, "No, you don't do it. You do it this way." And the community is held in limbo. And in many instances, because of the public assistance reimbursement delays, the communities can't go forward because the reimbursement is held up.

The other issue—and I am sure Mr. Cao will speak to this—is when there is a discrepancy or dispute involved, we need to continue to work on streamlining how we resolve disputes relative to public assistance reimbursements.

Lastly, there is an issue of tiering of contracts. In other words, if the prime contractor subs, those two individuals have standing in a dispute, but anybody below that sub on down has absolutely no standing in the reimbursement process. So they can write FEMA, they can write their congressperson, and there is nothing statutorily that can be done.

Well, in most instances, those were the little people who were trying to help, might have one tractor, one dump truck, doing really the physical work, but they don't have standing in the dispute. We need to fix that.

And we will have to let—work with you on resolving that. And I look forward to the testimony, Mr. Chair.

Mr. CUELLAR. Thank you, Mr. Chairman.

Other members of the subcommittee are reminded that, under the committee rules, opening statements may be submitted for the record.

At this time, I would like to welcome the Honorable Graig Fugate as the sole witness for today's witness. Mr. Fugate has more than 20 years' experience in emergency services in Florida, which, as we know, is a hurricane-prone state.

Before being confirmed by the Senate as the administrator at FEMA on May 12, 2009, he served as the volunteer firefighter, paramedic, lieutenant with a county fire rescue division, and spent 10 years as the emergency manager for Alachua County in Florida.

He most recently served as the director of the Florida's Division of Emergency Management, an appointment made by Governor Bush in October 2001.

Administrator Fugate, we are pleased to have you present and greatly appreciate the testimony today. And without objection, the witness's full statements will be inserted in the record. I now ask Mr. Fugate to summarize his statement for 5 minutes.

STATEMENT OF HON. W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Mr. FUGATE. Thank you.

This is my first opportunity to present a budget and my first opportunity to provide testimony to the House. So I appreciate the opportunity, Mr. Chairman. And as we go through this, I am listening to the questions.

And, first off, let me say that, having been a customer of these programs, I understand many of the challenges. I look forward, Mr. Chairman, to working with you and with the rest of the members and, Chairman Thompson, with the overall committee on how we move forward and build a stronger team.

But today, my job is to present to you our budget request for FEMA, the president's budget. As you say, it is $7.4 billion in that discretionary budget authority. This is an increase of $188 million above last year's enacted levels.

Additional funding will strengthen our ability to respond to disasters, but we also have to continue to build, strengthen and support our national response team. Those emergency responders include our state, tribal and local governments, but also it involves more than that.

One of the things that I recognized a long time ago was that this team has to move beyond just what government can do and look at our citizens as a resource and not a liability, so preparedness of working with our citizens and building that part—that team, as well as the private sector.

In Florida, I learned a simple question to ask our private-sector partners was not what they can do for us, but what we could do to get them open, and that working as a team so we weren't competing with each other.

But we have to ensure that our frontline responders—and those are the local responders—are equipped and trained and prepared for the threats we face, both natural hazard, manmade, but also threats of terrorism. We are in a situation that we, again, want to operate from a standpoint of resiliency and capability and capacity as we deal with these threats.

We have, you know, a detailed statement, but just to summarize, again, we request an increase in our operation, management, administration account. That is what we do to operate FEMA. We are still implementing many of the recommendations of the Post–Katrina Emergency Management Reform Act as we continue to build that out.

We also are looking at—one of our programs we are doing internally to help measure where states are and where we need to go as far as our capabilities and our gap analysis. So we identified that as a very specific point in our budget and asked for that to be recognized as a specific funding request.

Also, it includes an increase in our state and local programs. And, again, one of the areas we did fund more emphasis in this budget request was in the SAFER program, looking at staffing issues for fire departments.

I recognize there are still other needs out there, but one of the areas that we did come forward with this recommendation was in-

creasing the SAFER grants, looking at more staffing. That is something we are hearing a lot from departments right now, given the financial challenges they are facing.

As we, you know, get ready for the hurricane season, I kind of—I almost feel like I am at a disadvantage, because I come from Florida, and it is a hurricane-prone state. That tends to be what people want to talk about.

I always want to talk about the next disaster, and I don't know when that is going to occur. And I think that is part of our challenge is. Hurricanes, at least we—they don't sneak up on us. We can see them. They are something we can anticipate, prepare for. They are seasonal.

But a lot of other disasters, such as earthquakes, don't have seasons. And we have a lot of disasters in the natural world that occur outside of this year—out of the hurricane season, but we also have a lot of other types of threats.

So it is this constant process of preparing ourselves for the next disaster while we continue to rebuild from the challenges that we saw in the devastating hurricane seasons of 2004 and then last year's hurricanes, as we have to stay focused on that.

We have looked at things such as our national disaster housing strategy. I know there are challenges here. One of the concerns I have is that we ought to at times try to define our capabilities, our response to a disaster by what we can do instead of looking at what the challenges are. And I think that will help us clearly articulate where we need to go.

We continue to look at mitigation against all hazards. We have the National Flood Insurance Program. We have the pre-disaster mitigation program, which we have asked for some additional fundings there.

And I, again—in conclusion, Mr. Chairman, we have presented a budget based upon what we were looking at and going into this next fiscal year. We have had to make choices that allocated funds based upon some of the decisions we were looking at within our budget. And this is our presentation to you to begin the consideration of working towards a budget.

And, again, we solicit your questions, your input, and your guidance on how to move forward as a team and a partnership so we serve our American citizens.

[The statement of Mr. Fugate follows:]

PREPARED STATEMENT OF HON. W. GRAIGE FUGATE

INTRODUCTION

Mr. Chairman, Ranking Member King and Distinguished Members of the Committee; it is a privilege to appear before you today on behalf of the Department of Homeland Security (DHS) and the Federal Emergency Management Agency (FEMA) to discuss the Agency, its accomplishments, and the fiscal year 2010 Budget Request. We appreciate your interest in and commitment to working together as a Nation to build, sustain, and improve our capability to prepare for, protect against, respond to, recover from, and mitigate against all hazards.

While new to their ranks, I am by no means unfamiliar with FEMA, having planned and responded side-by-side with the Agency over many years and across multiple disasters. As a longtime customer of FEMA support, I believe I have a thorough understanding of the Agency's strengths and weaknesses, and I am committed to ensuring that FEMA is optimally prepared to quickly and effectively meet the needs of the American people in times of disaster. With the help of FEMA's skilled and dedicated staff, our DHS and federal colleagues, key partnerships with

state, local and tribal governments as well as the private sector and voluntary agencies, and the support and oversight of Congress, I am confident we will meet that challenge.

Already during this calendar year, FEMA has worked in close coordination with state and local authorities to respond to severe storms in Arkansas, Kentucky, Missouri, and several other States. We have supported the State and local response to record flooding in North Dakota and Minnesota. In addition, we have worked hard to accelerate and improve recovery efforts in the Gulf Coast region. While we have made substantial progress, and have a number of key initiatives underway, much work remains. And always, we must be ready to immediately and expertly respond to the next disaster, regardless of its origin or severity.

The fiscal year 2010 President's Budget request reflects continued commitment to the actions required by the Post-Katrina Emergency Management Reform Act (PKEMRA), which established new leadership positions, brought additional functions into FEMA, and led to the creation of FEMA's National Advisory Council. Since the Act's passage, the Agency has significantly increased operational capacity to coordinate federal support to our state and local partners in meeting the needs of disaster survivors. Throughout fiscal year 2010, the Agency will continue this effort, as well as work to strengthen our emergency preparedness, response, recovery, and mitigation capabilities and further facilitate a robust coordinated response to all hazards.

The Agency's fiscal year 2010 budget request reflects $7.394 billion in net discretionary budget authority, which is an increase of $188 million above the fiscal year 2009 enacted level. This strengthens the Agency's ability to fund projected disaster assistance requirements, provide funding to support state, tribal, and local emergency management functions, and enhance internal staffing and systems that support FEMA's emergency management mission.

I will now explain exactly how FEMA will put this funding to good use.

PREVENTION, PREPAREDNESS, AND RESPONSE

To strengthen prevention capabilities at the state and local levels, FEMA will work even more closely with our partners in other federal agencies, states, territories, tribal nations, local governments, first responders, voluntary organizations, business, industry, and individuals. Included among these will be key partners who, though often critical to an effective response at the local level, are often on the outside looking in during response planning: local charitable organizations and health care delivery organizations. We need to ensure that these critical grassroots organizations are effectively integrated into our response planning and strategies.

Local fire, law enforcement, and emergency services personnel are always the first to respond to an incident, and usually the first to identify and commence preparation for an emerging event. We must continue to ensure that these organizations and personnel are properly and fully supported.

To improve prevention capabilities, FEMA requests $45.588 million in fiscal year 2010 for the United States Fire Administration (USFA), which reflects an increase of $609,000 to cover pay inflation.

The mission of the USFA is to provide National leadership to foster a solid foundation for local fire and emergency services for prevention, preparedness, and response.

USFA prepares the Nation's fire responders through ongoing and, when necessary, expedited training focused on evaluating and minimizing community risk, improving protection to critical infrastructure, and improving preparedness to react to all hazards. USFA coordinates with other federal, state, tribal, and local emergency service agencies, the private sector, and with colleges, universities, and other DHS educational consortium participants. In fulfilling its mission, USFA utilizes the assets of the National Fire Academy (NFA), the National Emergency Training Center (NETC) Facilities and Support Services, the National Fire Data Center (NFDC), and USFA's National Fire Programs (NFP) Division, as well as cooperative agreements with State training agencies.

NFA promotes the professional development of the fire and the emergency response community and its allied professionals. To supplement and support state, tribal and local fire service training programs, NFA delivers educational and training courses having a National focus, and which include both residential and on-line National Incident Management System training for first responders.

FEMA will continue its efforts to expand the emergency management body of knowledge and strengthen emergency management education to improve the nation's incident management capability. We will use enhanced operational planning capacity to develop vertically and horizontally-integrated response plans compliant with the National Incident Management System and the National Response Frame-

work. We will also expand our focus on catastrophic disaster planning using Federal plans that have a Regional- and National-focus. Additionally, these plans will be synchronized with existing State, Urban Area, and regional plans developed through the Homeland Security Grant Program to prepare for National-level exercises.

FEMA's fiscal year 2010 budget request for State and Local programs is divided into three major categories, for an appropriation totaling $3.867B: the State and Regional Preparedness Program; the Metropolitan Statistical Area (MSA) Preparedness Program; and the Training, Measurement, and Exercise Program. A separate line item appropriation is also requested for Management and Administration (M&A) costs of the Grant Programs Directorate and National Preparedness Directorate within FEMA to administer these programs.

Within the State and local program's appropriation, FEMA is requesting a total of $420 million for Staffing for Adequate Fire and Emergency Response (SAFER) grants, representing an increase of $210 million. These grants help fire departments increase their number of frontline firefighters. The goal is for fire departments to increase their staffing and deployment capabilities and ultimately attain 24-hour staffing, helping ensure that communities have round-the-clock emergency support for fire and fire-related hazards.

Through this appropriation, FEMA will continue to fulfill its key role of preparing state and local governments to prevent, protect against, respond to, and recover from all-hazard events. The funding will provide for grants, training, exercises, and other support that will assist federal agencies, states, territories, and tribal and local jurisdictions more effectively prepare for all-hazard events.

FEMA must aggressively lead an integrated approach that continues to strengthen the Nation's ability to authoritatively address all-hazards. While State, local, and tribal preparedness and resilience is critical to the Nation's ability to recover from disasters and emergencies, our nation's citizens also play a vital role.

We think of our citizens as a resource, not as a liability, in our planning. We must integrate and build capacity and capability at all levels of government and incorporate volunteer, faith, community-based and private sector organizations. We must continue to reinforce the critical and enduring need for personal preparedness and encourage individuals to prepare themselves for disasters. However, while the vast majority of Americans have the means to take effective family preparedness actions, we cannot forget that many of our citizens are not so fortunate. They may lack the financial resources to adequately prepare, or they may face physical challenges. These special needs Americans must not be an afterthought in our planning. We must proactively incorporate the needs of our special needs populations as a core element of our planning process to ensure we take care of our most vulnerable citizens.

Secretary Napolitano has made clear her commitment to improving intergovernmental coordination. Almost immediately upon being confirmed, she issued an action directive on improving ties with state, tribal, and local governments. Accordingly, we are improving our ties with partners through a number of key initiatives. For example, we are encouraging a state-led housing task force to ensure that state, tribal, and local governments are empowered to take the lead in determining the best and most appropriate housing options to meet the needs of the residents in their respective states.

Strong FEMA Regions are key to our ability to maintain and sustain robust partnerships with our stakeholders within the public and private sector that will help ensure the most efficient leveraging of national expertise, resources, and capabilities in future responses to all-hazard events. FEMA will continue to improve the quality and consistency of coordination between headquarters and regional offices in all aspects of disaster preparedness and management, including disaster response. This will provide regions with an expanded and more empowered role in executing the broad National mission entrusted to FEMA, resulting in valuable situational awareness of operations to properly shape policy and planning. To maintain continued success in future all-hazard events and to better support states and locals, FEMA must continue to enhance the nation's ability to approach events in an integrated manner focusing on continued improvements by using skill sets residing throughout FEMA, its regions, our federal partners, and all our stakeholders.

Working closely with our federal, state, tribal, local and private sector partners, FEMA is aggressively conducting and coordinating a large number of 2009 Hurricane Season preparedness efforts. Federal Coordinating Officers have been pre-designated for and are actively involved in training, assessments and exercises in each of the 18 Atlantic and Gulf Coasts states, plus Puerto Rico and the Virgin Islands.

Increasing public messaging on preparedness, evacuation and sheltering plans, and commodity distribution remains a priority. Government—even with federal, state, tribal, and local governments working perfectly in sync—cannot do it alone.

All Americans need to be part of the preparedness and emergency management process. Our Citizens must understand and take responsibility for their own role in disasters. We must continue to develop a culture of increased preparedness in America, a culture in which every American takes personal responsibility for his or her own emergency preparedness.

We have improved coordination and connectivity with interagency, military, and DHS partners through upgrades to our network of operations centers, including the National Response Coordination Center, the Regional Response Coordination Centers, and the FEMA Operations Center. We have expanded and refined Pre-Scripted Mission Assignments to facilitate disaster response support from other departments and agencies. Pre-Hurricane Katrina, FEMA had 28 Pre-Scripted Mission Assignments; all of them within a single agency, the United States Army Corps of Engineers. Now, we have 236 Pre-Scripted Mission Assignments across 29 agencies.

FEMA has also provided regional evacuation planning support to the Gulf Coast and East Coast states. The Agency continues to provide technical assistance to at-risk Gulf Coast states for hurricane evacuation and transportation planning. For example, FEMA recently convened a Gulf Coast Contra-Flow Conference to further examine evacuation planning and processes. FEMA partnered with the Department of Transportation, Federal Highway Administration, and 10 states in the southeast, specifically focusing on transportation, emergency management, public safety, and security requirements. We have also established multi-modal transportation contracts (air, rail, and bus) to provide assistance to states to support evacuation.

Should FEMA be required to support our State and local partners with temporary housing support this hurricane season, we are prepared. We have contracted for new low-formaldehyde travel trailers that will meet FEMA and state standards for indoor air quality, which are superior to any available commercially. We are establishing a Temporary Manufactured Housing Unit Supply Contract, which will provide FEMA the ability to sustain disaster housing operations in the event of a catastrophic disaster. We are also evaluating Alternative Housing Units built for sustained testing and evaluation at FEMA's National Emergency Training Center in Emmitsburg, Maryland.

FEMA's Emergency Support Function 6 Mass Care and Emergency Assistance Unit continues to work with the American Red Cross and other Voluntary Organizations to ensure that plans, resources and protocols to assist disaster survivors are developed and ready. We are developing a comprehensive National Shelter Tracking system to help states meet their needs as well as refining tools that support the reunification of families and missing children after disasters.

FEMA also continues to work with its partners to enhance its capability to lead and implement Emergency Support Function 14—Long Term Community Recovery under the National Response Framework.

The Nation's planning system took a significant leap forward with the development of the Comprehensive Preparedness Guide 101 for state, tribal, local planning and the Integrated Planning System for Federal planning. In the years ahead, we are focused on implementing and integrating these planning systems in a coordinated manner through the FEMA Regions, and on ensuring their effectiveness in the field. The Agency also is prioritizing the assessment of federal, state and local preparedness levels by developing and implementing a Comprehensive Assessment System that will use the Target Capabilities List to assess the Nation's performance through qualitative and quantitative metrics. In support of this effort, FEMA has developed a Cost to Capability initiative to manage performance across a diverse portfolio of preparedness grant programs. This will enable us to better demonstrate the effectiveness of preparedness grant programs in building state and local all-hazards capabilities outlined in the Target Capabilities List.

Our Operations, Management, and Administration (OMA) account supports critical core operations for all FEMA organizations at both regional and headquarters levels. The fiscal year 2010 OMA budget request reflects the amounts required to sustain our recent improvements in operational response and internal capacity, as well as to support the Agency's efforts to complete implementation of the full range of PKEMRA requirements. These increases strengthen the Agency's ability to fund projected disaster assistance requirements, to provide adequate funding to support state, tribal, and local emergency management functions, and to enhance internal staffing and systems required to support FEMA's emergency management mission.

To support preparedness, FEMA requests $852.2 million in fiscal year 2010 for OMA, which provides a net increase of $14.7 million from the fiscal year 2009 levels. This funding request reflects the transfer of preparedness and grant programs' funding to the State and Local Appropriation. Additional funds are requested for the following:

• FEMA requests an additional $10 million for storage tank management activities for repair, replacement, restoration and remediation efforts. FEMA oversees an inventory of over 1,000 underground storage tanks, aboveground storage tanks, and rolling stock, used primarily for the storage of petroleum and petroleum-based products to support operations during a disaster. Many of these aging and deteriorating tanks have been inadequately maintained, and many are out of regulatory compliance. In fiscal year 2009, FEMA established a Program Management Office to more effectively manage the storage tank program. FEMA has completed its operational storage tank inventory and all remaining tanks are undergoing assessments to determine their status and condition. Operational tanks have been assessed and necessary repairs are being made, while non-operational tanks are currently being assessed to determine the next appropriate course of action

• FEMA also requests an additional $7.9 million for its share of the fiscal year 2010 DHS data center development funding, which will be used for the continuation of system and application migration to the two DHS Enterprise Data Centers for central DHS management in fiscal year 2010. This effort includes discovery, migration planning, and scheduling activities specifically related to systems/applications that will transition to the DHS Data Centers in fiscal year 2010. It also funds the purchase of new equipment for placement in the DHS Data Centers, as well as the transition of disaster recovery/backup/Continuity of Operations capability to DHS Data Centers. This efforts will ensure that we can recover data as expeditiously as possible.

• To continue to meet the program goals for Disaster Assistance, Mitigation, and Preparedness grants, the Environmental Planning and Historic Preservation Office must increase its capability, particularly at the Regional level, for proactive outreach and planning, disaster readiness, and project reviews. FEMA requests an additional $2.3 million for increased staffing dedicated to Environmental Planning and Historic Preservation, to ensure that FEMA's activities and programs related to disaster response and recovery, hazard mitigation, and emergency preparedness comply with Federal environmental and historic preservations laws and Executive Orders.

• Our final OMA request is for an additional $3.0 million for the Gap Analysis Program to supplement the continuation of our critical efforts to quantitatively and qualitatively examine State capabilities and resource needs/gaps, and to strengthen the development of State emergency and evacuation plans. This funding will enable the Gap Analysis Program to be expanded beyond the initial focus on hurricane-prone regions/states to encompass all states.

In the area of response, FEMA has strengthened its operational readiness with Incident Management Assistance Teams and stronger regional operations. FEMA has full-time, dedicated response teams standing by to ensure they can be on the ground working side-by-side with the State within hours of any disaster. We have also proved our logistics can deliver the necessary supplies and resources to a disaster site more effectively and quickly than in the past. Simply put: FEMA and the Nation are better prepared.

We have worked to strengthen FEMA as an organization by making a greater and more sustained investment in our people, developing a capable and motivated workforce that will ensure mission success, and helping fortify a culture that rewards performance through personal stewardship, innovation, and accountability.

In fiscal year 2010, FEMA will continue to improve operational effectiveness by enhancing its capability to provide transparent supply chain visibility and accountability of pre-positioned commodities. Pre-event procurements such as use of Inter–Agency Agreements (IAA) will improve readiness and provide immediate recovery support to the impacted area. We will also conduct assessments of current logistics core competencies and implement industry best practices.

FEMA has several other significant initiatives planned for fiscal year 2010 to ensure continuity of national operations. For example, as part of the Integrated Public Alert and Warning System implementation plan, the Agency will publish an Inventory Assessment Report of the public alert and warning system capabilities and resources. Moreover, FEMA will make major systems upgrades to replace legacy equipment and improve interoperability of the FEMA National Alert Radio System.

In the past year, FEMA has been able to respond rapidly and effectively to emergencies across the country. In 2009, FEMA supported 24 major disaster, five emergency, and 24 Fire Management Assistance Declarations. We are a more nimble and responsive agency.

RECOVERY

Within the area of recovery, which remains the most challenging aspect of any disaster, FEMA is focused on providing assistance, both before and after events, in an easily accessible and coordinated manner through simple and effective delivery mechanisms, while also minimizing opportunities for waste, fraud, and abuse. We have expanded our capability to register those in need for aid and have mobile registration centers that can be quickly deployed to help those without access to phones or computers.

In January 2009, FEMA released the National Disaster Housing Strategy. For the first time, the Nation has a document that organizes the many planning and operational elements and considerations of disaster housing within a single strategic framework. It is intended to provide a common set of principles that will allow all housing stakeholders, at every level of government, to more effectively employ available resources to meet the needs of disaster survivors. This Strategy defines and outlines the intersection and interaction of federal, state, tribal, and local roles, responsibilities, resources, and options. Further, and perhaps most importantly, this Strategy recognizes and reinforces the need for all parties to plan and operationally prepare to play a much greater role in the disaster housing continuum, including the need for states to take the lead role in defining appropriate disaster housing strategies.

In April, we released the 2009 Disaster Housing Plan, which describes the specific actions that FEMA will take this year to support state, tribal, and local officials in meeting the housing needs of disaster survivors. As FEMA continues to build its disaster housing capabilities, we will continue to provide state, tribal and local governments with a clear expectation of the type of disaster housing support FEMA can provide.

Secretary Napolitano is committed to partnering with the Department of Housing and Urban Development (HUD) to explore opportunities to more expansively engage in and collaboratively support the Federal disaster housing mission. We are working to better align our roles and responsibilities in support of our State and local partners, which will allow FEMA to focus on the immediate, emergency needs of disaster victims, such as sheltering and interim housing, with HUD taking the lead utilizing their unique expertise in, and resources that support, long-term housing. This alignment of responsibilities is reflected in the National Disaster Housing Strategy.

FEMA continues to work with its Federal, State, and voluntary partners to build a robust system for evacuation, sheltering and housing, including our collaboration with the American Red Cross to implement the National Shelter System. The Agency has established a National Emergency Family Registry and Locator System and, working with the National Center for Missing Children, established a National Emergency Child Locator Center to help those that have been displaced find their loved ones. We have a new policy to help those with pets which identifies expenses States and local governments may be eligible for reimbursement for in conjunction with emergency pet evacuation and sheltering activities associated with the declaration of an emergency or major disaster declaration. We continue to strengthen and grow our ties and relationships with faith-based organizations that are, often, on the ground soon after a disaster, offering aid and assistance to those in need.

FEMA will continue to ensure effective recovery and disaster assistance programs that balance the assistance needs and desires of the states, communities, and individuals with the Agency's need to serve as good stewards of taxpayers' funds. My goal is to ensure that FEMA's Stafford Act-authorized grants and technical assistance programs become a model of effectiveness and efficiency. FEMA will take a fresh look at its underlying authorities and pursue opportunities to improve administrative processes and policies to better match state, community, and individual needs while still safeguarding against duplications of payments and preventing waste, fraud, and abuse.

A significant focus for fiscal year 2010 is the consolidation of the non-disaster grants management system and other DHS grants and financial assistance management systems into a single grants management system. This on-going effort will improve customer service, increase standardization, and streamline business processes and technologies, which will reduce overall grants management costs.

To ensure FEMA remains prepared to effectively respond to a presidentially declared all-hazard event, we request total funding of $2 billion, including an increase of $600 million, for the Disaster Relief Fund (DRF). The DRF funds the federal response to Presidentially declared major disasters and emergencies, enables FEMA to plan and coordinate the federal response and reimburse agencies for their efforts through mission assignments, and otherwise enables the Federal government to prepare for, respond to, recover from, and mitigate the results of specific disasters and

emergencies. The following grants are awarded from the DRF to mitigate or recover from the damage of a disaster: Individual Assistance; Public Assistance; and Hazard Mitigation. This request will allow replenishment of the DRF to funding levels consistent with the historical average for non-catastrophic disaster activity.

In fiscal year 2010, FEMA also requests authority to transfer up to $50 million to the OMA appropriation for management and administration functions.

The Emergency Food and Shelter Program provides grants to nonprofit and faith-based organizations at the local level through the National Board to supplement their programs for emergency food and shelter. Nearly 12,000 nonprofit and local government agencies in over 2,500 cities and counties across the United States receive awards. Emergency Food and Shelter funds are used to supplement food, shelter, rent, mortgage, and utility assistance programs for people with non-disaster related emergencies.

The FEMA fiscal year 2010 request for the Emergency Food and Shelter Program is $100 million. This request represents a decrease of $100 million from fiscal year 2009. However, the recently passed American Recovery and Reinvestment Act of 2009 provided an immediate appropriation to the Emergency Food and Shelter program of $100 million and those funds have just been distributed.

MITIGATION

Mitigation is a key component of prevention, preparedness, and emergency management. FEMA must continue to enhance its mitigation programs to protect lives and prevent property loss from natural hazard events.

In fiscal year 2010, FEMA will continue its transition to a multiyear mapping effort that requires a review of each flood hazards map every five years to update and refine the data. This revitalized effort will provide sound flood hazard data, align flood map updates with flood risk assessments to support stronger hazard mitigation planning, and enable broader flood risk communication crucial to a National reduction in flood risk.

Flood Map Modernization will produce flood maps in a geographic information system format for a majority of those areas where there is recognized flood risk. This modernization effort incorporates the latest technology, providing flood hazard data in the most usable format, with advanced tools and techniques that will enable FEMA and our state and local partners to produce high-quality data while operating within cost and schedule constraints. FEMA's current approach for Risk MAP is to update maps using the most current information so they reflect physical changes that have occurred since the original mapping. FEMA also partners with state and local governments to help develop their capability for managing and maintaining flood hazard data.

In support of these initiatives, FEMA requests $220.0 million in fiscal year 2010 for Flood Hazard Mapping and Risk Analysis Fund (formerly Flood Map Modernization Fund) this year for the continuation of flood map updating and modernization. This request represents no change from fiscal year 2009 levels.

FEMA will also continue the National Flood Insurance Program (NFIP) systems modernization effort to build an information technology infrastructure. This will streamline the insurance process, provide faster and more accurate access to NFIP data and the capability to increase NFIP policy sales and improve responsiveness to customers' claims through the use of a centralized online claims module available via the Internet.

The National Flood Insurance Fund, which was established by the National Flood Insurance Act of 1968 (42 U.S.C. 4001), is a premium revenue and fee-generated fund that supports the NFIP. The Act, as amended, authorizes the Federal Government to provide flood insurance on a National basis to owners of properties located in vulnerable areas. The National Flood Insurance Reform Act of 1994 (P.L.103–325) made flood insurance mandatory for all Federally-backed mortgages of properties located in the special flood hazard areas. Currently, the NFIP insures more than 5.6 million private commercial and residential policyholders totaling approximately $1.1 trillion.

FEMA requests fee authority in the amount of $159.469 million for the fiscal year 2010 National Flood Insurance Fund discretionary. This is an increase of $2.9 million from the fiscal year 2009 levels. Flood insurance premiums collected are deposited into the National Flood Insurance Fund, which is also used to pay out claims as well as the operating and administrative costs associated with maintaining the program.

In return for the availability of flood insurance, communities agree to adopt and enforce floodplain management measures to reduce losses from future flooding. Flood insurance may be sold or continued in force only in communities that enact and enforce appropriate floodplain management measures. Communities must par-

ticipate in the program within one year of the time they are identified as flood-prone in order to be eligible for flood insurance and some forms of Federal financial assistance for acquisition or construction purposes. In addition, Federally-regulated lending institutions cannot provide loans in non-participating communities for properties within an identified special flood hazard area. Certain forms of disaster assistance also are restricted in these non-participating communities.

FEMA implements three additional Hazard Mitigation Assistance programs; the Severe Repetitive Loss Mitigation Pilot Program, the Flood Mitigation Assistance grant program, and the Repetitive Flood Claims grant program, with the goal of reducing or eliminating claims under the NFIP. FEMA provides funds to assist States and communities implement measures that reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program. The Severe Repetitive Loss Mitigation Pilot Program provides funding to reduce or eliminate the long-term risk of flood damage to severe repetitive loss residential structures insured under the NFIP. There are currently approximately 7,000 properties meeting the legislative definition of Severe Repetitive Loss. The Repetitive Flood Claims grant program provides funding to reduce or eliminate the long-term risk of flood damage to structures insured under the NFIP that have had one or more claim payments for flood damages. The long-term goal of these programs is to reduce or eliminate claims under the NFIP through mitigation activities that are in the best interest of the National Flood Insurance Fund.

Finally, FEMA requests total funding of $150 million, an increase of $60 million for the Pre-Disaster Mitigation (PDM) grant program. This program provides technical and financial assistance to state and local governments to help implement pre-disaster hazard mitigation measures designed to reduce injuries, loss of life, damage and destruction of property. Operating independently of the DRF (which provides post-disaster mitigation funding), the PDM program offers an annual funding source for eligible mitigation activities that is not dependent upon a declaration of disaster activity by the President. The funding will be used to implement a base-plus-risk allocation program that will assist states, territories, and tribes. Working with the States, FEMA will establish and maintain a portfolio of pre-qualified mitigation proposals that are consistent with state, tribal and local mitigation plans and priorities, and are deemed as technically-feasible to reduce losses from identified hazards in a cost-effective manner.

The PDM program assists state, local and tribal governments in implementing cost-effective hazard mitigation activities that complement a comprehensive mitigation program. This program provides a funding resource for state and local governments seeking to initiate or complete plans and projects that ensure immediate risk reduction to the population, to property, and for at-risk structures, including critical facilities. Often, funding is the primary obstacle that states and local governments must overcome in order to be more proactive in the prevention or reduction of the damage caused by natural hazards.

CONCLUSION

Mr. Chairman, we believe the President's fiscal year 2010 budget proposal represents a thoughtful, responsible approach that prioritizes those program areas in which FEMA is likely to have the greatest impact in reducing loss from disaster and providing the emergency assistance that will be necessary to alleviate suffering when disaster strikes.

Over the past year, FEMA has enhanced its ability to lead and support the nation in a risk-based comprehensive emergency management system of prevention, preparedness, response, recovery, and mitigation. The Agency has been able to respond rapidly and effectively to every disaster we have been called upon to support.

In the year ahead, we will work to ensure that FEMA continues to meet the needs of the American people in times of disaster. While the agency has already seen tremendous improvement over the last few years, I am confident that, with the help of our skilled and dedicated staff, and your support, we can make FEMA even better.

This concludes my testimony today. I am prepared to answer any questions the Committee may have.

Mr. CUELLAR. I would like to remind each member that he or she will have 5 minutes to question the witness.

I now recognize myself for questions.

First of all, Mr. Fugate, thank you again for being here. Let me direct your attention to the Gap Analysis Program where you re-

quested funds for $3 million to address that issue. As you know, this is one that looks at the strengths and the weaknesses of each state's emergency plans and evacuation plans that you all might have.

Why is it important to identify these gaps between the emergency and the evacuation plans? And, is there an inventory that goes state-by-state that shows you where each state is and if there is any gaps between those two plans?

Mr. FUGATE. Mr. Chairman, we have done this process—and it originally started with hurricanes, but looking at all hazards. The purpose of this is to help identify at what level states would be requesting federal assistance so that we would have a better understanding of things we would plan for ahead of time, particularly with our federal family of agencies.

We have gone back and we have continued to refine this, but I think this is important for two things, one is to understand what they have dealt us. And, quite honestly, Mr. Chairman, I wouldn't have picked the term "gap." I would have used capabilities. And then, from the capabilities, we look at the event and we know what the additional resources are going to be.

But what is important is, is to help demonstrate that, in the money that we have been extending to build capability and capacity in the nation, that we identify, one, what we have been able to accomplish, what the states and local governments have as that capability.

And if we have an event such as an evacuation scenario or a housing mission scenario or some kind of debris mission, we understand what the local state governments are capable of, what they are going to be able to do, and anticipate what the federal support will need to be to address that challenge. And looking at that across a variety of hazards and trying to use as much as we can in realistic scenarios, such as previous events or modeling data, to help us understand that, as we continue to encourage states to increase that capability and capacity.

That we also know when we would likely need to provide assistance in a coordinated manner so we can pre-script and have missions ready to go, versus waiting at the last minute, which, as we saw, was very inefficient and very costly when we didn't have a plan for how we were going to support a state.

Mr. CUELLAR. One of the items that GAO has reported relating to FEMA's monitoring of homeland security grant expenditures is that it does not provide a means to measure the achievement of desired program outcomes, whether it is customer service or whether you are measuring the performance—and I know the state of Florida—Texas has—I believe a lot of other states have a lot of those performance measures on it.

And if the committee and the chairman would support such an aproach I am hopeful that on the reauthorization of FEMA, we add some language dealing with customer service and with the performance of certain parts.

But in particular, I want to focus just on the grants itself. Given your perspective from the state level and concerning your new responsibilities as the FEMA administrator, how important is it to

calculate a rate of national return on investment for a homeland security grant funding to states and locals?

Mr. FUGATE. Mr. Chairman, short answer is, looking at our current economic situation, we are going to have to justify and be able to show that what we are doing is actually adding value. Part of this comes back to—and I had an opportunity to meet with state homeland security advisers this morning—is, we have been building a lot of capability and capacity, but we do not yet have the way to articulate in a cost-benefit analysis what that costs to build, but, more importantly, what is it going to cost to maintain that?

And have we addressed the threats and developed enough capacity to address not just the ones that we already have in place, but is there anything else we need to do?

A part of this that I have found is, what are we building? How do we know it is built? And how do we maintain it? And those are very simplistic questions, but the magnitude of the challenge is, until we can start articulating in that manner, it is very difficult to show what progress we are making, how we defend and continue to support the maintenance of these issues, and where, as we get new intelligence or new threats, that we need to address where the capability shortfalls are.

Mr. CUELLAR. And later we will spend a lot more time on the grants, because we certainly want to make sure that we are as efficient and as effective and accountable on those grants, of course, measure the results. If we send dollars to a particular community, we want to know what is the impact on that, so we will spend a little bit more time.

But let me talk to you about another performance measure. The 9/11 Act allows states to keep a 3 percent UASI and the SHSGP grants funds for the associated administrative costs. The states used to be able to keep 5 percent for that purpose, for administrative cost.

There has been a recent push by states to return the 5 percent. And I am a little biased. I would rather keep—rather have 3 percent than the 5 percent, because, you know, you keep that money in the administrative costs. I would rather get that money more directly, and I don't mean to speak for the committee.

But just as a former state employee, give us your thoughts on this 5 percent, 3 percent. And, again, personally speaking, I would rather keep that at 3 percent than send it out there—you know, I would rather send that directly out to the firefighters or whoever might get those dollars on that, but if you can give us your opinion.

Mr. FUGATE. Mr. Chairman, I would agree. The more money we spend on doing stuff and less on process is a good outcome. And initially, our approach in Florida was, we were able to—we had the luxury. We passed on all the money with no admin costs.

But the reality of what we were getting hit on and I.G. reports both from the state and federal level was accountability and monitoring. We actually had to go out, as we issued those grants, to make sure what was intended in those grants was occurring.

We were having to demonstrate that we were additionally monitoring not only that the single lot of that was provided to us, but also we had to physically go out and visit that. That creates an overhead on the states to be able to resolve and satisfy those I.G.

findings so that we are accountable. That takes staff. That takes time. That is an overhead process.

So I think it is a balancing act. Before I would automatically say more money, let's look at what their costs are and see what they are having to spend above and beyond what those management costs are and make sure that we are clear in what we are looking at, that if we can—again, if we can streamline the grant process, but can we streamline the monitoring process?

We have accountability that we are achieving, that the U.S. taxpayer dollars are going for the intended purposes, but streamline that process, as well, so we can keep it within that 3 percent. But I would ask that we actually get actual numbers to come back and look at, what are those costs above and beyond 3 percent?

Mr. CUELLAR. Right, exactly. All right, well, it sounds good.

What I would just ask you is, we will spend some time on this performance issue, because we want to make sure that we are sending that money directly as much as possible and getting the best bang.

At this time, I would like to recognize Mr. McCaul for any questions that he might have.

Mr. McCaul?

Mr. MCCAUL. I thank the chairman.

As I mentioned in my opening statement, we, out of this committee, have passed FEMA reform. After Katrina, we found that people were making applications out of prisons, that cemeteries were being used for addresses to receive payment assistance, on and on and on. And I am curious as to the progress we have made since and in terms of taking out the waste, fraud and abuse from the system.

But let me—I also want to make a comparison between Katrina and Hurricane Ike. There appears to be a large disparity in the amount of payments.

Now, granted, I think Katrina was a larger-scale-type hurricane. There were a lot of differences between the two hurricanes. But I just wanted to throw out a few figures.

For instance, under housing assistance, there were 506,000 applicants under Ike. And under Katrina, there were 939,000 applicants. In Ike, only 17 percent of the applicants received assistance. And under Katrina, 74 percent received assistance. Now, that is a fairly wide disparity when you are talking about 17 percent were actually granted versus 74 percent in Katrina.

Other needs assistance, a total of 65,000 applicants were approved under Ike and about 265,000 under Katrina. The average payment, when you compare Katrina to Ike, Katrina was about $5,600. Ike was about $1,700. So there was about a three times variable there between assistance granted in Katrina and Ike.

And then, finally, total assistance of the average payment per registrant under Ike came at a total of $722, versus Katrina, which came at a number of almost $5,000. So $5,000 versus $722.

There seems to be a big discrepancy. I have asked the GAO to look at these numbers, explain why this disparity. And I know there are probably—there are probably reasons for it and answers. But I have asked the GAO to do a study.

And, Mr. Chairman, I intend to send a letter to you asking for a hearing on this issue so we can find out, number one, lessons learned from Katrina. Maybe we are doing—you know, these controls are in place and the taxpayer is saving money. Maybe there is a good story here.

But I also would like to know, you know, being from Texas and having my constituents hit by Hurricane Ike, I would also like to get the answer to why such a big disparity.

Mr. FUGATE. Short answer is, I would have to look into it. Well, what I would recommend, if we are asking for this review, is, one of the things I would like to know, what I would ask is, given the payouts, what kind of damage were occurring per household? Were we seeing the household was destroyed or household damage and what that percentage was?

The other thing is, is the bias in our controls now—filtering out people that would otherwise be eligible—it is always the balancing act. The more accountability, more checks and balances, the more people that are outliers who don't fit the definition perfectly, but are eligible will fall out.

And we saw this in our 2004 hurricane season. We had to devote tremendous staff time just to work with people so that the automatic systems, that we kicked them out, but they were still eligible, we would have to go back and work casework on each one of those to make sure.

Our goal is, is that if it is a need, it is based upon the eligibility and it is warranted, that we should award that as effectively as possible. We should do everything we can to monitor and control fraud, but it is a balancing act.

And so if—you know, to me, interesting to look at, what was the household damages percentage-wise? That would reflect payment. But also, are the controls we are putting in to control fraud unnecessarily also now penalizing people? And how do we strike the proper balance between speed and effectiveness, but not having the runaway—or the situation where there are a lack of fiduciary controls on who is getting assistance, who is not warranted. And that actually takes away from the people that are most vulnerable.

Mr. MCCAUL. You know, I agree. There is a balance that you need to strike. And I think, you know, right after hurricanes hit, as they have in our state, we advocate on behalf of our constituents to make sure they get the assistance they need. And sometimes we don't think that comes fast enough.

I know the chairman mentioned the idea that the people are still in these rental assistance properties in New Orleans. I don't know what the status of the trailers are, but at some point this needs to be kind of—we need to move on, I think, and close the chapter.

But I would be interested in your thoughts on that and interested in what the GAO has to say about this, as well.

And, Mr. Chairman, I do hope that we could have a hearing on this issue.

And with that, I yield back.

Mr. CUELLAR. I believe we did have a hearing on lessons learned, didn't we at once? Maybe we can do a follow up on that, but I think we did have one as it is. But we certainly will follow up on that. Thank you.

Mr. FUGATE. Thank you, Mr. McCaul.

Mr. CUELLAR. The chair now recognizes other members for questions that may wish to ask the witness. In accordance with our committee rules and practice, I will recognize members who were present at the start of the hearing based on seniority of the subcommittee, alternating between majority and minority. Those members coming in later will be recognized in the order of their arrival.

The chairman now recognizes for 5 minutes the gentleman from Mississippi, Chairman Thompson.

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

Mr. Fugate, are you comfortable with this budget, with respect to you being able to do your job?

Mr. FUGATE. Sir, at this point, given all the information, I am comfortable with what we have. I think that before I would ask for any adjustments, I would like to have some more time looking at my programs to make sure we are operating efficiency.

But I don't see any gaps here that would preclude our ability to support states and local governments in a response. And, again, the grant programs are those that we have recommended and we are working with this process to get that budget through.

Mr. THOMPSON. You mentioned the grant program. There is a program, the fire grant program, that is cut.

Mr. FUGATE. Yes, sir.

Mr. THOMPSON. Do you support the cutting of the fire grant program?

Mr. FUGATE. Mr. Chairman, we have put together a budget that actually looked at increasing funding for staffing. That decision was made not to continue supporting the equipment, but to support additional staffing in the budget request.

The other part of this was the fire grants were previously identified as standalone. We have merged them into several areas to give us, for purposes of budget, four program areas that we have put funds into.

So our emphasis was putting more money into staffing, not necessarily continuing the same level of equivalent purchases, and providing that in response to local governments who have said they needed staff. So we have put our emphasis there in this budget request, sir.

Mr. THOMPSON. Well, I am going to ask you to revisit that, Mr. Administrator, because most of what members of this committee hear is just the opposite, is that they need equipment. Most of us serve many areas where there are either volunteer fire departments or departments with limited resources.

And so I think to make the characterization that, well, we are going to do personnel and cut the equipment needs to be revisited, because there is significant support for the program in its present form. And I don't find any support to cut it among the committee members.

And it has been a good program. And I would encourage you to review it and continue it.

The other issue is, I have been to Hope, Arkansas, and I have been to Columbia, Mississippi, along Interstate 59. I have seen thousands of trailers. When I say thousands of trailers, I mean thousands of trailers.

What can we tell the public, if another emergency occurs, what will happen differently?

Mr. FUGATE. Mr. Chairman, one of the first things is that we have looked at—and this is an ongoing issue—how many of the mobile homes should we maintain in inventory?

We also recognize that the travel trailers have significant challenges, primarily looking at issues such as formaldehyde. We have gone back to industry, and we have come up with some specifications to address some of the concerns we have had. We actually have some pilots that industry has produced for us at our training center in Emmitsburg that we are actually providing as housing units to get feedback from people that come through Emmitsburg.

But here is the challenge, sir. We look at a disaster and look at housing, I think we have to state what the problem is. In Florida, and some of these other disasters, we can look at housing issues that would generate 500,000 or more housing units destroyed in that disaster.

How do we address that housing challenge? And oftentimes, when we start looking at using any type of trailer or mobile home, we reach a point where there is a finite capacity before we have to start moving population.

Mr. THOMPSON. I don't want you taking all my time, but have you looked at any other alternative to trailers?

Mr. FUGATE. Yes, sir. And what we come back to is, what is there currently in the manufacturing base that could produce something that could provide a housing unit? And looking at what people have requested, now——

Mr. THOMPSON. I want you to provide this committee with how you have pursued alternatives to this temporary housing thing. And I want to know, how many of those temporary housing units can we reuse?

Because part of what I saw in Hope, Arkansas, was brand-new trailers, never used, probably not being able to be applied to a disaster because, you know, they are not usable. And so we have never put a family in it.

And so I refuse to think that that is the only alternative for responding, because if we bought them and they sit out and decay, then clearly that didn't serve a useful purpose.

So I would like for you to provide us how you are studying that issue. I want to know, have you looked at providing housing that can be reused the next disaster? And I would venture to say, very little of those trailers can be reused based on what I saw. But I would like for you to provide that.

The other thing, I have letters, Mr. Chairman, I would like to introduce into the record——

Mr. CUELLAR. Without objection.

[The information follows:]

BENNIE G. THOMPSON, MISSISSIPPI
CHAIRMAN

PETER T. KING, NEW YORK
RANKING MEMBER

One Hundred Tenth Congress
U.S. House of Representatives
Committee on Homeland Security
Washington, DC 20515

October 9, 2008

The Honorable Michael Chertoff
Secretary
Department of Homeland Security
Washington, D.C. 20528

Dear Secretary Chertoff:

On behalf of the Committee on Homeland Security, I am writing to express my concern about the Department of Homeland Security's and the Federal Emergency Management Agency's (FEMA) lack of progress regarding the fifteen National Planning Scenarios. The *National Response Framework*, which serves as the "guiding principles that enable all response partners to prepare for and provide a unified national response to disasters and emergencies"[1] clearly states that the fifteen scenarios have been consolidated into eight "key scenario sets" that will eventually detail operational plans for how the Federal Government will respond to various types of terrorist attacks, natural disasters, cyber attacks, or pandemic influenza.[2]

The Department of Homeland Security's primary mission is to protect our homeland. However, five years after the Department was formed—and nearly five years after *Homeland Security Presidential Directive-8* was issued—we still lack the operational plans that detail the Federal government's response to any of the possible scenarios. Specifically, the Department of Homeland Security is supposed to coordinate with FEMA to ensure that the eight scenarios include:

1) a Strategic Guidance Statement;
2) a Strategic Plan;
3) a Concept of Operations; and
4) an Operational Plan.

As of September 23, 2008, the Department of Homeland Security had completed only the first step—the Strategic Guidance Statement—for only one of the eight scenarios.[3] Since these planning scenarios are at the very core of the Department's

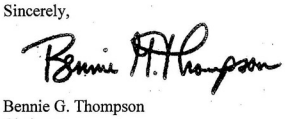
[1] http://www.fema.gov/emergency/nrf/aboutNRF.htm, last viewed on September 23, 2008.
[2] Department of Homeland Security, *National Response Framework*, pg. 75, January 2008.
[3] U.S. House of Representatives, Committee on Homeland Security, Professional Staff was briefed via telephone by Department of Homeland Security official on September 23, 2008.

mission, it is rather astonishing that these plans have not been completed. The lack of progress on the scenarios is even more troubling given the history of terrorist groups attacking this Nation during periods of Administrative transition as well as your observation that "it is in the transition period, when people are doing the handoff, that there is a natural degree of confusion, which creates an invitation to people to carry out terrorist attacks or other damaging enterprises." [4]

The Committee would like a better understanding regarding the status of the eight planning scenarios and a demonstration that the Department has prioritized the completion of these plans. Therefore, please provide to this Committee a program plan and a project schedule for the completion of each of the eight scenarios, including a list of all tasks assignments and all stakeholders working to complete these responsibilities. The completion of the planning scenarios is vital and must be finalized and fully operational prior to the Presidential transition.

The Committee is looking forward to your written response to this request by October 23, 2008. Thank you in advance for your immediate attention to this matter. If you have any questions, please contact Denton Herring, Professional Staff, Committee on Homeland Security, at (202) 226-2616.

Sincerely,



Bennie G. Thompson
Chairman

CC:

Administrator David Paulison
Federal Emergency Management Agency
Department of Homeland Security
500 C St., S.W.
Washington, D.C. 20472

[4] Stephen Barr, "Homeland Security Prepares for Its First Transition," *Washington Post*, Jan. 21, 2008.

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Deputy Secretary
U.S. Department of Homeland Security
Washington, DC 20528

December 29, 2008

The Honorable Bennie G. Thompson
Chairman
Committee on Homeland Security
United States House of Representatives
H2-176 Ford Office Building
Washington, D.C. 20515

01-05-09P04:27 RCVD

Dear Chairman Thompson:

Thank you for your October 9, 2008 letter to the Department of Homeland Security (DHS) expressing your concern regarding the progress of the fifteen National Planning Scenarios.[1] Since the activation of the Incident Management Planning Team in September 2006, DHS has been developing plans for the National Planning Scenarios. This has included Federal Concept Plans (CONPLAN) for the following scenarios:

- Improvised Nuclear Device (IND)
- Radiological Dispersal Device (RDD)
- Pandemic Influenza
- Cyber Attack
- Major Hurricane
- Aerosolized Anthrax

These plans were well-developed, but never advanced beyond the final draft due to subsequent approval of Annex I, *National Planning*, Homeland Security Presidential Directive (HSPD) – 8, *National Preparedness* in December 2007. The annex directed implementation of a uniform planning methodology (the Integrated Planning System, or IPS) and a significant realignment of Federal planning roles and responsibilities. The CONPLAN and other Federal planning initiatives that pre-dated Annex I are being leveraged to meet the newly established IPS requirements and formats. To plan as efficiently as possible, and in recognition that States and local governments intend to use capabilities-based (not scenario-based) planning, the National Planning Scenarios were grouped into eight sets of closely related scenarios that form the basis for IPS plan production. The National Planning Scenarios are not the sole governing construct for Federal contingency planning. For example, DHS instituted a robust planning effort to

[1] The 15 National Planning Scenarios were published in 2005 and compressed into eight scenario sets by the HSC Deputies in October of 2007.

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address the Period of Heightened Alert (POHA) associated with the 2008/2009 Administration transition.[2]

IPS contains three essential components: a strategy development process; an operational planning process; and mechanisms for integration and synchronization of plans across the Federal Government and with state and local governments. DHS's Office of Operations Coordination and Planning and Federal Emergency Management Agency share responsibility for administering IPS. They are working closely with all levels of government to develop the Strategic Plan and Guidance Statements and the CONPLAN, and to further develop the Comprehensive Preparedness Guide 101, "A Guide for All-Hazard Emergency Operations Planning for State, Territorial, Local and Tribal Governments."

With respect to planning the eight scenario sets, DHS has made significant progress in the development of scenario-associated plans and for other planning requirements. At present, the following documents have been approved or are pending approval:

- Federal Terrorist Use of Explosive (TUE)[3] Strategic Guidance Statement (SGS)
- Federal TUE Strategic Plan
- Federal Improvised Nuclear Device (IND) SGS
- Federal IND Strategic Plan
- Federal Biological Attack SGS

Three planning documents are currently in the development stage:

- Federal TUE CONPLAN
- Federal Biological Attack Strategic Plan
- Federal RDD SGS

We have also begun planning for the Federal IND CONPLAN. Each of the scenario set planning products (Federal SGS, Strategic Plan, and CONPLANs) undergoes a minimum of two formal interagency reviews. This process ensures that each product accurately reflects exactly how the Federal Government will respond to various types of threats across the homeland security spectrum of operations (prevent, protect, respond and recover).

In response to your question on prioritization, the Homeland Security Council (HSC) Deputies directed the sequence for plan completion in October 2007. Specific planning products, projected completion milestones, and responsibilities are provided in the enclosure, "DHS Scenario Set Planning Objectives." We anticipate completing the first five scenario set Strategic Guidance Statements and first four Strategic Plans before the Presidential Inauguration on January 20, 2009. The IPS process has been designed for efficient, and in many cases,

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[2] DHS led the development of a Federal POHA plan to specifically address the 2008/2009 Administration transition. At the present time, the Federal POHA Strategic Guidance Statement (SGS) and Strategic Plan have been approved by the Secretary and the Federal POHA CONPLAN has been submitted for approval by the Secretary. Additionally, the Department is projected to have the DHS POHA Operational Plan completed in the next 30 days.

[3] The HSC directed the title of the SGS and Strategic plan based on National Planning Scenario 12: Explosives Attack – Bombing Using Improvised Explosive Device be changed to Terrorist Use of Explosives to align with the HSPD-19 *Combating Terrorist Use of Explosives Attack in the United States Implementation Plan (Draft).*

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concurrent production. It also ensures adequate time is allotted for coordination required to integrate and synchronize planning with our Federal, state, territorial, local, tribal and private-sector partners.

Developing plans for these scenarios is one of our highest priorities and DHS continues to leverage every available resource to expedite the planning process. We look forward to our continuing dialogue on strengthening our Nation's planning capacity as we pass these responsibilities to the new Administration.

Thank you for your interest in this important process and for your continued interest in the Department of Homeland Security. If I may be of further assistance, please contact my office or the Office of Legislative Affairs at (202) 447-5890.

Sincerely,

Paul A. Schneider

Enclosure: DHS Scenario Set Planning Objectives

DHS Scenario Set Planning Objectives

A summary of the Federal POHA and eight scenario sets[1] (listed in order of priority) and their current development status are provided in the table below:

Federal POHA & SGS and Strategic Plan Development Priority and Status

Federal Plan	SGS Status	Strategic Plan Status	CONPLAN Status	OPLAN Status
Responsible	DHS OPS	DHS OPS	DHS FEMA	Federal POHA
Period of Heightened Alert (POHA)	Approved by Secretary on August 13, 2008	Approved by Secretary on August 26, 2008	Approved by DRG on September 24, 2008; Submitted to Secretary for Approval	Awaiting Secretary Approval
Terrorist Use of Explosives (TUE) (previously "IED")*	Approved by Secretary on August 13, 2008	Approved by the Secretary on November 5, 2008	Complete by December 2008	Under Development; Complete NLT April 2009
Improvised Nuclear Device (IND)*	Approved by Deputy Secretary on September 26, 2008	Approved by DRG December 17, 2008; Awaiting Secretary Approval	Complete NLT January 2009	Projected Start NLT January 2009
Biological Attack (BIO)*	Approved by DRG December 10, 2008; Awaiting Secretary Approval	Complete NLT January 2009	Start NLT January 2009	Awaiting Development; Projected Start NLT April 2009
Radiological Attack (RDD)*	Under Development; Complete NLT December 2008	Awaiting Modification to IPS format; Projected Start NLT January 2009	Awaiting Development; Projected Start NLT April 2009	Awaiting Modification to IPS format; Projected Start NLT July 2009
Chemical Attack	Complete NLT January 2009	Awaiting Development; Projected Start NLT April 2009	Awaiting Development; Projected Start NLT August 2009	Awaiting Development; Projected Start NLT November 2009
Natural Disasters (Hurricanes and Earthquakes)	Awaiting Modification to IPS format; Projected Start NLT March 2009	Awaiting Modification to IPS format; Projected Start NLT May 2009	Awaiting Development; Projected Start NLT November 2009	Awaiting Modification to IPS format; Projected Start NLT February 2010
Cyber Attack*	Awaiting Modification to IPS format; Projected Start NLT July 2009	Awaiting Modification to IPS format; Projected Start NLT September 2009	Awaiting Development; Projected Start NLT February 2010	Awaiting Modification to IPS format; Projected Start NLT May 2010
Pandemic Influenza (PI)*	Awaiting Modification to IPS format; Projected Start NLT August November 2009	Awaiting Modification to IPS format; Projected Start NLT January 2010	Awaiting Development; Projected Start NLT May 2010	Awaiting Modification to IPS format; Projected Start NLT August 2010

* Indicates a previous Federal Strategic or CONPLAN was developed for this scenario.

[1] On October 2, 2008, the HSC Deputies formally approved moving the Biological Scenario ahead of the Radiological Dispersal Device in order of development priority.

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U.S. Department of Homeland Security
500 C Street, SW
Washington, DC 20472

JUN 08 2009

The Honorable Bennie Thompson, Chairman
Committee on Homeland Security
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Thompson:

Thank you for your letter of April 30, 2009, to the former acting administrator of the Federal Emergency Management Agency (FEMA) concerning housing units to be used following a disaster, which was referred to me for response. I appreciate your commendation of our National Disaster Housing Strategy publication and your ongoing interest in our programs.

Below, we have responded to the specific questions asked in your letter to FEMA.

1) Based on current contracts, what is the maximum number of temporary housing units FEMA could provide if there were a catastrophe requiring temporary housing?

   FEMA has the capability to purchase approximately 38,000 traditional temporary housing units such as travel trailers, park models, and manufactured homes. FEMA anticipates awarding an additional contract in July 2009, giving FEMA the capability to purchase up to 135,000 units to support a catastrophic event. This contract will be a five-year Indefinite Delivery, Indefinite Quantity contract.

2) Based on FEMA's planning efforts and responses to actual events, what is the range of FEMA's housing capacity needs in the wake of a catastrophic incident?

   The range of FEMA's housing capabilities are described in our 2009 Disaster Housing Plan. The Plan describes FEMA's approach to working with Federal partners, States, territories, local communities, and individual disaster survivors to meet disaster housing needs during the 2009 hurricane season. The Plan is based on key concepts that are further defined in the National Disaster Housing Strategy, and will be further expanded upon by the National Disaster Housing Task Force in their Concept of Operations slated to be out in November 2009. This document was shared with your staff in April 2009, and is attached for your reference.

3) Pursuant to the solicitation, FEMA has the option of ordering a total of 6,000 units from each contractor, divided equally among the four contracts, each year for five years. Will each contractor commence its work simultaneously or will the delivery orders be staggered among the four vendors? Additionally, how will FEMA determine the ordering precedence in light of the time-sensitive nature of post-catastrophe housing needs?

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Solicitation number HSFEHQ-09-R-0019 resulted in the award of four (4) contracts. Each contractor is awarded a minimum order of 100 units (Task Order #1). At the conclusion of Task Order #1 the most highly qualified contractors will be ranked based on their rating as: exceptional, good, marginal or unexceptional. Selections will be based on the following factors: performance, ability to meet delivery requirements (quantity and time), results from formaldehyde tests, and price.

For future Task Orders, contractors who received an exceptional rating will be given precedence over those with less favorable ratings. In the event that multiple contractors are ranked as exceptional, the next order will be divided equally among those contractors.

4) How will FEMA ensure that all housing units procured in the future meet the stringent emission standards established by the National Disaster Housing Strategy's Joint Task Force?

Each manufacturer will test the indoor air quality in each unit using a qualified, third-party Industrial Hygienist, and certify that the units meet air emissions standards established by the National Institute for Occupational Safety and Health's Joint Task Force prior to FEMA accepting the units. In addition, FEMA has a national third-party Industrial Hygienist who will conduct random tests on the units as they are procured at each of the manufacturing plants to ensure accuracy.

5) What are the range of costs for travel trailers, park models, manufactured homes, and alternative housing options?

The average cost of the temporary housing units may vary:

- $19,500 for a travel trailer;
- $25,000 for a park model;
- $46,000 for a mobile home, and
- $77,000 for an alternative housing unit.

6) Where does FEMA anticipate storing trailers that are not in use and what plan does FEMA have in place for retiring or disposing of trailers that are no longer needed or deemed to be uninhabitable based on prior usage?

When not in use and no longer deployed, all manufactured housing units are stored at FEMA storage facilities across the country. As required by law, units no longer needed are sold as excess through the General Services Administration, and proceeds are used to fund additional units.

I trust this information is helpful. If you have additional questions, please have a member of your staff contact our Office of Legislative Affairs at (202) 646-4500.

Sincerely,

James A. Walke
Acting Assistant Administrator
Disaster Assistance Directorate

Mr. THOMPSON. ——with unanimous consent that talks about housing. I just got it yesterday, as you know. But, can't figure out, based on what you sent us, how much this housing option is costing us. And I don't know how we can come up with any kind of solution to this housing issue if we really don't know how much it is costing.

We have seen prices up to $75,000 per unit. That is an expensive trailer. And I just want your commitment that you will work with this committee on trying to get down into the weeds and see what the real cost and what alternatives we can put on the table to help with this situation.

Mr. FUGATE. Mr. Chairman, I will then assume that what you would ask me to do is, if we are going to spend $75,000 on a temporary, 18-month solution, there would be a better way to meet the housing needs that would be long term and not just a temporary fix? Because that is where I look at the same concern, sir.

We are putting an awful lot of money into a temporary solution, and we know in these big hits, these are long-term challenges. And in 18 months, we are just not going to have every house rebuilt. And we have—we are investing a lot of money in a patch that isn't

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getting us through and helping a community move to recovery and keeping a community viable is all our options are based upon a very short timeframe, that we are looking at things that don't provide a housing solution, and we are not partnering the long term so that people have a home and we can re-establish the tax base in a community.

Mr. THOMPSON. No disagreement here.

Mr. FUGATE. And so I am—that is something I am earnest about, having seen what we did in Florida and know that we have to come up with a better way to do this, both for the immediate needs, but also the longer-term issues.

Mr. THOMPSON. I yield back.

Thank you, Mr. Chair.

Mr. CUELLAR. Thank you, Mr. Chairman.

At this time, the chair recognizes for 5 minutes the gentleman from Texas, Mr. Olson.

Mr. OLSON. Thank you very much, Mr. Chairman.

And thank you, Mr. Fugate, for coming today to testify before us, for your service, and, again, congratulations on your appointment.

I kind of want to follow up on some of the comments my colleague, Congressman McCaul, made about Ike and some of the experiences we have had back home in Texas. It is no longer national news, but the recovery from Ike is still an ongoing situation, and it is of great concern to me and the people of my district.

And I would like to invite you to come on down and see the region, see firsthand what is being done, and, more importantly, what still needs to be done.

I think you would be impressed with the progress that has been made, but you might be surprised about what we still need to do to get back in recovery. And as you know, we are back in hurricane season again. I mean, we could have another one come in any time now.

Last month, FEMA denied a request from the state of Texas for 90 percent reimbursement for categories C through G, also 100 percent reimbursement for categories A and B. FEMA's reasoning was that Texas had not reached the $122 per capita threshold under 44 CFR 206.47(b). It sounds like I am back in law school.

It is clear, however, that part C of that same regulation gives FEMA leeway to take into account other factors, such as the impact of disaster declarations in the state over the past year. As you know, Texas has had one federal emergency declaration and two federal disaster declarations in the last year, for Hurricanes Dolly, Gustav, and Ike.

And if FEMA waits until Texas reaches the $122 threshold, it will cost communities an extra $51 million that they simply don't have. And working together, what can we do immediately to see to it that Texas, and specifically the southeast region, is a recipient of the proper reimbursement rates, 90 percent and 100 percent for A and B?

Mr. FUGATE. Sir, I would have to go back and look at that again. Having been on that end, we actually faced that challenge, as well, of getting to that per capita before the 90/10 would kick in.

I know one of the things that we looked at in 2004 was the series of hurricanes and used that to determine how we would accomplish

the 90 percentile. So, again, we continue to work, but there are some within the process that does set thresholds under public assistance for when that would be warranted. So we will continue to work.

Mr. OLSON. Yes, sir, I look forward to working with you, because, yes, there is authority there to alter the threshold. It is not just locked down by the title that FEMA sent to Governor Perry.

The other thing I would like to talk to you briefly about or ask you about is port security program. As you know, I represent part of the Houston ship channel, and that is one of the largest ports in our country. All sorts of trade flows through there, gas, natural gas, oil, just products coming from across the world. And it is only going to grow.

As we know, the Panama Canal is going to be expanded here in the next 2 to 3 years. And those container ships that are stopping on the West Coast of the United States from Mexico are now just going to punch right through and come to the Gulf Coast.

And I see that the port security grant program was funded at $400 million in 2009, but the budget is now seeking—the president is now seeking cuts by 38 percent. And I know there is some funding in the stimulus for that, but could you tell us why the president wants to cut the security grants in fiscal year 2010?

Mr. FUGATE. Again, Congressman, I believe that we were looking at with those stimulus dollars and looking at what additional dollars to bring us back up to the pre-existing—the 2009 funding levels, and that is what the rationale was behind leveraging the funding that was in the stimulus bill that would be going out in the process with the 2010 request, which would actually overlap.

Mr. OLSON. So you anticipate future requests that will reflect the 2009—the previous levels and not the one that was in the 2010 budget?

Mr. FUGATE. I think, Congressman, one of the things that we attempted to do this year was oftentimes—previously, we came in at much lower numbers. We try to reflect a more stable level of funding. We know for planning purposes that it makes more sense for us to come in at that level and keep a—more appropriately in our request, recognizing what the previous funding was.

And so that is kind—when you look at some of the requests for funding, if you go back to what the previous requests were, oftentimes they were much lower than what the requests were this year. So we are trying to recognize what you have been doing on the committee to put money there and recognizing more of a stable level of request to reflect that.

But, also, we have to look at—again, as you point out, growing needs and challenges. And a lot of our partner agencies as part of DHS actually provide input into our grant programs. So we anticipate that is actually going to be based upon the changing threats and environments and where we see we have to then increase capacity or capabilities based upon, as you point out, new growth and new opportunities.

Mr. OLSON. Well, thank you very much for your answers. I look forward to working with you to get some equitable treatment for the Galveston, southeast Texas area for Hurricane Ike. And then, again, we would love to have you come down and see it firsthand.

I yield my time.

Mr. CUELLAR. Thank you, Mr. Olson.

At this time, the chair will recognize for 5 minutes the gentlewoman from California, Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Mr. Fugate, in recent years, FEMA has been plagued with an inability to attract and retain the management and operational personnel necessary for the agency to provide optimal performance. What assurance and information could you provide to this committee to assure us that this will be addressed in a serious manner? And what plan do you have?

Mr. FUGATE. Congresswoman, we are working to both fill out the team that we have, but also I would like to give some credit to Dave Paulison. One of his big undertakings, as he was serving with the Post–Katrina Emergency Management Reform Act, was to build that staff that Congress had provided more funding for, to increase the number of dedicated staff.

We are committed to continue to build that workforce. It is interesting that we still are able to attract a very powerful group of people. Particularly, a lot of them come from the local state government, which add that capability to FEMA, which traditionally has always, you know, from the standpoint of states and what we call federal-centric, and we really wanted to build that——

Ms. RICHARDSON. Excuse me. Excuse me, sir. I have now less than 4 minutes. What is your current staffing capacity?

Mr. FUGATE. I would have to get back to you the numbers. One of the things we have asked in the budget was to address a shortfall in funding to get up to the staffing levels. We are currently—in this request, we will be able to maintain 92 percent of all positions filled, figuring that 7 percent is a natural process, as you go through replacement and hiring, 92 percent, 93 percent, is generally about optimum. And this would provide us funding for those positions as authorized.

Ms. RICHARDSON. Ninety-two percent is whose standard?

Mr. FUGATE. Ninety-two percent of the authorized positions that we had, we would have funding for those positions based upon this budget request.

Ms. RICHARDSON. Okay. Could you supply to this committee what is your staffing capacity in the areas that I requested?

Mr. FUGATE. Yes, ma'am.

Ms. RICHARDSON. And I would venture to say that, in your particular department, what may be okay to have 92 percent of authorized is maybe not necessarily reflective of what this country needs.

My second question is, is there a report that indicated where the Army Corps of Engineers stands in terms of levees and sand walls that do not meet potentially known disasters that could occur?

What I mean by that is, I had an opportunity to go to New Orleans on a congressional delegation with the speaker and others. And we knew that the levees in New Orleans would not meet potential hurricanes and other things that could occur. And it is my understanding that the repairs and the work that has been done still do not meet what, in fact, occurred with Hurricane Katrina.

So I would be interested in you providing to this committee what various sand walls and levees that we have that do not meet the requirements of really a potential disaster that we know that could occur in this country.

Mr. FUGATE. We will work with the Corps of Engineers to get a response, ma'am.

Ms. RICHARDSON. What does that mean?

Mr. FUGATE. Most of that data would actually be coordinated that we will have to get from them what they have and to provide that information.

Ms. RICHARDSON. Is that important to your department, as well?

Mr. FUGATE. Yes, ma'am. And the Flood Insurance Program, that oftentimes is one of the considerations in determining what flood risk is, particularly if those designations change.

We had the example with Lake Okeechobee, where the designation of the dike changed. Well, that actually then resulted in the National Flood Insurance Program having to change the rate or what the relative risk and increased premiums for people who lived around that facility.

Ms. RICHARDSON. Okay. Well, my question isn't just from a rate and an insurance perspective. My question is, what responsibility do we have to ensure that the Army Corps, based upon your particular department—if you know, for example, Sacramento, that it is prone to flooding, and you know that the current levees that we have there do not meet what we expect could, in fact, occur, at what point are we going to get both folks together—you, Army Corps of Engineers—and ensure that people who are living are not risking their lives and their property and everything else, when we know that it is not sufficient?

Mr. FUGATE. I will need to work with the Corps to get back and sit down and address these issues specifically.

Ms. RICHARDSON. Okay. I look forward to working with you. Thank you very much.

Mr. CUELLAR. Thank you. Thank you, Ms. Richardson.

At this time, the chair will recognize for 5 minutes the gentleman from Louisiana, Mr. Cao.

Mr. CAO. Thank you very much, Mr. Chairman.

And, first of all, I would like to congratulate you on your appointment. I am glad to see that we have an administrator of FEMA who actually lived in hurricane danger zones and who has experienced the difficulties of recovery.

And I also would like to commend the FEMA agencies for making the necessary changes at the local TRO office in New Orleans. The changes have produced an office that is more efficient and more cooperative in our recovery process. So thank you for that.

I just have a couple of questions concerning recovery issues in my district. And the first one concerns the CDLs.

As you know, the comment period has ended. And I would like to know, what plans do you have to expediently release guidelines and criteria for different agencies, different municipalities to apply for community disaster loan forgiveness?

Mr. FUGATE. Again, we are working with our partners and getting that together. And I would have to get back to the very specific details of where we are at providing that to you, sir.

Mr. CAO. Because, as you know, many of those agencies and municipalities need this information in order to make their budget.

Mr. FUGATE. Yes, sir.

Mr. CAO. My second issue concerns the FEMA appeal process and the establishment of the arbitration panel. As you know, one of the biggest issues down in our district now is the discrepancy considering Charity Hospital.

The state contends that FEMA owes the state $492 million because the structure was more than 50 percent damaged because of the hurricane. FEMA contends otherwise.

How can you assure us that the FEMA appeal process is effective and objective when it is being made by FEMA officials? And I would like to know the—when do you expect an arbitration panel to be established?

Mr. FUGATE. Congressman, I think that—in trying to say that we are working towards the consistency and the public assistance in the appeal process has been demonstrated by many of the concerns of the members about—that that hasn't always been that case.

We are actually looking forward to this arbitration panel, because I am, again—I don't like a process that does not have a conclusion. And I really think that this arbitration panel is going to give us an opportunity, one, to reach consensus and get a decision, but more importantly to help us examine what our current process is.

And if we see that the arbitration panel is constantly finding where we need to improve our product, that gives us a better direction on where our policies are being overruled or that we need to adjust those so that, you know, again, we are not having to wait for an arbitration process to resolve things quickly and efficiently.

Mr. CAO. And when do you expect an arbitration panel to be established?

Mr. FUGATE. We are currently working through DHS to get that announced. That is in the works, and we will have staff contact you and give you the latest details, but sooner rather than later. I am looking at something that we can get going here and get moving on things, like Charity Hospital, and get resolution and start that process.

Mr. CAO. And my last question concerns the FEMA, I guess, assessment or at least designation of V zones. I live in an area outside of the protective levee. And in connection with the budget for first responders, the nearest firehouse from my subdivision—subdivision is approximately 10 miles down Highway 90.

FEMA obligated the money to build a firehouse in Venetian Isles and then de-obligated the money to rebuild a firehouse in Venetian Isles. Can you explain to me this discrepancy? And how will you resolve this issue in the future?

Mr. FUGATE. Congressman, I think you just hit upon a challenge we are going to find more and more in this country, as we look at mapping the hazards and look at where the highest hazards are.

Historically, our program has always been based upon what I call passive mitigation. Don't build in those areas, and if something is there and it is damaged, move it. But it never really addressed the fact that you have communities already there. What do we do

for that, particularly if you lose the fire station but the houses are still there?

So we have been working to, one, adjust and look at how we better quantify replacing structures. We have implemented a better clarification of the V zone rebuilding, that it is 90 percent replacement costs of a new structure, but also looking at how we mitigate structures that are there to protect them and looking at, how do we provide for existing communities, as these designations change, a more active way of mitigation versus a passive way, which is not to rebuild or to move out of that area when that is not going to happen with the existing community?

Mr. CAO. Thank you very much.

Mr. CUELLAR. Thank you very much.

At this time, the chair recognizes for 5 minutes the gentleman from New Jersey, Mr. Pascrell.

Mr. PASCRELL. Thank you very much.

Speaking of mapping, good luck to you, Administrator Fugate. You have big shoes to fill, too. Mr. Paulison did a great job. Both of you guys are involved in fire safety, which is something new for Homeland Security, since you have been shut out up until Paulison was appointed to that position.

I want to bring up with you very briefly, before I get into the fire act, regarding a decision made prior to your confirmation, but one that I think is very vital not only to my district, but many districts throughout the United States.

It seems the FEMA mitigation division is cutting out small-and medium-sized businesses in the Risk MAP program, very critical and essential. You have to understand flooding and the risks, but you need mapping. That is good. And people should have—small business should have a shot at that.

Why they did that, I have no idea. So I am asking you—and I sent a letter to you. Senator Menendez sent a letter to you. We would like greatly to work with our staffs and see if we can come up with some resolution. Would you just quickly respond to that?

Mr. FUGATE. Yes, Congressman. Competition is good.

Mr. PASCRELL. So, therefore, we could hear?I like short answers, too. I could look forward to productive discussions in the future? And I have no idea why they did that, and particularly at this time, in view of the hazards that small businesses face.

By the way, the ranking member, the probably algebraic reason for?he was comparing Katrina with Ike? Katrina covered 90,000 square miles. It is the size of some European countries. And while Ike had economic damage in $19 billion, the economic damage in Hurricane Katrina was $125 billion. Perhaps that is one of the reasons.

I want to get into this issue that I think is very, very important. I wrote both of the bills, by the fire act and the SAFER act. In fact, we wanted to pass them both at the same time, but we took a half a glass of water.

Those needs existed before 9/11, Mr. Fugate. And based upon those very essential and basic needs of fire departments, at an average of 23,000 grant applications every year, that is $3 billion. It is about $4 billion that have come through the program since 2000.

This is essential: wellness, fitness, protective equipment, apparatus, imaging, all the way down the line.

There is no indication, Mr. Administrator, that there is a minimizing or a lesser demand now for any of those areas. In fact, the secretary was before us. I asked the question, and I was very disappointed with her response, in that she said, Well, there is money in the recovery act.

The money in the recovery act, Mr. Administrator, is strictly for the building of firehouses. The language is very clear. We want this program. Both the chairman and the ranking member of this committee, when they were in reversal roles, fought for the money in the fire act.

It is the least bureaucratic program in the entire federal government. There is no skimming from the top. We have made sure that, through peer evaluations, we have cut out all the bureaucracies. So there is no reason under the sun.

And to say that you are going to take some money from the fire act to put it into the SAFER program, both are needed. And by the way, the SAFER act is not only a legislation that deals with career firefighters. Also, the volunteer firefighters are involved, as well, because in many areas of this country, we can't get staff to do this.

This is absolutely a homeland security issue. And I ask you to address it forthright.

Mr. FUGATE. Congressman, I hear you. I am ready to work with you.

Mr. PASCRELL. Thank you. That is all the questions I have.

Mr. CUELLAR. Thank you, Mr. Pascrell.

The gentleman—the chair recognizes Chairman Thompson.

Mr. THOMPSON. Thank you.

I appreciate the indulgence, Ms. Titus.

Mr. Director, so much of what you have heard is based on real-life experiences of members of this committee, so I don't want you to take what we say personally, but I want you to take it as a challenge, to try to go back and work with your team.

So many times when a new person comes in, they get told, "We have always done it this way." And so much of what we hear as members of Congress from our constituents, "Yes, but it doesn't make sense."

And so I hope you will take our concern as real-life, everyday scenarios and help us work through very trying times for a lot of people. When you have a staff that is never personally gone through an experience like that and try to match that with people who don't have a roof over their head or other kinds of things, it is a tough situation.

So, given the fact that you have resources, but if you take the resources and apply them to business as usual, your legacy will not be what it should. And I say that in all sincerity and pledge to work with you on creating it, because we can do better. We have to do it smarter, and I am sure I speak for every member of this committee.

Your agency responds regardless of political affiliation or anything like that. When Americans need held, FEMA should be there ready, willing and able to do just that. And it is in that spirit that we commit ourselves to working with you and you in return help

us get some of the nonsensical approaches to addressing catastrophes out of the way.

Mr. FUGATE. Chairman Thompson, I have been in government long enough to realize I have stood in front of other groups at the state level and oftentimes at county commissions, and I have often wondered about what I just said, thinking, "That is the most unbelievable, stupid thing I am?up here talking about."

I appreciate and I pledge as a partner. And I look at the bottom line and the outcome. And sometimes, when we start talking about programs, I basically went back to it?if I can't explain it to my family where they understand it, we have to go back and work on it some more.

Our goal is the same: to meet the needs of our citizens in a time of disaster, not to commit fraud or waste, but to address the needs and to assure that communities move forward, rebuild and recover, and that we define that in such a way that we are not spending decades after a disaster not getting back to long-term recovery.

I want to get the tax base back to where it was so we can pay for the services. That makes no sense to rebuild the fire station if we don't have the money to pay for the firefighters.

Mr. THOMPSON. Absolutely.

Thank you.

Mr. CUELLAR. The chair now recognizes for 5 minutes the gentlewoman from Nevada, Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman.

Congratulations, Director. I understand you will have as part of your team a young woman from Las Vegas, Allison Schwartz. So I look forward to working with her and with you.

First, I want to say, you have heard from the chairman and many of my colleagues about their opposition to the cuts in the fire grant program. I would like to go on record as saying I completely agree with their position, and I am opposed to it, too.

I have two questions that relate to my district specifically, but I think they have broader implications. I represent the suburbs of Las Vegas. So we don't have hurricanes, but over the years we have had exploding atomic bombs, we have had earthquakes, we had the strip on New Year's Eve, all of places which could be potential disasters.

You began your talk by mentioning that you want to work more with the private sector. And I don't think we are doing enough of that, and we saw where in Mumbai, where you don't have enough coordination and planning, that you can have disaster.

In Las Vegas, we have about 125,000 hotel rooms filled with people on any day who only know how to get from the Eiffel Tower to the pyramid. They wouldn't know anything about evacuating.

So I just wanted to hear you elaborate more on what we can do to bring in the private sector, because they have some of the best-trained security and the best technology. The eye in the sky is about the best you can find.

And, second, my district, as you know, is region nine, and it goes from Guam to Arizona. I think your region originally went from Tennessee to the tip of Florida.

I wonder if those regional designations are really appropriate or we should look at restructuring those where they are more demo-

graphically, geologically, meteorologically similar. If you would comment on those two things, I would appreciate it.

Mr. FUGATE. Well, the first one is, to me, quite?one of my passions. After the 2004 and then the 2005 hurricane season, work in the private sector took on a whole new meaning when I found ourselves passing out water and ice and food in the parking lot of an open grocery store the day after the hurricane, because we didn't coordinate ahead of time. It didn't seem to me to be a good way to work.

So I went back and recognized that you cannot have a government-centered response to these types of events. You have to bring the partnership of the private sector as part of the team. We often talk about it, but I don't think we really embraced this. They need to have a place in the EOC.

You know, a lot of people say, "Well, they are private. How do you—government, how do you reconcile stuff?" Well, I worked through the associations. I have attorneys; we will figure it out.

But the bottom line is, just like in Las Vegas and Orlando, we have a lot of tourists that aren't even from Florida, much less the United States. Don't even speak?you know, they are coming internationally, so we have languages of the different visitors we have.

And so we know that if we are not working with businesses and our businesses don't meet the needs of those folks in an emergency, they won't come back. That kills the tax base.

And as a critter that has always been around government, I recognized a long time ago, if you don't have a tax base, you don't have the ability to provide services.

So it isn't a question of one or the other. That is part of the team. And if we don't make sure that our businesses are part of that process, that we understand their role in the economy and we make that a focus of what we are doing, we may respond well to a disaster and kill the recovery because we never get back that economic engine to keep us going forward.

Ms. TITUS. Well, great. I hope you will be working with our hotels and our resort association in Las Vegas to make those plans.

And what about the regions?

Mr. FUGATE. Regions? I would have to go back to the history of FEMA. I never understood that. I just know they got established back in 1979.

I think part of it was trying to cluster geographically threats and areas and also population, but, quite honestly, it is a discussion that is occurring right now within Homeland Security, looking at all the different components that we don't even have a standard regional structure within DHS, much less the federal government.

And to be honest with you, Congresswoman, we tried this in Florida. There has never been more kicking and screaming about counties, about which region they were moving to or out of to get them all to be the same between law enforcement, fire, emergency management, health, but we got it done.

But, again, it is a partnership of looking at making sure it makes sense, because those regions are really how we want to, as FEMA, be delivering services and working with our states so that we are closer to the people we serve versus everything having to come from Washington.

Ms. TITUS. I appreciate that. Thank you.

Thank you, Mr. Chairman.

Mr. CUELLAR. Thank you, Ms. Titus.

Members, are there any other questions that you all want to ask, follow up?

Mr. Fugate, I want to thank you for being here, on behalf of the committee. Just two points before we close.

The first point I would like to make is the?we want you to understand that sometimes, you know, between the executive and the legislative branch there is a feeling of us versus them. And I certainly want you to understand that this committee in a very bipartisan way wants to work with you. We want to be your partners. We want you to be able to communicate.

I know you have your congressional liaison folks. Use them, but we certainly want you to be able to sit down with us and talk to us. So to break this us versus them, because it is one team together.

So we certainly want you to be able to work with us. We want to work with you, and we certainly want you to feel comfortable to talk to us and have your staff talk to our committee staff, both Democrats and Republicans all working together.

The second thing is, I like your approach. I think Bill said it. You have very simple answers to certain things, very definite about certain things. Use your state and local experience to think outside the box, because, at the end of the day, we don't want people to say, "God, what a good process we have there at FEMA." I think what they want to say is, "Man, they are able to get results."

I think we want to see the results. We want to talk about results and not talk about processes. So we just want you to just keep those two points in mind.

I want to thank you for being here with us, for your valuable testimony, and, of course, for answering the members' questions. Keep in mind that the members of the subcommittee may have additional questions, and they might submit those questions, and we would ask you to submit those back as soon as possible.

Hearing no other business, the hearing is adjourned.

Thank you, members.

Thank you, Mr. Fugate.

[Whereupon, at 11:21 a.m., the subcommittee was adjourned.]

A P P E N D I X

FOR THE RECORD

QUESTIONS AND RESPONSES

QUESTIONS FROM THE HONORABLE HENRY CUELLAR, CHAIRMAN, SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS, AND RESPONSE

RESPONSES FROM THE HONORABLE W. CRAIG FUGATE

Question 1.: The Disaster Relief Fund (DRF) provides support for response, recovery, and mitigation operations in the wake of a major disaster. We had a hearing on March 3, 2009 discussing the Public Assistance and Hazard Mitigation grants that come from this fund. These funds are critical to recovery efforts. FEMA requested a $600 million increase for the DRF, which seems appropriate considering last year's floods, ice storms, hurricanes, and wildfires.

Why is FEMA redirecting funds from this critical fund to provide $35 million for Operations and Management and another $10 million to repair underground storage tanks?

There should be strict oversight of FEMA's use of these funds for purposes outside the scope of the DRF. **Are there other funds that could be used for these ancillary projects besides those funds in the DRF?**

Response: The fiscal year 2010 OMA budget request reflects the amounts required to sustain the improvements in operational response and internal capacity approved in fiscal year 2009 and FEMA's efforts to achieve the mandate of Post Katrina Emergency Management Reform Act (PKEMRA). This includes the proposed transfer of funds from the DRF to OMA, which is necessary to sustain staffing to support FEMA's ability to fulfill its emergency management mission.

The fiscal year 2009 staffing increases in OMA have been a significant factor in FEMA's effort to strengthen its operational response and internal capacity. For example, the Disaster Operations Directorate was able to strengthen its operational response capacity by expanding the number of Incident Management Assistance Teams (IMAT), and adding staff and upgrading facilities and equipment to enhance the Agency's 24/7 operational awareness capability.The Logistics Management Directorate has added staff across the regions to institutionalize command and control of strategic logistics planning, operations, and management while pushing operational control down to the most effective level of execution. These are just a few examples of the significant staffing investments that FEMA has been able to achieve in the effort to fulfill its program mandate under PKEMRA.

The amount in the proposed OMA appropriation reflects funding that can support an operational response and internal capacity staffing level of only 85 percent. However, the Administration also proposed the transfer of up to $50 million from the Disaster Relief Fund—$35 million specifically to be used for structural pay—which would provide sufficient funding to enable the Agency to reach the full staffing levels approved in the fiscal year 2009 budget. The $2 billion request for the Disaster Relief Fund reflects an annual requirement based on a 5-year average using only direct disaster obligations (not including catastrophic events). The transfer would not have a material impact on the ability to meet the needs of communities and families affected by disasters. Moreover, in fiscal year 2010 the OMA appropriation assumed the funding responsibility for 688 positions formerly funded from the DRF, which freed up funding in excess of the transfer authority needed to fund the OMA positions. Storage tank repair has been requested as a $10 million initiative within the OMA appropriation.

Question 2.: This Committee worked hard to ensure a strong authorization for the Emergency Management Performance Grant Program (EMPG), which provides all-hazards preparedness and planning funding to state and local governments. Ac-

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cording to the National Emergency Management Association, the EMPG program fails to meet state and local needs by $487 million annually. The President's fiscal year 2010 Budget Request for this program was $315 million which is the same as the appropriated amount, $315 million, for fiscal year 2009. **With the increasing threats to our domestic security, what is the rationale behind continuing the program at last year's level of funding?**

Response: We recognize the importance of the Emergency Management Performance Grant program, which funds baseline capability for emergency management across the nation. We have asked for $315 million in the fiscal year 10 budget, and although that is consistent with the fiscal year 09 enacted amount, it is actually an increase of $115M over the fiscal year 2009 request. There are allowable activities within this grant program that can also be accomplished under the State Homeland Security Program (such as exercises and training) so we believe that $315M is an appropriate amount for the fiscal year 2010 cycle.

Question 3.: The Congressional Budget Office estimated in a 2007 report that for every $1 the Nation spends on the Pre-Disaster Mitigation program, taxpayers save $3 in response and recovery costs. **Can you please explain for the record how this program results in a net savings for the country?**

Response: The PDM program provides a net savings to the country through the implementation of cost-effective mitigation measures designed to reduce risk from future natural hazard events. Properties mitigated result in either avoiding damage or the damage is to a lesser degree as compared to buildings/ structures that have not been mitigated. The losses avoided include lowering or elimination of repair and/ or replacement costs, reduction or elimination of loss of function of that building or facility for the duration of repair, and lowering of cost to respond and recover from the impact of the hazard event. This cumulative savings of various types for each mitigated structure when combined for all mitigated structures results in the cumulative net mitigation related savings for the country.

The PDM program is specifically designed to assist States, Territories, Indian Tribal governments, and local communities to implement a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures from future hazard events, while also reducing the reliance on Federal funding from future major disaster declarations. Hazard mitigation is the most proactive and successful method for reducing the physical, financial, and emotional losses caused by disasters. In fact, the Multi–Hazard Mitigation Council (established in 1997 as a voluntary advisory, facilitative body of the National Institute of Building Sciences) released a report in December of 2005 stating that mitigation saves society an average of four dollars for every dollar spent. The study further stated that mitigation results in significant net benefits to society as a whole—to individuals, to states, and to communities—in terms of future reduced resource losses and savings to the Federal Treasury in terms of future increased tax revenues and future reduced hazard-related expenditures. More recently, the Congressional Budget Office (CBO) released a report, "Potential Cost Savings from the Pre-Disaster Mitigation Program," that found the total dollar value of the expected reduction in disaster losses from the projects funded (to date) exceeds the projects costs. Furthermore, CBO indicated that, on average, future losses are reduced by about $3 for each $1 spent on those projects, including both federal and non-federal spending. The CBO study explained that PDM savings would likely benefit two FEMA programs. "Any federal savings from PDM-funded mitigation projects would occur largely in FEMA's disaster relief programs (which are funded from discretionary appropriations) and in its National Flood Insurance Program (which ordinarily is not funded through the appropriation process)."

Question 4.: FEMA has indicated that Pre–Disaster Mitigation will no longer be distributed on a competitive basis and funding will now be determined using a base-plus-risk formula.

What factors will be used as criteria in the "base-plus-risk" formula to assist FEMA with determining how resources will be allocated?

In terms of Pre-Disaster Mitigation Grant funding, do you feel that the transition to a base-plus-risk model will enhance the effectiveness and efficiency of the program and if effectiveness and efficiency will be increased please explain why you believe this to be the case and what are the key reasons for the increase in effectiveness and efficiency?

Is the current $150 million appropriation an adequate funding level to achieve a seamless transition and if so, please explain why?

Can you explain what factors would be considered for the risk based formula and what modeling systems would be used to assess risk?

Response: In fiscal year 2010, FEMA proposes to transition from the nationally competitive process to a base plus risk-based allocation, subject to the existing statutory base allocation of $500,000 per State. The transition to a risk-based allocation will be phased over approximately 24 months. There are a number of advantages to the proposed change. The base-plus risk grant funding approach provides States with a more consistent source of funding with priorities established based on risk. With more consistent funding levels, States can better anticipate the workload developing proposals and implementing projects. The approach also implements the Stafford Act by taking into account the extent and nature of the hazards to be mitigated when providing predisaster financial assistance. The approach is founded on an equitable process to ensure all States receive funding proportionate to their vulnerability to natural hazards.

Beginning in fiscal year 2010, FEMA plans to implement a simplified approach for risk-based allocations. We are working to evaluate existing national datasets for use in fiscal year 2010. For example, the natural hazards that have contributed to the most Disaster Relief Fund outlays, and for which the most PDM funding has been obligated, include riverine flooding, coastal flooding, earthquake, hurricane wind, tornado wind, and wildfire. FEMA will evaluate this past loss experience, as well as existing national risk data sets, to develop a simplified approach for risk-based funding in fiscal year 2010. We anticipate releasing the fiscal year 2010 proposed allocation and methodology in mid-summer 2009.

The fiscal year 2010 transition will focus on funding projects that each State selects from the current FEMA list of ?pending? but not funded PDM projects. These pending but unfunded projects have already been fully vetted and determined to meet program requirements and State priorities. A significant benefit of this transitional process will be that funds can be obligated and work initiated quickly. In fiscal year 2010, under the risk-based approach, FEMA will provide applicants with assistance in developing new pre-qualified proposals that meet PDM requirements for funding in fiscal year 2011. Once funding is available in fiscal year 2011, these pre-qualified proposals can be finalized to meet other Federal requirements (e.g., non-federal cost share and NEPA) so that funds can be obligated and projects initiated more expeditiously.

Over a 24 month timeframe, FEMA will continue to develop and improve the risk-based formula which would be applied to determine State PDM allocations. The data necessary to develop accurate natural hazard risk profiles at the State level for each of the natural hazards is not uniformly available at this time. FEMA currently has national-level probabilistic damage information within its HAZUS models for hurricane wind and earthquake hazards, and has also developed national-level damage information for the one percent (i.e., the 100-year) riverine flood.

FEMA will rely on nationally available, reliable datasets as the baseline information for determining risk. These include sources from FEMA, and other agencies such as the U.S. Geological Survey, the National Oceanic and Atmospheric Administration, National Weather Service, and U.S. Forest Service. FEMA will evaluate hazard data with other data sets such as population, growth estimates, and an inventory of the built environment for each State. The proposed approach is modeled after the one used for allocating funds for the MapMOD initiative, and utilizes HAZUS data.

FEMA is developing an outreach strategy for engaging with stakeholders (NEMA, ASFPM, NAFSMA). FEMA has already begun this outreach through the established Hazard Mitigation Assistance External Stakeholders Work group - a group consisting of States, local government, and Indian Tribal Government. By mid-summer, we anticipate releasing the proposed allocation and methodology for comment. This would include both the national risk profile, and the methodology for applying that profile to the distribution of fiscal year 10 appropriated funds.

The costs of establishing and running a risk-based allocation program in the initial year are not greater than the costs of running a nationally competitive program. Thus, the $150 million requested is adequate to achieve a seamless transition.

Question 5.: The fiscal year 2009 Budget Request was $300 million for FIRE Grants ($775 million enacted in fiscal year '09), with no funding for the Staffing for Adequate Fire and Emergency Response (SAFER) Program. The fiscal year 2010 Budget Request was $590 million for FIRE Grants, of which $420 million was proposed for grants for the SAFER Program ($220 million enacted in fiscal year 2009), and $170 million is proposed for the Assistance to Firefighters Grant (AFG) program ($565 million enacted in 2009 with an additional $210 million provided in the Recovery Act). Based on the fact that historically, most of the applications for FIRE grants come from volunteer and combination fire departments. The requests made

by career fire departments in 2008, composed only about 12 percent of the applications.

What is FEMA's official position on the reduction of resources for these grant programs?

What steps has-or will–FEMA take to encourage more career fire departments to apply for FIRE grants?

Response: The fiscal year 2010 submission represents the Administration's request, based on the inputs it has received from members of the fire service, its recognition of the detrimental effect of diminishing public safety budgets on the safety of our citizens, on the acknowledgement that there needs to be a finite approach to domestic spending in all areas, and on the knowledge that there are several funding streams emanating from DHS, and other federal programs, that provide financial assistance to fire departments.

FEMA will continue the outreach activities it has carried out with the fire service, and will also seek to expand directed outreach through both the representatives of metropolitan fire service areas. We believe it is critical in our outreach efforts to make clear the effective and worthwhile support that AFG can provide to fire departments of all types and sizes.

Question 6.: The Post-Katrina Reform Act aimed to improve interoperable emergency communications on a regional basis and established Regional Emergency Communications Working Groups in each of the 10 FEMA Regions. These working groups were created to provide regional coordination points for multijurisdictional and multi-agency emergency communications preparedness and response efforts within each region.

How do you plan to incorporate the State Interoperability Coordinators in the FEMA regions?

Response: State Interoperability Coordinators are already being incorporated into FEMA Regional Disaster Emergency Communications (DEC) preparedness and response activities. For example, the State Interoperability Coordinators routinely participate in FEMA's Regional Emergency Communications Coordination Working Group (RECCWG) meetings throughout the Nation. Beyond this, significant coordination is taking place during DHS Office of Emergency Communications (OEC) sponsored events which bring together State Interoperability Coordinators, FEMA Regional DEC staff, and OEC staff to address issues. OEC recently hosted a major National Summit in San Diego, California, in which FEMA and OEC staff met to discuss interoperability and RECCWG issues with the State Interoperability Coordinators.

How do you plan to incorporate the Office of Emergency Communications regional staff into the Regional Communications Working Groups?

Response: FEMA is already working with OEC leadership to more clearly define the duties and functions of the new OEC Regional staff so that FEMA and OEC emergency communications activities at the regional level complement each other. As part of this effort, OEC Headquarters staff is actively participating in every FEMA RECCWG meeting until OEC reaches full regional staffing. Information sharing and integration is a critical function needed to improve interoperable emergency communications. The OEC staff is providing FEMA valuable information from the OEC Statewide Communication Interoperability Plans and Tactical Interoperable Communications Plans, which is very beneficial in helping FEMA's DEC staff and the RECCWGs better understand and address the issues and priorities of the Regions and States.

How do you plan to overcome the tremendous interoperability challenges that FEMA regional offices currently face?

Response: The Post Katrina Emergency Management Reform Act (PKEMRA) assigns the Administrator of FEMA the responsibility of helping to ensure that first responders have interoperable communication capabilities. FEMA is implementing a tactical disaster emergency communications program to:

- Ensure operable and interoperable communications are available in a disaster;
- Provide voice, video, and data communications capabilities for emergency responders and Federal partners; and
- Support emergency communications operational requirements across the entire disaster management lifecycle—preparedness, mitigation, response, and recovery.

FEMA serves as the lead Federal integrator and coordination point for Federal agencies in providing tactical emergency communications support to Federal, State, local, and tribal governments during disaster responses. FEMA's activities complement the strategic-level focus of OEC by providing for the tactical and oper-

ational planning and coordination with all levels of government to ensure that Federal assets and support are effectively deployed during a disaster response. FEMA's tactical disaster emergency communications program is being carried out by the Disaster Emergency Communications (DEC) Division in the Disaster Operations Directorate and throughout the ten FEMA Regions. The DEC Division, in coordination with DEC Staff in the Regions, is developing policies and operating procedures to facilitate more effective disaster emergency communications operability, survivability, and interoperability; however, in an attempt to make sure that we are optimizing program implementation and adopting a more holistic approach, we are continuing to examine the structure of the DEC Division.

Additional FEMA activities that are helping to address communications operability, survivability, and interoperability issues include the following:

- DEC Coordinators in each FEMA Region to coordinate with and provide technical assistance to our State and local partners.
- Routine Regional Emergency Communications Coordination Working Group (RECCWG) meetings that include OEC, National Communications System, and Federal Communications Commission representatives to address emergency communications capabilities within the States and across State borders.
- Coordination with OEC, both FEMA Headquarters and Regional DEC Staff, to improve disaster emergency communications capabilities and to strengthen the Federal disaster response. Examples of coordination include:
- Support to OEC in producing the National Emergency Communications Plan;
- Leveraging OEC's Statewide Communication Interoperability Plans and Tactical Interoperable Communications Plans to identify State and local emergency communications requirements and strategies to improve tactical response capabilities;
- FEMA participation in OEC-led working group meetings which provide an opportunity to strengthen interoperability among Federal responders.

Question 7.: There are multiple overlapping tools to assess preparedness, gaps, and capacity that have been developed by FEMA which require state and local participation and input. This includes the GAP Analysis, Cost to Capabilities, Target Capabilities, Integrated Planning System, Capabilities and Readiness Assessment, Nationwide Plan Reviews—phases I and II, and more.

What are your plans for using these assessments to measure and account for preparedness?

Is FEMA cognizant that the reporting requirements on State and local officials-required by FEMA-could reach a diminishing point of return? What safeguards are in place to prohibit this from occurring?

How do you plan to address the fact that multiple requirements for these assessments overlap one another?

Response: FEMA has reached a point in implementing the Comprehensive Assessment System (CAS) that permits the agency to assess the nation's emergency preparedness at the state and federal levels. We are compiling the first National Preparedness Report (NPR) that will reflect these assessments and our interpretation of them. The first draft of the National Preparedness Report will be submitted for review by NPD leadership at the beginning of July and its submission to FEMA leadership, and the Federal Interagency concurrence process will proceed thereafter. Through the CAS, we believe we are in a position to measure national preparedness within an acceptable margin of error. The CAS and quantifiable metrics are constantly being improved, and next year's National Preparedness Report will reflect that, as will the ones that follow.

After discussions with stakeholders earlier this year, FEMA leadership committed to seek opportunities to consolidate and/or reduce duplicative or similar reporting requirements. Since March, The Office of Policy and Program Analysis has led a FEMA working group, comprised of internal FEMA staff and external stakeholders from state, local and tribal governments, to help discuss and identify ways to reduce the impact of FEMA's collective information requirements on the state, local and/or tribal governments

While there have been efforts underway to lessen the burden of these requirements, including establishing FEMA Grants Program Task Force and addressing the recommendations in the Analysis of Federal Preparedness Requirements, FEMA leadership would like to expand on these efforts for greater collaboration and integration.

As a starting point, a FEMA working group convened to begin compiling a comprehensive list of FEMA reporting requirements. This group will work to further clarify existing overlaps, if any, and develop a path forward that will reduce the impact of FEMA's collective information requirements on the States.

This review will include, but will not be limited to, the Target Capabilities List (TCL), NIMS compliance requirements, planning requirements for emergency management and homeland security grants, National Planning Scenarios, Gap Analysis Program (GAP), State Preparedness Reports, Comprehensive Assessment System, and the Cost-to–Capability pilot.

In the short term, the working group's main goals are to (1) develop ways to improve collaboration with internal and external stakeholders to build partnerships and increase communication; (2) identify and eliminate duplicative requests and requirements; and (3) minimize the number of requests from FEMA.

The long-term objectives will be determined once the near term assessment is completed. But, we expect and envision establishing within FEMA a process to vet and consolidate FEMA reporting requests to minimize burden on state, local and tribal governments.

In addition, FEMA has worked with the Science and Technology Directorate on a number of technology development activities. One is a prototype tool that uses the TCLs as a starting point to provide a measure of a locality's preparedness based on the locality's existing infrastructure and resources. This capability supports "what if" type assessments to quantify the effect of investments on the total preparedness picture.

Question 8.: When utilizing the GAP analysis program to assess the shortfalls of states in responding adequately to catastrophic incidents, does the program take into account mutual agreements such as the Emergency Management Assistance Compact (EMAC), and does the program require states to exhaust all mutual aid agreements before the federal government would fill that gap?

Response: Through the Gap Analysis Program's (GAP) Data Collection and Analysis Tool (DCAT), states have the ability to identify resources and capabilities that can be obtained from a number of sources beyond the state, including Emergency Management Assistance Compact (EMAC) agreements, private sector contracts, and nongovernmental organizations. During the data collection process, FEMA Regions strive to ensure that all state resources have been examined and accounted for prior to the inclusion of federal resources in the GAP analysis. Given the complexity of responses during disasters and the number of variables involved, GAP is neither intended nor designed to guarantee the capability of stakeholders in all possible situations. The inclusion of federal resources is made after examining many factors, including an estimate of resources available to the state and the state's responses to-date. The intent of GAP is to facilitate state disaster planning and preparations as well as to provide the federal inter-agency community with information that can facilitate federal planning and more effective disaster response support to the states.

In addition, the Science and Technology Directorate is developing a standard model for managing resource types and has tested a prototype version at the local level in the Seattle region. The model has been very successful and FEMA will build on this to standardize it for use at the local level. This model will facilitate a standard syntax that will help mutual aid agreements so appropriate resources can be identified and shared quickly.

Question 9.: As you know, EMAC is the state-to-state mutual aid compact that helps states respond to disasters with capabilities built by other states.

Can you tell us about the support that FEMA gives to EMAC and how you partner with the program and various states, please provide specific examples?

During a catastrophic incident, as defined in public law 109–298,, what support do you give to the "EMAC–A team" at the National Response Coordination Center?

When does the authorization end for the ?EMAC A-team Program? and does FEMA support the program's reauthorization?

Response: FEMA has entered into a Cooperative Agreement (CA) with the National Emergency Management Association (NEMA) for EMAC. The current CA is for $5.1 million which supports EMAC administration, training and operations. In accordance with the cooperative agreement, the EMAC Staff actively participate in the FEMA NIMS/NRF activities to develop Resource Typing of equipment and teams, Credentialing of personnel for interstate mutual aid, Resource Management Guidelines, and participation in other stakeholder groups such as the IAFC Emergency Management Committee developing firefighting specific mutual aid programs. EMAC Staff even chaired the NIMS Credentialing Working Group to draft the soon to be released NIMS Credentialing Guideline. Under the CA, EMAC developed Mission Ready Packages to extend many NIMS resource definitions into fully contained packages with integral support and supply to perform complete mission when de-

ployed through EMAC. Additionally, FEMA Staff actively participate in the EMAC Committee, EMAC Executive Task Force and the EMAC Advisory Group to ensure full awareness and coordination between EMAC Mutual Aid and FEMA NIMS/NRF programs and activities.

When a Major Disaster is declared, FEMA activates a standing contract by issuing a task order to NEMA to have the EMAC A–Team deploy to the NRCC to coordinate resources being provided to the declared State. However, this process can result in delays in the arrival of the A-Team while the task order is created and issued by a contracting officer. Because of this situation the EMAC Staff and FEMA personnel have been discussing adding a pre-authorized deployment activity of the A–Team to the CA to minimize the delay and improve the effectiveness of their response to the NRCC and appropriate RRCCs.

The Congressional authorization for the funding of EMAC expired on September 30, 2008. The current Cooperative Agreement for EMAC was modified by a no-cost extension to provide the existing funding through March 2010. FEMA supports EMAC through a Cooperative Agreement with NEMA for continued support and enhancement of the program.

Question 10.: In the Post- Katrina Reform Act, Congress required FEMA to make its logistics system more flexible and responsive. FEMA's inability to effectively manage and track requests for and the distribution of water, ice, food, and other supplies came under harsh criticism in wake of Hurricane Katrina.

What is the status of FEMA's logistics re-engineering efforts including specific deadlines and objectives?

Will a logistics management and tracking system be used during this hurricane season? If so, please specify how the system will be used? If not, when is completion of this important system expected?

Response: FEMA Logistics, since elevated from a branch to Directorate-level in April 2007, continues to pursue the development of both internal and external National Response Framework (NRF) partnerships and enhancement of the national supply chain for domestic incident support. The objective is a logistics system/capability more robust, flexible and adaptable. Specifically, the directorate has fostered strong partnerships with U.S. NORTHCOM, Defense Logistics Agency, U.S. Army Corps of Engineers (USACE), General Services Administration (GSA) as co-lead for Emergency Support Function 7 (Logistics Management and Resource Support), and Emergency Support Function 6 (Mass Care). FEMA is improving logistics readiness by enhancing our capability to provide transparent supply chain In-transit visibility (ITV) and accountability of disaster commodities. FEMA fully supports one of the Nation's top priorities to ensure the needs of disaster survivors are met in an effective and timely manner.

In its role as National Logistics Coordinator (NLC), our Logistics team has worked diligently to strengthen its business processes and leverage the best practices by enhancing relationships with both the public and private sector partners through various initiatives for a more coordinated logistics response operation.

Specific to the Logistics Supply Chain Management System (LSCMS).

The Logistics Supply Chain Management System (LSCMS), to this point referred to as Total Asset Visibility system, encompasses multiple applications and technologies which we use to manage response operations and track resources. The system became operational as a pilot in 2006. There are 6 components to the system which partially automate critical supply chain functions. In 2007, LMD made significant refinements, integrating the system components and making them more user-friendly. The components of the (LSCMS) are:

- Requester module (eTasker)—requests to FEMA headquarters for commodities and resources (3361 eTaskers in 2008)
- Trading Partner Management (TPM)—order management and tracking
- Warehouse Management System (WM)—warehouse and inventory management and fulfillment (currently at 2 of 9 Distribution Centers (DCs).
- Performance Management (PM)—Provides basic reporting capabilities on orders, inventory and shipments (20,848 shipments in 2008)
- Global Positioning Systems (GPS)—devices placed on fixed assets and trailers to help track shipment locations
- Integrated Rail/Road Information System (IRRIS)—displays physical location of in transit (ITV) shipments using mapping software and GPS technology

The following Logistics Supply Chain Management capabilities are available for Hurricane Season 2009:

- State requirements for national commodities electronically communicated from the Regions to Headquarters (eTasker)

- All disaster resource requirements entered into one order management system and can be viewed by headquarters and the regions (TPM)
- Currently two out of nine of FEMA's DCs manage warehouse inventory and shipments via the Supply Chain Management suite of systems (WM).
- Shipment information from our primary supply chain partners, DLA, USACE, and GSA, will be automatically imported into the order management application providing visibility of all shipments to the field (TPM)
- Automated receiving and shipping capabilities at our field receiving, storing, distribution staging bases. (TPM)

Additionally, we are working to add the following capabilities by the timeframes shown:

End of 2010:

- Extend automated Warehouse Management (WM) capability to 6 of the remaining 7 DCs with the 7th DC enabled by the end of 2011. (Note: This is the same warehouse system used by major distributers such as Wal–Mart, Home Depot and FEDEX)
- Implement mobile automated data sharing capability at remote sites (TPM)
- Provide automated capability to manage transportation actions (Transportation)

Improve automated request functionality to better meet user needs (eTasker)

- Fully implement the Performance Management (PM) capabilities for enhanced reporting, alerting, and decision support
- Update GPS Managed Services which will replace current obsolete technology and provide nationwide GPS Management response capabilities

By end of 2012:

- Extend automated warehouse management capability to the last of FEMA's DCs (WM)
- Provide fully automated System To System data sharing for orders and shipments with partners (TPM)
- Refresh/upgrade hardware and COTS software to latest releases

Question 11.: The President's FY'10 Budget is requesting that we cut the Emergency Food and Shelter program by 50% simply because the program received funds through the Recovery Act enacted earlier this year.

What was the purpose of providing $100 million to the Emergency Food and Shelter program through the Recovery Act if the President was planning to reduce the annual appropriations by $100 million?

Does this rationale and approach defeat the purpose of Recovery Act?

Response: The Emergency Food and Shelter (EFS) Program was appropriated $153 million in fiscal year 2008. In fiscal year 2009, the request was for $100 million and the annual appropriation for the program was $200 million. The fiscal year 2010 annual request is consistent with the 2009 request, and reflected a focus of resources on the primary mission of preparing for and coordinating disaster response and recovery efforts, while still providing substantial support for the EFS Program.

Congress appropriated an additional $100 million to the EFS Program via the American Recovery and Reinvestment Act of 2009 (ARRA).

Question 12.: In June 2008, GAO reported that FEMA collected property acquisition data (for completed projects) in a haphazard manner because FEMA's grants management system lacks the capability to record acquisition data. As a result, FEMA cannot readily determine the extent to which flood-damaged and repetitive loss properties have been acquired through its mitigation programs.

How can FEMA ensure accountability within the purchases program if the agency is unable to determine exactly what is being purchased?

How can FEMA effectively prioritize it efforts in the absence of accurate property acquisition data?

Response: FEMA has the ability to track all components of an application, verify the effectiveness and ensure accountability of our Hazard Mitigation Assistance (HMA) programs.

By verifying the individual project at application for cost-effectiveness, engineering feasibility and property eligibility, FEMA is able to identify potential program effectiveness (e.g., losses avoided). That effectiveness is subsequently verified again at project closeout, when all property mitigation actions are complete. Tracking the status of a project and the associated properties prior to closeout currently requires coordination within FEMA and with the State and local partners and is not a function of the current Electronic Grants Management System (eGrants), created in 2004. FEMA is currently considering consolidating all HMA grants into one grants

management information system in concert with DHS that will support the entire grant life cycle from solicitation through award and closeout. The enhanced information system will track property level mitigation data for acquisitions in real-time by providing the capability for required grantee quarterly reporting and including project closeout capabilities in an electronic format.

The application data contained in our eGrants system is used to provide an accurate accounting of the currently approved grant applications and can be queried to determine the number and location of specific properties approved for funding in the non-disaster HMA programs. This allows us to develop internal reporting capability for each program on a fiscal year basis that reflects the number of applications submitted and approved, individual properties included in the applications and approved for funding, the Repetitive Loss/Severe Repetitive Loss status of the individual properties and the proposed mitigation technique for the project and each property. This data along with the funding requirements and benefit cost analysis information enable FEMA to develop a thorough accounting and understanding of the effectiveness of our HMA programs.

The current National Flood Insurance Program (NFIP) Repetitive Loss data set includes over 15,000 mitigated Repetitive Loss properties. The data reflects the mitigation action taken as well as the funding source(s) used to mitigate the structure. The funding source(s) includes our non-disaster HMA programs of Flood Mitigation Assistance, Repetitive Flood Claims and Severe Repetitive Loss, as well as our historic grant program (1362), the increased cost of compliance coverage (ICC) afforded under the NFIP policy, other FEMA and Federal Agency grant programs and State, local and privately funded mitigation actions as well. This data enables FEMA to monitor and evaluate the effectiveness of the programs as they relate to Repetitive Loss and Severe Repetitive Loss properties.

Additionally, Hazard Mitigation Assistance Unified Guidance requires that each Repetitive Loss/Severe Repetitive Loss property mitigated be reported using a standard format. This form is used to document the completion of successful mitigation of Repetitive Loss/Severe Repetitive Loss property records and immediately update the property status in the NFIP database. Its standardized use will enhance our ability to gather project mitigation data in a more timely manner and to ensure a thorough reflection of mitigation actions in the database.

The NFIP loss history of properties remaining on the unmitigated Repetitive Loss/Severe Repetitive Loss data set is one of the primary tools used to prioritize FEMA efforts in the implementation of our non-disaster flood programs. These records identify the location, and potential savings to the National Flood Insurance Fund if the properties were to be mitigated. In addition, it enables FEMA to see where recent NFIP losses have occurred resulting in a prime environment for concentrated mitigation efforts.

This data is consistently shared with our State and local partners along with training materials that are provided to assist with development and submission of appropriate, effective grant applications under all of our HMA programs.

Question 13.: Prior to joining FEMA as its current Administrator, Administrator Fugate was the State of Florida's director of Emergency Management, and while holding that post he used a lot of social media tools at the state level.

How can these tools be used at the national level through FEMA and please provide specific examples?

States other than Florida are beginning to use social media tools to prepare citizens for specific events, like Memorial Day on the National Mall or a volcano in Alaska. **What are your plans to implement similar effort at FEMA?**

Response: FEMA currently utilizes social media tools at the national level, such as RSS feeds, YouTube, Twitter, Facebook, widgets and podcasting through its External Affairs office to provide pre-event preparedness information, disaster-specific information and a collaborative space for public feedback and participation in the spread of agency information. The focus of these tools is to engage the public, our partners, and our internal audience with content that is formatted for easy sharing and distribution. These are maintained regularly, and content is mission-specific so as to encourage engagement pre-disaster for the widest audience possible.

Image-based social media tools, such as YouTube, have been used nationally to provide footage of federal response activities, statements by key officials, and vignettes that explain programs or responsibilities related to FEMA's mission. One recent FEMA YouTube video was a Public Service Announcement supporting a state-specific message for public assistance grant input, and encouraged greater responses from local governments to file for assistance following a Presidential Disaster Declaration.

FEMA has been using its national Twitter account since October 2008 to support state and local messaging during response and recovery and to assist the networking of preparedness messages. The national Twitter account has been used to support messaging in many instances, with active regional accounts to support locality-driven content. Most recently, FEMA's national and regional accounts (@femaregion8 and @femaregion5 on twitter.com) were part of the messaging surrounding the response and recovery for the North Dakota / Minnesota floods.

FEMA has been using its FaceBook page to encourage volunteerism, preparedness, safety and national programs such as Citizen Corps.

Working with its Disaster Assistance Directorate, FEMA has developed a widget (a graphical piece of web code that can be paced on other websites such as blogs and .gov domains) that provides one-click assistance tools to individuals. This widget links to search functions maintained by FEMA for such things as federal disaster aid registration, non-federal resources, disaster temporary housing locator, disaster recovery center locator and a missing family member locator service. This widget is designed to be deployed for a mass evacuation or major disaster that results in a declaration involving individual assistance.

Agency-wide, FEMA's office of Policy has been working with program areas to identify resource needs and opportunities to use these tools. FEMA has identified three uses for social media: internal, external, and situational awareness. One example is how FEMA's Disaster Operations Directorate can employ such public tools (twitter, Flickr, FaceBook) to gather real—time disaster information for situational awareness and such integrate technologies and collaborative practices into its partnerships with state, local and other federal agencies. Currently, web 2.0 tools are being used to enhance such operations-driven platforms as HSIN. Internally, FEMA has launched its ESW (Enterprise Shared Workspace) to create a collaborative work environment for FEMA employees.

FEMA is already using tools both on its fema.gov domain and off-network to provide the public preparedness and disaster-specific information. Part of the plan involves empowering Joint Information Centers to use regionally-specific accounts to engage local audiences while being supported by national level networks on tools such as Twitter. FEMA's External Affairs office branded its use on social media sites as FEMAinFocus to maintain legitimacy and credibility of message.

These tools offer a collaborative space to spread messages created by state and local partners and provide support through our distribution network. Examples of these tools are :

www.facebook.com/fema
www.twitter.com/femainfocus
www.youtube.com/fema
http://www.fema.gov/medialibrary
http://www.fema.gov/help/rss.shtm

More tools are scheduled to be rolled out in the near future and are scalable to the need to communicate.

Question 14.: After Hurricane Katrina, many questions were raised whether FEMA or HUD should bear the responsibility for addressing the long term housing needs of disasters survivors.

Please explain for the record the timeframes associated with the various disaster housing stages, including-but not limited to-sheltering, interim housing, temporary housing, and long-term housing.

Where do you believe the long term disaster housing responsibility should be placed and what kind of adjustments would need to be made within FEMA in relinquishing that responsibility?

Response: The timeframe for the various disaster housing stages can best be described as a variable continuum. The continuum can be viewed as occurring in three phases; Sheltering, Interim Housing, and Long–Term Sustainable Housing. The phases are a definitional distinction, and are not meant to imply that an individual or household must progress through all three phases, or that a community would progress through the stages at the same time. The duration and scope of each phase are event specific.

Sheltering is the provision of immediate, temporary housing in a congregate setting, generally in public/private facilities to individuals and households displaced by disaster and/or emergencies. This life-sustaining service may be required as a protective action prior to an impact or in the post impact environment.

Interim Housing is safe and secure temporary housing that meets the physical accessibility needs of the household and includes essential utilities, access to areas for food preparation, and bath facilities. Interim housing is designed to provide a temporary housing solution that allows a family to live together, with a reasonable amount of privacy, for a period generally up to 18 months, and are generally pet-

friendly. Examples of interim housing options include rental resources, temporary home repairs to increase livability of a damaged dwelling, and factory-built housing.

Permanent Housing is suitable, self-sustainable housing that addresses the disaster-related needs of the individual or household.

The National Disaster Housing Strategy clarifies the lead on permanent housing, "when Federal permanent housing assistance is needed, HUD will have the lead responsibility under this Strategy and will coordinate with its partners to provide housing and community development resources."

FEMA and HUD are in the process of evaluating existing program authorities and related funding requirements to identify enhancements needed to support the future delivery of comprehensive permanent housing assistance to State and local governments and individuals. This includes evaluation of HUDs Community Development Block Grant program, FEMA's Individuals and Households Repair Pilot Program, as well as the jointly administered Disaster Housing Assistance Program.

Question 15.: Please describe, and include a timeline, of the current disaster declaration process and how long it typically takes for a state to get a declaration? What is the role of the President, the DHS Secretary, the FEMA Administrator, and what if any role is served by Office of Management and Budget and any other functions or roles served by federal or state government?

Response: C.F.R. 206.33 sets forth the process for State and local governments to follow when an incident occurs, or is imminent, which the State determines may be beyond the State and affected local governments' capabilities to respond. The State will make a request through the Regional Administrator that a joint Federal, State, and local government Preliminary Damage Assessment (PDA) be conducted in the affected areas. The PDA is the mechanism used to determine the impact and severity of damage to affected area and identifies any unmet needs of individuals, businesses, the public sector, and the community as a whole. The findings of the PDA are used by the State as a basis for a Governor requesting supplemental Federal assistance. The Department of Homeland Security, Federal Emergency Management Agency (FEMA) processes all gubernatorial requests for supplementary disaster assistance related to major disasters, emergency declarations, appeals, and cost share adjustments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. (the "stafford Act"). This process can take any amount of time depending upon the information contained in the request and the analysis of all available information surrounding the request. The process may take longer if additional State and local government damage information to the public and/or private sector is revealed after the initial request has been submitted and the governor submits an amended request.

Once the FEMA Administrator's recommendation is forwarded to the White House, the Stafford Act grants only the President with the authority to approve a Governor's request for a major disaster declaration or an emergency declaration.

Question 16.: Are there specific areas of the Stafford Act that you think need reform or revisiting? What are your plans for addressing changes to the Act? What areas give you greatest concern? Do you believe that a separate designation for catastrophic incidents is a concept worthy of exploring?

Response: FEMA is always evaluating our authorities and look forward to working with Congress to make the Stafford Act as strong as possible. The goal of FEMA is to make sure that the agency's Stafford Act authorized grants and technical assistance programs become a model of effectiveness and efficiency, as stated in FEMA's testimony before the committee.

Question 17.: The current state of the National Emergency Management Training Center in Emmitsburg, Maryland is out of date, technologically deficient, and disconnected with emergency responders.

How do you propose to address these issues and what is your plan for enhancing emergency responder training?

Are there other first responder training centers that FEMA intends to use for first responder training purposes? 1Response: Facilities:

1. NETC facility master plan to address critical facility needs. In the fiscal year 2009 Department of Homeland Security Appropriations Act and its accompanying Senate Report, the Congress asked FEMA,

> *. . .submit a master facilities plan to the Committee for the maintenance and modernization of both the Emergency Management Institute and USFA campuses, within 120 days after the date of enactment of this act (January 30, 2009). This plan should include any needed infrastructure improvements, building ren-*

ovations, and life-cycle costs. Additionally, the plan shall identify where efficiencies can be gained through joint efforts.?

In response to this request, FEMA prepared a response which is summarized below:

Facilities at the NETC are in poor condition and in need of repairs and upgrades. In recent years, with the exception of fiscal year 2008, funding for preventive maintenance has been very limited resulting in many deferred projects. On August 24, 2007, FEMA contracted with Parsons, a nationally recognized engineering firm, to conduct a comprehensive third-party assessment of the physical condition of FEMA-owned real property including NETC and develop a detailed estimate of the current condition and deferred maintenance of each facility.

Technology Systems:

1. In 2009, EMI launched a major effort to replace EMI's entire Independent Study (IS) computer hardware system. EMI's distance learning system is one of the largest the nation with approximately 2 million completions a year. Additionally EMI is purchasing a full redundant backup system to insure continuous service to the students.
2. Establishment of a technology working group for the campus. The National Emergency Training Center (NETC) facilities master plan developed in December 2008 identified the need to significantly upgrade technologies used by Emergency Management Institute, US Fire Administration and its National Fire Academy to support their training and education programs. A NETC Education Technology Working Group was formed to develop a technology master plan for the NETC campus that improves the capability to provide training and education to support the Nation's efforts to prepare for, prevent, protect against, respond to, and recover from natural disasters, acts of terrorism, and other man-made disasters, including catastrophic incidents.

Curriculum Upgrades:

1. Significant effort to update EMI's curriculum. EMI has dedicated significant resources to the development and revision of the curriculum in the past two years. During this period, EMI has committed more than $4.5 million dollars for the development or revision of 54 resident, field and independent study courses. This effort represents approximately 20% of EMI's total curriculum.
2. EMI increased the availability of training through a blended training approach of offering in various formats for more flexibility in delivery. EMI delivered 134 off-site resident courses in fiscal year 08 at various locations nationwide to better reach our target audience. EMI also partnered with the Center for Domestic Preparedness (CDP) for delivery of EMI's Incident Command System (ICS) curriculum through CDP's mobile training teams. To date CDP has used EMI's curriculum to train more than 81,000 emergency responders in ICS techniques and procedures.
3. Significant revisions to the State "G" course curriculum. EMI maintains a specialized curriculum of 74 courses specifically designed to be delivered by state and local training officers. In fiscal year 2008, EMI formed a nation wide working group of state training representatives to review and prioritize course to better align them to the needs of state, tribal, and local emergency managers. These revisions will enable EMI to continue to fulfill a critical mission to train state, local, and tribal personnel with information that reflects current state-of-the-art federal operational doctrine. Inherent in this are the values to strengthen core capabilities, competencies and capacities; strengthen FEMA's partnership with States; and professionalize the national emergency management system. The revision effort began in fiscal year 2008 and will continue through fiscal year 2010.
4. EMI has substantially increased its distance learning program. The number of Independent Study courses has increased from 21 in 2001 to more than 89 in 2009. Several additional courses are being converted to distance learning format and will be added this year and next.
5.EMI distance learning courses are now available on the web 24/7. On-line course completions average more than 7 K per day at an average cost of $1.06 per course.
6. The demand for training in emergency management keeps rising at almost exponential rates:
    a. Resident course offerings rose from 142 in 1993 to 564 in 2008—an increase of more than 333%.
    b. Resident course students rose from 4,442 in 1993 to 14,508 in 2008—an increase of more than 320%.

c. Distance learning course rose from 6 in 1993 to 89 in 2008—an increase of more than 1,400%.

d. Distance learning completions rose from 20,772 in 1993 to 1,997,833 in 2008—an increase of more than 9,500%. In 2006, there were 3,715,304 completions. In the 4 years (2005 to 2008), a total of 9,536,216 courses were completed. Cost per student is $1.06.

e. Total number of Community Colleges, Colleges, and Universities offering degrees in emergency management rose from 3 in 1993 to 108 in 2008. The 108 degrees in 2008 are composed of 37 Associates, 24 Bachelors, 40 Masters, and 7 Doctoral. There has been a steady rise in the number of degrees every year since 1993. There are, in addition, 54 certificates, minors, diplomas, and tracks offered by other institutions of higher education.

f. The number of higher education courses available from EMI went from none in 1993 to 26 in 2008, with another 6 currently under development. An estimated 10,000 students were enrolled in emergency management degree programs in 2007, with another 20,000 students having taken one or more of the higher education courses.

7. EMI's curriculum includes 19 Train-the–Trainer courses. These Train-the–Trainer courses pay a major role in building the capacity of state and local training programs.

Disconnected with emergency responders:

1. Emergency management training focus. The primary focus of EMI's training program is the Nation's emergency management community. This group forms a key component within the national emergency response community. Anecdotal evidence from the International Association of Emergency Managers (IAEM) and the National Association of Emergency Managers (NEMA) clearly shows EMI's training curriculum is in sync with the training needs of the emergency response community.

2. EMI is working closely with key emergency management stakeholders to develop a 5 year strategic plan. Over the last several months, senior Emergency Management Institute (EMI) leadership has conducted a series of focus groups with stakeholders from the federal, state, tribal, local as well as non-profit and professional organizations education and training communities. The purpose of these focus groups is to enhance EMI's understanding of stakeholder education and training needs and thereby develops strategies to assist EMI in better meeting these needs.

Each focus group discussed a series of topics covering EMI's current and future mission; roles; responsibilities; curriculum; course delivery methods; classrooms; support facilities; use of technology; and specific tribal, state, and local training needs. When completed, feedback from each focus group will be analyzed and compiled into a strategic planning document. This planning document will be used to establish EMI strategic goals, objectives, and direction for the next 5 years.

To date EMI has conducted five of these strategic focus groups. The next one is currently scheduled at EMI for Monday, July 20. This focus group will draw from State Training Officers (STOs). The seventh focus group is planned for late July and will include Regional Training Managers from each of the FEMA Regions.

In addition to the National Preparedness Directorate's Emergency Management Institute, the United States Fire Administration (USFA) and its National Fire Academy (NFA) operate from the National Emergency Training Center (NETC) campus.

USFA was chartered by Public Law 93–498, the Federal Fire Prevention and Control Act of 1974, which called for the establishment of NFA to promote the professional development of the fire and the emergency response community and its allied professionals; the development of a technology development program to improve fire protection and suppression technologies; the operation of a National Fire Data Center to collect, analyze and dissemination information on the national fire problem; and the education of the public regarding fire prevention.

The USFA's NFA supports State and local training organizations to fulfill their obligation to the career and volunteer fire and emergency services. USFA's NFA also develops, delivers and manages educational and training programs having a National focus and which are outside state and local training missions or exceed State and local capabilities because of cost or audience. The programs are designed to support the Department of Homeland Security and FEMA goals to help State and local response agencies prevent, mitigate, prepare for, and respond to local, regional and national emergencies.

Classes are conducted approximately 47 weeks a year and the student body includes representatives of the Federal, state, and local government; volunteer organizations; private industry; and educational institutions. Students attend classes for a period of 2 days to 2 weeks and come from all over the United States. There is also no tuition cost, students are generally reimbursed for the transportation to and

from Emmitsburg, and ground transportation is provided between Emmitsburg and airports in the Baltimore–Washington area. The only cost to the student is their meal ticket and local transportation at their point of departure. Students apply for and are accepted into specific courses. Acceptance is generally based on the benefit the community will derive from the training and improvement of present job knowledge and skills. Classes are not open to the general public. In fiscal year 2008, NFA conducted 334 course offerings for 7,992 students at the NETC campus, sponsored 258 course offerings to 5,654 students off-campus, and provided training opportunities to 36,437 individuals through their Learning Management System. In additions, through State and local partners, 3,453 offerings were provided to 71,811 students.

Question 18.: In August 2007, GAO reported that, according to the National Pandemic Strategy and Plan, the Secretary of the Health and Human Services is to lead the federal medical response to a pandemic, while the Secretary of Homeland Security will lead the overall domestic incident management and federal coordination. In accordance with the Post–Katrina Emergency Management Reform Act of 2006, the Administrator of FEMA is designated as the principal domestic emergency management advisor to the President, the Homeland Security Council, and the Secretary of Homeland Security.

In what ways have the roles and responsibilities been tested and clarified in the monitoring and response to the H1N1 virus outbreak?

Response: The Federal roles in responding to the 2009 H1N1 flu were tested and clarified during the response to the early outbreak with the Homeland Security Council ensuring strategic policy and interagency coordination of all homeland-security-related activities among executive departments and agencies and supporting effective development and implementation of appropriate policies. As called for in the National Response Framework, the HSC assembled the Domestic Readiness Group (DRG), which met several times during the spring outbreak to provide inter-agency policy coordination, and continues to address issues related to the 2009 H1N1 flu in a coordinated and proactive manner. The Department of Homeland Security has the lead for coordination of Federal incident management and planning activities, while the Department of Health and Human Services leads coordination of the Federal public health and medical response to the 2009 H1N1 flu.

What lessons have been learned thus far in managing a large-scale flu epidemic?

Response: There have been a number of lessons learned thus far related to the 2009 H1N1 flu related to both the desire to undertake efforts to limit the spread of flu and how to implement an effective national response should a major pandemic break out. The HSC, in close coordination with the Department of Homeland Security, has been leading an extensive coordinated Federal inter-agency effort to identify and address the challenges in addressing a potential major 2009 H1N1 flu outbreak. These efforts have been successful at increasing Federal coordination and cooperation in developing effective approaches to address those challenges, and in increasing the information available throughout the nation regarding the nature and extent of a possible flu outbreak. As part of this effort, Federal departments and agencies have been reaching out to the State, local and private sector stakeholders to ensure effective communication and identify remaining challenges. Key lessons learned include the need for: effective and timely communication of accurate information regarding the disease; ensuring officials at all levels have an understanding of the secondary and tertiary impacts of community mitigation measures such as school closures; identification of funding sources for protection and prevention activities to head off a major flu outbreak; and the need for policies and plans to ensure effective continuation of critical public and private functions should large portions of the workforce be impacted by the flu. The HSC and the Department of Homeland Security are coordinating Federal efforts to work with their State, local and private sector stakeholders to address these issues.

Question 19.: The Post-Katrina Act of 2006 required FEMA to constitute national and regional Interagency Management Assist Teams, or IMATs, which are intended to give FEMA a forward leaning presence to better manage and coordinate responses to catastrophic incidents. As of earlier this year only two national IMATs and four regional IMATs were operational.

How many IMATs is FEMA authorized or required in law to form?

Response: In SEC. 303., PKEMRA states that FEMA shall establish—"(A) at a minimum 3 national response teams; (B) sufficient Regional response teams including Regional Office Strike teams under section 507 of the Homeland Security Act; and (C) other response teams as may be necessary to meet the incident management responsibilities of the Federal Government." It further required that FEMA ensure

that the teams ". . .consist of adequate numbers of properly planned, organized, equipped, trained, and exercised personnel. . ."

Long before the enactment of PKEMRA, FEMA maintained its disaster response capabilities, with established Emergency Response Teams–Advanced (ERT–As) in each of the ten FEMA Regions, staffed on a collateral duty basis by Regional personnel, and two National Emergency Response Teams (ERT–Ns), staffed on a collateral duty basis by Regional and Headquarters personnel.

How many will FEMA form?

Response: FEMA is in the process of establishing 3 National IMATs and a Regional IMAT in each of the ten FEMA Regions for a total of 13 teams. The IMAT Program was initiated in fiscal year 2007 and is targeted for completion in fiscal year 2011.

Why have there been significant delays in constituting these teams?

Response: Establishing the National and Regional IMATs is a complicated process that requires not only assigning/hiring of experienced, qualified team members, but also procurement of extensive Team support elements. For example, the procurement of specialized personal and team communications equipment and vehicles, office space, and facilities, as well as development of training programs and written operational procedures and related doctrine are all required. The Teams are being established using an incremental/phased-in approach.

- March 2008: National IMAT East
- June 2008: Region IV, V, and VI IMAT
- September 2008: National IMAT West and Region II IMAT

We are continuing to examine personnel requirements for the Regional and National IMATs to determine optimal staffing and capability levels.

Why is FEMA still requesting funds for the Emergency Response Teams and the FIRST teams when the IMATs should be assuming the roles and responsibilities of these teams?

Response: Prior to the development of the IMATs, FEMA maintained ERT–As in each FEMA Region and two National Emergency Response Teams (ERT–Ns). Before establishment of the IMATs was initiated, two dedicated full-time Federal Incident Response Support Teams (FIRST) were established, one in Region IV and one in Region V.

The fiscal year 2008 budget identified six months of funding for the FIRSTs. This funding was necessary to keep the FIRSTs operational until they could be subsumed by the Regions V and VI IMATs. Because the FIRST responsibilities were incorporated into the IMAT responsibilities, the remaining funding that was to be used for the FIRSTs was rolled into the overall IMAT budget. Similarly, funding for the ERT–Ns was incorporated into the overall IMAT budget during the transition from the ERT–Ns to the existing National IMATS.

Regions that currently do not have an IMAT, (Regions I, III, VII, VIII, IX, and X) are still maintaining their ERT–As as their primary Regional response teams. As IMATs are established in these Regions, funds that were utilized for ERT–A support will be diverted and included in the Region's IMAT funding budget. It is our intention to request funding necessary to establish all of the planned Regional and National IMATs.

Question 20.: As former State officials, the Secretary and the Administrator understand the concerns caused by unfunded mandates on State, local, and tribal governments. The Department is in discussions with governors from around the country about replacing the REAL ID program with something that accomplishes the same goals but is less burdensome on the States, many of which are already facing budget crises. The President's fiscal year 2010 budget includes $50 million for the Driver's License Security Grants Program and $25 million to support the information sharing and verification requirements of the REAL ID Act. **Can you please elaborate on how this funding will be used, and explain how the funds might be utilized should the REAL ID program be revamped?**

Response: The $50 million for the Driver's License Security Grants Program continues our commitment to assist states in their efforts to improve the integrity and security of driver's licenses and identification cards.. The 9/11 Commission recommended that "secure identification should begin in the United States" and the Federal Government should set standards for the issuance of sources of identification. State-issued identity documents have been used to facilitate acts of terrorism, identity theft, identification fraud and other crimes.

Specifically, states will continue to use these grant funds to improve Department of Motor Vehicle (DMV) data and information technology systems, privacy protection capabilities for personally identifiable information, facility security, and identity

document validation processes. They will also add fraudulent document recognition training, incorporate additional security features into their driver's license and identification cards and improve internal security capabilities to reduce insider fraud. These activities are critical for secure identification in the United States and are consistent with REAL ID compliance and proposed PASS ID requirements.

The $25 million request for fiscal year 2010, if appropriated by Congress, will be used to complete and deploy verification capabilities to enable DMVs to check source documents provided by applicants, including structured testing and system connectivity for participating states. The project received $50 million in fiscal year 2009. The current PASS ID bill still requires verification of social security number and lawful presence. The other verification capabilities would be authorized through a voluntary demonstration project that includes review of security and privacy measures necessary to protect the integrity and physical security of driver's licenses as well as the appropriate governance structure to manage the capabilities. The $25 million would primarily be applied to the demonstration project.

Some fiscal year 2010 funds will also be used to develop, implement and maintain a DMV compliance assessment and audit program for all fully compliant states. The concept of operations for the compliance assessments and audit is being developed in collaboration with the Department of Transportation (DOT) and will include relevant DHS and DOT assets and interactions with state DMVs. This would also be required under the current PASS ID proposal.

Question 21.: The Transportation Security Agency's (TSA) First Observer program is supported by the trucking security grant program, which has been targeted for termination according to the lack of funds in the President's Budget Request. At the same time, the budget justification for TSA's request, with regard to surface transportation security, states that the Highway Information Sharing and Analysis Center (ISAC) will be continued through fiscal year 2010.

How is ISAC, which is part of the First Observer Program, going to be continued if the source of its funding is being eliminated?

Will you please coordinate with TSA to address this issue and report back to the Committee?

Response: The First Observer program was funded for $15.5 million by the fiscal year (FY) 2008 Trucking Security Program (TSP) grant, which has a 36-month period of performance. The HMS Company was awarded the fiscal year 2008 TSP grant for the First Observer program, and it developed its budget, which includes funding for the Information Sharing and Analysis Center (ISAC) for 36 months from the date of award. The grant award date was July 15, 2008, so the period of performance for the grant runs through July 14, 2011. Therefore, the Information Sharing and Analysis Center will continue to operate through mid-July 2011, funded by the fiscal year 2008 TSP grant.

Question 22.: Inter-city bus grants are an important element of securing the Nation's transportation systems, which is why the Congress saw fit to establish the program in the 9/11 Act, public law 110–53. Despite being underfunded since its creation, this program provides important resources, through a risk-based award process, to a segment of surface transportation that is often overlooked. A GAO report cited in the budget justification for terminations did not suggest that this program be eliminated or absorbed by another; in fact, the February 2009, GAO report reaffirmed the vulnerability of commercial vehicles to terrorist acts and emphasized that more work and resources are required to adequately measure and strengthen security in this sector.

Please explain why the President's FY?10 budget request does not seek to fund this program?

Please explain how eligibility for funds under the Transit Security Grant Program will improve the security of our Nation's inter-city bus system when TSGP funds are not being increased to accommodate this additional mode of transportation and there are already significant problems with the distribution of TSGP funds?

Response: The 2009 IBSGP provided funding to operators of fixed-route intercity and charter bus services to support security plans, facility security upgrades, and vehicle and driver protection. Recently, the funding has gone to private sector entities for business investments in GPS-type tracking systems that they could be making without Federal funding.

The Government Accountability Office has recommended that TSA conduct an in-depth risk analysis of the commercial vehicle sector per its recent report (GAO 09–85). For now, this program should be eliminated in favor of funding initiatives aimed at mitigating verified transit threats. Funding for the intercity bus industry should be included in the larger Public Rail/Transit Security Grant Program and

prioritized against all transit-related security investments. This issue will be discussed with stakeholders during the guidance development activities for the fiscal year 2010 cycle.

Question 23.: As you know, current FEMA regulations prohibit pool enclosures, even temporary ones, on the first floor of a hotel. Many hotels in South Carolina have had enclosures for the past 30 years, and it was not until last year that FEMA started to enforce these regulations despite the regulations being roughly 30 years old.

Has FEMA documented any major impacts to infrastructure or bodily harm due to temporary pool enclosures in Myrtle Beach?

Why did FEMA ignore the enforcement of these regulations for the past 30 years?

Is FEMA aware of the economic impacts and job losses that are projected to occur with the new enforcement of these regulations in Myrtle Beach and elsewhere?

Outside of South Carolina, other states, such as Florida, are facing the same problems with these newly enforced regulations. How many other states will be affected? What will the total cost run for compliance?

Will FEMA consider amending the current regulations to "grandfather-in" or exempt existing properties from the regulations, as long as the temporary pool enclosures are not up during hurricane season?

Response: FEMA deploys post-disaster Mitigation Assessment Teams (MAT) to conduct forensic studies of building performance after major storms. FEMA has documented major impacts to buildings from obstructions, including enclosed swimming pools underneath elevated buildings, as seen in the photograph below.

Hurricane Ivan—FEMA Post–Damage Assessment—Orange Beach, AL

As this post Hurricane Ivan photograph shows, the breakup of a pool and other nonstructural elements contributed to significant level of damage in the lower level areas due to flood forces. Although the pile foundation and structural elements survived, damage to the lowest floor exterior walls, interior partitions, and floor slabs occurred during Hurricane Ivan. In addition to causing considerable debris and damage to this building, debris can also impact surrounding buildings, and add to overall damage clean-up.

Through the MAT post-damage assessments, we know that lower level enclosures that are not designed to meet the minimum requirements of the NFIP create obstructions that cause structural loads, and thus damages to the elevated portion of the building, adjacent buildings, and result in increased debris removal costs. They also pose additional liability to the National Flood Insurance Fund through increased damages and flood insurance claims.

It is important to note that it is the community's responsibility to enforce minimum NFIP floodplain management regulations, not FEMA's. The enforcement of enclosure limitations has been a part of the program since the 1970s. The vast majority of participating communities have effectively enforced this important flood damage prevention measure. Records demonstrate that FEMA conducted a community assistance visit (CAV) in July 2002. The enclosed swimming pools underneath elevated building were not discovered during this particular CAV because most of the enclosures are typically removed around Easter when the weather warms up. In March 2007 the South Carolina NFIP State Coordinator's office conducted a CAV and discovered the non-compliant enclosed pools. The State also discovered that the practice of enclosing pools underneath elevated buildings was being allowed through an interpretation of the Myrtle Beach Zoning Ordinance, in direct conflict with the Myrtle Beach Flood Damage Prevention Ordinance. FEMA has since learned that a local judge has ruled that the City has been misinterpreting the zoning ordinance and that the zoning ordinance only allows enclosed pools outside the footprint of elevated buildings.

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In responding to the public's desire to have an enclosed area below an elevated building, but recognizing the potential risks to lives and property, the NFIP floodplain management regulations permit only parking of vehicles, building access, or storage below the lowest elevated floor in A Zones and V Zones. To further minimize flood damages, these enclosed areas are to be built with flood resistant materials and mechanical, electrical, plumbing equipment and other service facilities must be designed and/or located so as to prevent damage during conditions of flooding. In A Zones, the walls of enclosed areas below the elevated building must contain openings that will permit the automatic entry and exist of floodwaters to withstand hydrostatic pressure. In V Zones, which is subject to high velocity and wave action, buildings must be elevated on open foundations constructed of pile, posts, piers, or columns and the area below the lowest floor of elevated buildings must either be free of obstruction, or any enclosure must be constructed with open wood lattice-panels or insect screening or, be constructed with non-supporting, non-load bearing breakaway walls which meet applicable NFIP criteria.

In 1983, the NFIP began to limit the insurance coverage for enclosed areas below the lowest floor of elevated buildings due to the financial losses that the Program experienced when we provided full coverage for these enclosures. This determination was based on an analysis of loss experience from 1978 to 1982 which shows that the NFIP was paying out $5 for every $1 of premium collected on basement buildings and elevated buildings with enclosures. The 1983 coverage for enclosures was limited to foundations elements and limited machinery and equipment necessary to the function of the building. The limitation of flood insurance for enclosed areas of an elevated buildings is consistent with the floodplain management requirements for these enclosures which minimize the damage potential to the building.

Finished enclosures increase the damage potential to the foundation and to the elevated portion of the building that are insured by the NFIP. Improperly constructed enclosure walls and utilities which swimming pool enclosures are likely required to have can tear away and damage the upper portions of the building exposing the building to greater damage. Improperly constructed enclosures can also result in flood forces being transferred to the foundation and to the elevated portion of the building with the potential for catastrophic collapse.

The resulting increased damage to buildings with illegally built enclosures has implications for all policyholders. We will have to charger high flood insurance rates for buildings with enclosures to reflect the higher NFIP loss frequency and high damage potential. The increased flood risk and loss experience must be reflected in the premium that we charge to policyholders with ground level enclosures below the elevated floor.

Over a period of many years, Myrtle Beach permitted approximately 32 buildings with pool enclosures underneath elevated building. FEMA has spoken with several of our Regions and has verified that the practice of enclosing pools underneath elevated building is not a major issue anywhere but Myrtle Beach. Coastal communities understand and acknowledge their responsibility to enforce minimum NFIP standards and readily do so. The vast majority of communities have enforced the enclosure use limitation for many years. The Regions were aware of isolated instances where community's had inadvertently allowed pools to be enclosed in violation of the community's floodplain management regulations, but the problem was not systemic as in Myrtle Beach. When violations are discovered in other locations, FEMA requires the responsible community to remedy the violation just as we have in Myrtle Beach.

FEMA has proposed the option of non-rigid wall barriers (commercially available heavy duty plastic) that would allow the building owners to climate control the pool area in the winter. The non-rigid wall option is allowed under the NFIP regulations and would afford building owners economical use the pools in the off-season.

FEMA does not support any weakening of minimum NFIP floodplain management standards. Allowing enclosures around pools underneath elevated buildings would be inconsistent with the FEMA's flood hazard reduction goals. During flood events, these types of enclosures can result in increased structural loads to the elevated portion of the building resulting in increased damages. Further, these enclosures can increase post disaster debris and associated clean-up clean-up costs, and subject the buildings to higher flood insurance premiums due to increased risk to the building.

In recognition of the fact that many of the violations in Myrtle Beach have been present for an extended period of time, FEMA and the NFIP State Coordinator have given the City of Myrtle Beach the following flexibility in meeting NFIP minimum requirements:

- Myrtle Beach will be allowed until November 2010 to bring the 32 structures into compliance with minimum NFIP standards. This gives the community a full year for building owners to implement NFIP compliant solutions.

•FEMA will expect that the community to begin to remedy the violations right away, with the goal of having all 32 buildings in compliance by November 1, 2010

QUESTIONS FROM MIKE ROGERS, RANKING MEMBER, SUBCOMMITTEE ON EMERGENCY COMMUNICATIONS, PREPAREDNESS AND RESPONSE

RESPONSES FROM HON. W. GRAIG FUGATE

Question 24.: Mr. Fugate, as former Director of the Florida Division of Emergency Management, you are no doubt familiar with the frustration that some States and localities experience during the disaster declaration process due to a lack of overall transparency. From your perspective, what more can the Federal government do at the regional office and headquarters levels to make the disaster declaration process more transparent for applicants? What steps can FEMA take to provide faster and more detailed communication with the States on disaster declaration request and appeal decisions?

Response: FEMA headquarters and the Regional Offices share information on the status of their disaster requests with the states on a regular basis. However, certain confidentiality interests, including those associated with pre-decisional information must be maintained so as not to disrupt or inhibit the functions and decision making processes of the Executive Branch.

That said, I will review the declaration process to determine if we are sharing all appropriate information with the States in a timely manner.