

**FEMA HOUSING: AN EXAMINATION OF CURRENT
PROBLEMS AND INNOVATIVE SOLUTIONS**

HEARING
COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

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JULY 8, 2009
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FEMA HOUSING: AN EXAMINATION OF CURRENT PROBLEMS AND INNOVATIVE SOLUTIONS

Wednesday, July 8, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The committee met, pursuant to call, at 10:03 a.m., in Room 311, Cannon House Office Building, Hon. Bennie G. Thompson [Chairman of the committee] presiding.

Present: Representatives Thompson, Sanchez, Jackson Lee, Cuellar, Carney, Clarke, Richardson, Pascrell, Cleaver, Green, Himes, Kilroy, Massa, Souder, Lungren, McCaul, Dent, Bilirakis, Olson, Cao, and Austria.

Chairman THOMPSON [presiding.] The committee will come to order. The committee is meeting today to receive testimony on “FEMA Housing: An Examination of Current Problems and Innovative Solutions.”

Today’s hearing will examine FEMA’s ability to provide interim housing after a catastrophic event. While we intend this hearing to look toward the future, we must recall the past.

Almost 4 years ago, the most destructive series of hurricanes this Nation has seen struck the Gulf Coast. One after another, Katrina, Rita, and Wilma dealt devastating blows to a region of this country that I call home. Mississippi, Louisiana, Alabama, and Texas all buckled under the force of these storms.

Hurricane Katrina destroyed an estimated 300,000 homes, displaced 700,000 people, and resulted in the deaths of more than 1,300 individuals. In the aftermath of the rains, the winds, and the broken levees, the people of this region had to begin the process of rebuilding their lives. That is when they looked to FEMA.

In response, FEMA purchased over 27,000 travel-trailers off the lot, 25,000 mobile homes at a cost of \$850 million, and over 1,700 modular homes at a cost of \$52 million. Unfortunately, prior to these purchases, FEMA did not have a plan for how these homes would be used. Some of them remain on lots in Hope, Arkansas; Texarkana, Texas; Purvis, Mississippi; and Baton Rouge, Louisiana. We have a picture of that lot in Hope, Arkansas, on the screen.

While FEMA’s failure to plan is disturbing, far more disturbing is the Office of Inspector General’s report that, prior to Hurricane Katrina, FEMA was not fully prepared to provide sheltering or transitional housing to victims of a catastrophic disaster.

As a result of FEMA's failure to plan, the last 4 years have been a series of missteps, missed opportunities, and misspent money. We have seen the Federal Government resort to all forms of housing: Cruise ships, converted military barracks, apartments, hotels, and trailer parks. We have even seen the Federal Government pay over \$100,000 for mobile homes. Yet we have not seen a comprehensive plan to address the continued dislocation of the families along the gulf.

On January 16, 2009, in the last week of the Bush administration, FEMA released a housing strategy. That strategy called for developing an operational plan and building disaster housing capabilities. In essence, it is a plan to make a plan; I think that leaves us without a plan.

Administrator Fugate, under your leadership, I want FEMA to develop a comprehensive housing plan. This plan can neither ignore the people who remain homeless after Katrina nor continue to rely on the same old solutions. I hope this hearing today will begin a dialogue to create innovative, cost-effective, and more temporary housing.

Housing gives people a sense of security after a disaster. Knowing you have a home is truly the beginning of recovery.

I want to thank our witnesses, and I look forward to the testimony.

[The information follows:]

PREPARED STATEMENT OF CHAIRMAN BENNIE G. THOMPSON

JULY 8, 2009

Almost 4 years ago, the most destructive series of hurricanes this Nation has seen struck the Gulf Coast. One after another—Katrina, Rita, and Wilma dealt devastating blows to a region of this country that I call home.

Mississippi, Louisiana, Alabama, and Texas all buckled under the force of these storms. Hurricane Katrina destroyed an estimated 300,000 homes, displaced 700,000 people and resulted in the deaths of more than 1,300 individuals.

In the aftermath of the rains, the winds, and the broken levees, the people of this region had to begin the process of rebuilding their lives.

And that is when they looked to FEMA. In response, FEMA purchased: over 27,000 travel trailers "off the lot", 25,000 mobile homes at a cost of \$852 million, and over 1,700 modular homes at a cost of \$52 million.

Unfortunately, prior to these purchases, FEMA did not have a plan for how these homes would be used.

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That Strategy called for developing an operational plan and building disaster housing capabilities. In essence, it is a plan to make a plan. I think that leaves us without a plan. Administrator Fugate, under your leadership, I want FEMA to de-

velop a comprehensive housing plan. This plan can neither ignore the people who remain homeless after Katrina nor continue to rely on the same old solution.

I hope this hearing today will begin a dialogue to create innovative, cost-effective and more than temporary housing. Housing gives people a sense of security after a disaster. Knowing you have a home is truly the beginning of recovery.

Chairman THOMPSON. The Chair now recognizes the gentleman from Indiana, Mr. Souder, for an opening statement.

Mr. SOUDER. I thank the Chairman.

I would like to welcome our witnesses and thank them for taking time to be with us today. Ranking Member King is unable to attend this hearing today due to a scheduling conflict.

This hearing is an opportunity to discuss a broad range of issues surrounding how our Nation provides housing for disaster victims. This hearing also marks the first time that Craig Fugate, the new administrator of FEMA, has testified before the full committee since his confirmation.

Thank you for being here today.

FEMA has made significant progress since the Gulf Coast hurricanes of 2005, but more work remains to be done in coordinating the overall disaster housing response, managing disaster assistance programs, and clearly delineating roles and responsibilities for community recovery.

It is important to emphasize that FEMA cannot and should not handle disaster housing on its own. Resources from the Department of Housing and Urban Development, the Small Business Administration, State, local, and Tribal governments, nongovernmental organizations, and the private sector are all needed to achieve a comprehensive disaster housing capability.

Also, FEMA's housing programs by law are temporary. That means that housing options that FEMA provides, such as travel trailers and mobile homes, are not intended to be long-term solutions for victims of disasters, but rather a means to help disaster victims return to their lives and recover their communities.

A lack of housing and rental properties immediately after Hurricane Katrina and more recently after Hurricane Ike, for example, made temporary housing units the reasonable solution for victims who wanted to stay close to their homes.

Especially, for example, in Katrina, for many low-income people, their land and their homes were their only assets and have been in their families for many, many years, so they didn't want to leave their local area.

I look forward to hearing from our witnesses today about how FEMA can potentially use a national disaster housing strategy, in addition to new technologies and innovative designs, to continue identifying practical, cost-effective options for temporary housing.

While FEMA housing is an important issue, I would like to note that Administrator Fugate testified on a related topic only last month in the subcommittee, and there are many other pressing issues on which the administrator could testify today, such as the state of preparedness for this year's hurricane season and his plans for managing FEMA.

We really have two fundamental questions. One is the short-term housing question, which in my district many of the units were provided from Elkhart County. There were expectations and many

frustrations and claims about the so-called trailers not being able to be lived in.

Some were not intended to be long-term, but, in fact, millions of Americans do live in other types of trailers for many, many years in many locations across the United States without problems, and I believe the problems were exaggerated, as is evidenced by there was actually greater problems with formaldehyde in traditional housing in Louisiana than there was there.

So I don't believe any of these units were intended to be long-term housing, but I do believe the frustrations have led to some false information.

The second thing, having been into New Orleans twice right after the—immediately after the first group that came in from Homeland Security and the Government Reform Committee and then going back for a number of days a few years later, that part of what we have to deal with and the challenge that you have is that a smaller-scale disaster and then a larger-scale disaster.

Because when you got down into New Orleans, people wanted to go back to their land. At the same—and their homes. At the same time, the entire infrastructure was destroyed, over a whole section of the city. When you met with the different leaders as they tried to work through, how do you get medical facilities there? Is there going to be a grocery store? Is there going to be a school?

When there is not in an area that didn't necessarily have an easily restorable financial sector, how do people go back in? What is the motive for the—do the retailers come first, the medical come first, the housing come first? It is at a massive scale, I think something that FEMA has to separate through a short-term disaster and one when there is a large scale that is going to take a long time to rebuild, and there needs to be like two different types of strategies to address these.

Until we do that, I think you are going to continue to have very frustrated Members of Congress looking at these massive ones and saying, "These people were supposed to be out of these units years ago, and yet you are trying to rebuild, in effect, an entire downtown or area of a city that is far more massive than emergency housing."

I yield back.

Chairman THOMPSON. Other Members of the committee are reminded that, under committee rules, opening statements may be submitted for the record.

I welcome our first panel of witnesses. Our first witness is Administrator W. Craig Fugate, administrator of the Federal Emergency Management Agency. Mr. Fugate began his career in emergency management as a volunteer firefighter—that is not a bad beginning—and emergency paramedic. Prior to his confirmation by the U.S. Senate in May 2009, he served as the director of the Florida Division of Emergency Management.

Our second witness is Mr. Richard Skinner, Inspector General of the United States Department of Homeland Security. Mr. Skinner was confirmed as the Department of Homeland Security's inspector general on July 28, 2005. Between December 9, 2004, and July 27, 2005, he served as acting inspector general.

Our third witness happens to be a constituent of the gentleman from Missouri, Mr. Cleaver.

I ask unanimous consent to permit the gentleman from Missouri to introduce our third witness.

No objection is heard. I recognize Mr. Cleaver for the purpose of introducing the witness.

Mr. CLEAVER. Thank you, Mr. Chairman. I appreciate the opportunity to introduce Gerald Jones to the committee.

It also gives me a chance—you know, living in a city, serving as mayor in a city called Kansas City, Missouri, and then across the river is another city called Kansas City, Kansas, and some people with 175 I.Q. don't know the difference between Missouri and Kansas. So they will ask me, "You know, how are things in Kansas?" Or, "How is Dorothy?" which, of course, I don't know the answer.

Overland Park is a suburb of Kansas City, Missouri, but Overland Park is in Kansas, another State. Our city codes were in shambles. We had protests from organized labor. We had complaints from development lawyers. We had complaints from home builders, all upset over our code system and how difficult it was to do business in Kansas City as we heard it.

Then, fortunately for us, we had someone just across the State line who had done a fabulous job over in Overland Park, Kansas, as the building code engineer, and that was, of course, Gerald Jones.

So we were able to recruit him. He did not volunteer to come to Kansas City, Missouri. We recruited him to come into Kansas City.

Mr. Chairman, he completely reorganized our entire system, developed a one-stop shop so that people could come through the city, get the codes and building permits and so forth, in a very easy way. It is a process that still is underway.

To my great pain, he retired in 1994, which was the middle of my mayoral term, but he didn't retire from work, and he has worked tirelessly in the field serving as chair of the National Institute of Building Sciences and its Building Seismic Safety Council and Multihazard Mitigation Council. He, in addition to that, was appointed by FEMA to the Advisory Committee for the National Earthquake Hazards Reduction Program.

He is an expert if we have ever had an expert come before this committee, and I am very pleased, Mr. Chairman, that he was invited and agreed to be with us today.

Chairman THOMPSON. Well, with that kind of introduction, Mr. Jones, we want to welcome you.

Without objection, the witnesses' full statement will be inserted in the record. To provide Members images of the type housing the witnesses are describing, slides will be displayed on the monitors. Without objection, the slides will be inserted into the hearing record at the appropriate point.

[The information follows:]

Hope, Arkansas storage site

Aerial view of temporary housing storage site



Courtesy of Congressman Mike Ross's office:
Circa 2006

Prepared by majority staff of the Committee on Homeland Security

FEMA

#1 Frontier RV \$ 21,000



#2 TL Industries \$ 20,595



#3 D & D \$ 29,995



#4 Arkel Modular \$ 44,735



#5 Lexington Homes \$ 55,618



#6 Heston - Modular \$ 61,815



#7 CRN Modular \$ 77,490



Prepared by majority staff of the Committee on Homeland Security

Intershelter, Inc.

Price *\$10,500*

Strong points:

- Easy to assemble
- Longevity/ Durability
- Portability

Survival Sphere



Prepared by majority staff of the Committee on Homeland Security

HELP (Housing Emergency Logistics Plan)

Price *\$20,000 (20ft.) - \$30,000 (40ft.)*

Strong points:

- Environmentally friendly
- Economical storage
- Versatile

Single Shelter



Community of shelters



Prepared by majority staff of the Committee on Homeland Security

Brajo, Inc.	
<i>Price \$ 9,850 - \$ 19,950</i>	
Strong points: <ul style="list-style-type: none"> <input type="checkbox"/> Multi-functional <input type="checkbox"/> Easy to assemble (QRS) <input type="checkbox"/> Eco-friendly 	 <p>Modular Unit \$9,850</p>
	 <p>U-3 \$ 19,950</p>
<small>Prepared by majority staff of the Committee on Homeland Security</small>	

Chairman THOMPSON. I now recognize Administrator Fugate to summarize his statement for 5 minutes.

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

Mr. FUGATE. Thank you, Mr. Chairman and distinguished Members of the committee. I am honored to appear here today and discuss disaster housing.

I really appreciate the fact, Congressman Cleaver, you brought up and you talked about mitigation. One of our challenges will be, as long as our housing stock is vulnerable to the hazards we face—and the numbers can be staggering—we are never going to get to where we need to be on housing if the homes we are building aren't sound in the first place.

To give you some examples of that, Mr. Chairman, during our catastrophic planning, looking at various parts of the country, what would happen in a major earthquake, a major hurricane-type scenario, looking at natural hazards, here are some numbers we are dealing with.

If we look at the New Madrid earthquake zone, based upon our catastrophic planning, if a major quake occurred there today, approximately 2.6 million people, or roughly 1 million households, will need housing assistance.

If South Florida is struck by a Category 5 hurricane, similar to the great Miami hurricane in 1926, 3.6 million households would be uninhabitable with major damage.

San Francisco in a 7.0 to 7.9 earthquake, about 100,000 would need short-term, 36,000 longer-term. That is a pretty low number

until you understand that California has been doing seismic code for a long time and had been building in structures for that.

Hawaii, which uses single-wall construction, if you had a Category 4 hurricane affect the major islands there, as many as 650,000 residents would be without housing.

These are the events that could occur. In our history, they have occurred. So in looking at how we address short-term to longer-term permanent housing solutions, I think it is very appropriate, Mr. Chairman, that one of the presentations is mitigation and how we build our homes to mitigate against a hazard we face. That will be the best overall starting point for reducing demand in future disasters.

But given that and our role at FEMA, the effect of our housing program and how it scales is demonstrated by a recent event in 2007 in Kansas, Greensburg, where we had an F4 tornado strike. It produced about 1,400 families who needed housing and needed assistance.

Our programs provided temporary housing for over 300 of those families. That is typical of many of the responses that occur every day in this country from Alaska to Florida to even working with our territories and our commonwealths of reoccurring events where we have housing demands that oftentimes, either through the use of rental properties, non-impacted areas, or temporary housing units, we are able to provide a sheltering environment to allow people to either rebuild back on their property, repair their homes, or find other housing in the area.

But there is a point where those systems will not scale up in a catastrophic event. Oftentimes when we are looking at the shorter-term shelter issues of providing temporary housing units as a bridge, it is a bridge that doesn't get us to a long-term solution.

As we saw in the southern States in the Katrina and Rita areas, the amount of demand for long-term housing was not addressed with temporary units because, at the end of what should have been a temporary program, housing had not come back with enough housing stock for people to move out of those units.

When we look at these numbers, what we find is we are often now facing a point at which we have to make decisions about, how do we best manage housing needs in the sheltering phase through that temporary housing process through, what is the long-term answer? Do we need to look early in some of these catastrophic events at relocating populations out of an area to where there are housing units available?

There is finite capacity to install temporary housing units. There is finite capacity on how quickly units can come back on-line. When we look at this process, Mr. Chairman, we need your guidance. We know this is not something that FEMA will be able to address if we do not have those long-term housing solution programs.

We are essentially looking at sheltering through the intermediate housing phase until there is a solution that would provide long-term needs being met. We need to work as partners with our State and local governments, with our private sector, but, Mr. Chairman, most importantly, with you and your committee on how we lay out a plan.

I think right now we have been able to present that we have many tools in the toolbox, but without a good architectural blueprint, I am not sure we are always getting to where we want to go when we build out for temporary housing.

You brought up the issue, Mr. Chairman, that we still see people in temporary housing, you know, 4 years later. There are about 2,700 families in temporary housing units as we speak right now, and that number continues to go down as we continue to do case-work.

As you present, many units were purchased and not used. We are having to look at, what do we do with those units and dispose of them? We currently have court orders saying that some of those units we may not dispose of; they are being held. Others, we are trying to dispose of those through GSA and other aspects of how we eliminate surplus property.

But we still need to work on, what is the number that we need to have in inventory for a lot of reoccurring disasters? Then how do we scale up for the large-scale catastrophic events?

With that, Mr. Chairman, I will conclude my remarks and I am available for further questioning.

[The statement of Mr. Fugate follows:]

PREPARED STATEMENT OF W. CRAIG FUGATE

JULY 8, 2009

Good morning Chairman Thompson, Ranking Member King, and other distinguished Members of the Committee on Homeland Security. It is a privilege to appear before you today on behalf of the Department of Homeland Security and the Federal Emergency Management Agency (FEMA). As always, we appreciate your interest in, and continued support of, FEMA's mission to prepare for, protect against, respond to, recover from, and mitigate all hazards.

Mr. Chairman, disaster housing may be among the most challenging and complex missions facing our agency, and the Nation, following a catastrophic event. No aspect of recovery is more critical to the timely and sustainable revitalization of a disaster-impacted community than the return of its citizens and workforce, and no aspect of recovery is more critical to supporting their return than the availability of housing. This situation will be most acute in catastrophic environments where the level of damage is so severe that locally available rental resources are insufficient to meet the needs of the displaced. Such situations are enormously challenging, but a challenge that we, as a Nation, must be prepared to meet.

Let me make one thing perfectly clear. Disaster housing, particularly in a catastrophic incident environment, is not a mission that FEMA can or will ever be able to handle alone. While we certainly have the ability and are prepared to bring an enormous number of financial and material resources to bear, the sheer size, scope, and duration of a catastrophic housing mission requires the coordinated involvement and aggressive engagement of multiple Federal agencies, State, local, and tribal governments, the private sector, and voluntary agencies. Only by working together, and leveraging all of our respective strengths and capabilities, can we achieve the kind of timely and comprehensive housing response that disaster survivors need and that our Nation has come to expect.

FEMA's housing programs are, as mandated by the Stafford Act, temporary. By law, the President may provide temporary housing assistance for no more than 18 months, unless he determines that conditions are so extraordinary as to warrant an extension. Accordingly, FEMA has focused its efforts on developing temporary housing assistance that will provide a timely but interim bridge to disaster survivors while they seek more permanent, stable, and long-term housing solutions. Within that framework, FEMA considers pre-existing rental resources as a preferred temporary housing solution, and employs temporary housing units only as a last resort, when existing housing and rental resources in and around a community have been virtually destroyed, rendered uninhabitable, or exhausted. Such was the case in the States of Louisiana and Mississippi following Hurricanes Katrina and Rita, and more recently in coastal areas of Texas following Hurricane Ike. The lack of avail-

able housing and rental resources was so acute that temporary housing units were the only viable solution for those survivors who wanted to remain close to their homes, close to their jobs, close to their neighbors, or close to their children's schools. In such situations, temporary housing units, whether traditional units, such as travel trailers; or newer alternative units, such as Katrina-type cottages, may play a huge role in just how quickly a small community is able to rebound from a disaster and begin the march to recovery. Community recovery may be faster if disaster-affected communities identify strategies to integrate these alternative units permanently into their communities, rather than viewing them solely as an alternative to temporary housing units.

FEMA plays a critical role in finding rental resources for survivors following a disaster. While securing temporary housing in or near an impacted community for every disaster survivor or household that needs such assistance is not always possible, FEMA can quickly relocate survivors to where temporary housing is available. During large-scale events, such relocations, potentially at a significant distance from the impacted community, are often inevitable. Our challenge remains facilitating their return as quickly as possible, so that they can help their communities recover.

As I've mentioned, we employ temporary housing units as a last resort, when other forms of housing are unavailable. Utilization of local rental resources is preferred, as such housing not only provides a better quality living environment and is suitable for long-term occupation, but the use of such housing contributes to the local economy. To help facilitate the timely movement of survivors into—and monitored occupancy of—rental resources, FEMA's partner, the Department of Housing and Urban Development (HUD), has developed the Disaster Housing Assistance Program, which allows HUD to leverage their network of Public Housing Authorities across the Nation to organize and manage survivor placement, including case management assistance. HUD piloted the Disaster Housing Assistance Program following Hurricanes Katrina and Rita, and subsequently reprised the program in response to Hurricanes Ike and Gustav.

With that said, when FEMA is confronted with an event of catastrophic magnitude, the need for housing will most likely outstrip locally or regionally available rental resources, and require augmentation from traditional and non-traditional forms of temporary housing units. Accordingly, FEMA maintains a baseline inventory of various types of temporary housing units at several storage locations around the country, to provide an initial and immediate delivery capability while our multiple contract suppliers ramp up sustained production. Our inventory includes manufactured housing, park models, and travel trailers, a subset of which is specifically designed to be accessible to special needs occupants.

RECENT IMPROVEMENTS AND INITIATIVES

While our work is not yet complete, we have made significant progress in a number of key areas related to disaster housing.

In January of this year, FEMA released the National Disaster Housing Strategy, which provides, for the first time, an overarching framework for a national disaster housing effort. The Strategy is intended to bring together all levels of government, nongovernmental organizations, and the private sector to meet the urgent housing needs of disaster victims and enable individuals, households, and communities to rebuild following a disaster. The Strategy draws on best practices and lessons learned to identify actions that must be taken to improve disaster housing assistance, an effort that involves renewing our focus on planning, building baseline capabilities, and providing a broader range of disaster housing options. It describes key principles; responsibilities and roles; and current practices in sheltering, interim housing, and permanent housing. The Strategy is based on a fundamental understanding that disaster housing is more than simply providing a structure, but must also address the complex needs of disaster victims. Disaster housing efforts must address human needs and connect to a broad range of community-based services. The Strategy also discusses future directions for how the Nation can work together to achieve national disaster housing goals. This includes reviewing best practices and innovations to establish baseline capabilities and core competencies; validating roles and responsibilities; and improving the range, quality, and timeliness of disaster housing services provided by communities, States, and the Federal Government. For example, the Strategy calls for innovative approaches to meet diverse needs of disaster victims and reduce shelter demands by improving resilience and accelerating repairs. It also calls for a broader range of interim housing options to meet diverse needs. In addition, the Strategy established the National Disaster Housing Task Force, which will be staffed by national-level representatives from several Federal agencies. The Task Force will engage and interact with key stakeholders at all lev-

els of government, as well as with the private sector, industry, and voluntary agencies.

In April and May 2009, FEMA convened organizational meetings of the National Disaster Housing Task Force with representatives of the Department of Housing and Urban Development, the Department of Health and Human Services, the U.S. Small Business Administration, and the U.S. Department of Veterans Affairs. First drafts of an implementation plan, a concept of operations, a National Disaster Housing Task Force charter and an organizational chart, as well as guidance for the State-led Housing Task Forces Charter, Organizational Chart, and Implementation Plan have been developed, and are currently being reviewed by the partner agencies. Next steps for the Task Force include finalizing these documents, and continuing outreach activities and coordination to identify resources and gaps in the disaster housing arena. We will continue to keep you updated on these efforts.

We also released an updated 2009 Disaster Housing Plan, a streamlined document that operationalizes guidance contained in the National Disaster Housing Strategy, and describes the specific types of assistance that FEMA will provide to support State, local, and Tribal governments in meeting the housing needs of disaster survivors when FEMA's Individual Assistance Programs are authorized under a Presidentially declared disaster.

With regard to temporary housing units, we have made tremendous progress in improving the quality of our units. We have redefined and made even more stringent the specifications for every unit that FEMA procures in support of disaster survivors, to ensure these units are the safest available in terms of air quality. This includes new and more rigorous specifications for travel trailers, which are once again a part of our temporary housing arsenal. As you know, the use of travel trailers was suspended for a period of time, following concerns with formaldehyde. However, a number of States have made it clear that they want travel trailers to remain a part of our inventory, and in many cases, a travel trailer is the only unit that will fit on suburban private property. To further meet the needs of disaster survivors and the desires of our State customers, FEMA awarded, in April 2009, four contracts for the manufacture of low emissions travel trailers with improved air exchange. The contractors are required to build, deliver, and conduct air quality testing for temporary housing units for up to 5 years. This contract award represents the agency's continuing commitment to identify new alternative housing solutions to supplement the array of solutions available to best meet the complex, disaster-related housing needs of the survivors and the States we support.

Travel trailers are not suitable for those who need a housing solution for a prolonged period of time; however, they provide an invaluable resource to States with homeowners who need a shorter period of time to repair their homes and whose property cannot accommodate other types of housing units, such as park models or manufactured housing. I am pleased that we have been able to produce FEMA-specification travel trailers with improved air quality standards and increased air exchange to help address health care concerns that were identified as a result of the 2005 hurricane season.

One of our areas of greatest progress has been in the area of exploring new forms of alternative temporary housing. Our Joint Housing Solutions Group completed an initial assessment of numerous candidate alternative units, culminating in the award of a competitive contract for seven different models. Under this contract, FEMA has had each of the vendors build and install a prototype unit at our National Emergency Training Center, in Emmitsburg, Maryland, where we can closely monitor and evaluate their quality and durability as students occupy these units throughout the year. While our contract allows us to purchase multiple units to support a disaster housing response immediately should the need arise, these prototypes allow us to assess these units in controlled conditions across all four seasons, and will help us determine whether these units will become part of our permanent capability inventory. Additional alternative units are also being evaluated in Galveston, Texas, and are supporting actual Hurricane Ike-displaced households.

In 2006, Congress appropriated \$400 million to FEMA for a pilot program to identify and evaluate new alternatives for housing disaster survivors. This Alternative Housing Pilot Program encouraged state-of-the-art engineering standards designed to maximize structural strength, durability, and energy efficiency. Four States received competitive grants: Alabama, Mississippi, Louisiana, and Texas, and all have commenced or completed construction of their units. Once the evaluation period is complete, these models could potentially be used in response to future disasters. We look forward to fully assessing these pilot projects, and anticipate that they will provide valuable housing lessons for application in future disasters.

FEMA is also evaluating the lessons learned from our Rental Repair Pilot Program, which Congress authorized as part of the Post-Katrina Emergency Manage-

ment Reform Act. This pilot program, which expired at the end of 2008, allowed FEMA to test and evaluate the utility and cost-effectiveness of coordinating and funding the timely repair of damaged multi-family dwellings, such as apartment complexes. Pilots were conducted in both Iowa and Texas, and our findings are reflected in a report that was recently submitted to Congress. Those findings will assist us in determining if such a capability should be permanently added to our recovery authorities.

As I noted earlier, FEMA cannot and should not handle a disaster housing mission alone. Recognizing the critical role that States should play in the planning and character of any disaster housing response, the National Disaster Housing Strategy called for the establishment of State-led Housing Task Forces. The concept of a State-led Housing Task Force grew out of lessons learned during the California Wildfires in 2007. The State of California and FEMA established a joint State and Federal housing task force to coordinate housing issues, including resources, zoning and code concerns, services for survivors, and other areas of mutual interest. This idea was formalized in the National Disaster Housing Strategy. The State-led Disaster Housing Task Force empowers States to have a decision-making role in providing disaster housing options at the beginning of a disaster, as well as encourages States to effectively plan and organize for the multifaceted dimensions of a housing mission before a disaster. These task forces have proven successful in the States of Iowa, Indiana, Illinois, Wisconsin, and Missouri. Partnering State Agencies typically include State Departments of Health, Housing, Community Development, General Services, Human Services, and numerous private non-profits such as Habitat for Humanity, American Red Cross, Salvation Army, and local low-income and accessible housing groups to ensure that the housing needs of all affected populations are met.

In conclusion, Mr. Chairman, while FEMA has made impressive progress improving our temporary housing assistance programs, I clearly recognize that we—FEMA and our partners across the Nation—have much more work to do. It will be a challenge, but it is a challenge I accept. I know I will be able to count on your support.

Thank you. This concludes my testimony. I am prepared to answer any questions the committee may have.

Chairman THOMPSON. Thank you very much. Just like Mr. Souder, we welcome your maiden voyage to this committee. I don't think it will be too rough, but you never can tell. Winds sometimes blow differently.

Mr. Skinner, you now have 5 minutes for your testimony.

**STATEMENT OF RICHARD L. SKINNER, INSPECTOR GENERAL,
DEPARTMENT OF HOMELAND SECURITY**

Mr. SKINNER. Thank you. Good morning, Mr. Chairman, and Members of the committee. Thank you for having me here today.

My testimony today draws up on past and on-going work performed by my office and focuses on FEMA's efforts to improve its disaster housing operations. As Mr. Fugate pointed out, disaster housing is one of the most complex challenges facing emergency managers at all levels of government following a major disaster.

Deficiencies in the Government's housing response to Hurricane Katrina and Hurricane Rita were well-documented. The bottom line is that no one was prepared to deal with the housing crisis created by a disaster the size of Hurricanes Katrina and Rita.

Nevertheless, there were many failures in the Federal housing response that could have and should have been avoided. The absence of completed housing plans for catastrophic events is not new to FEMA. It is not new to HUD. It is not new to the Federal Government.

Both the FEMA OIG and GAO reported on housing recovery deficiencies across all levels of government after Hurricane Hugo, and the Loma Prieta earthquake in 1989, and again after Hurricane Andrew in 1992, and the Northridge earthquake in 1994.

GAO criticized Federal disaster assistance programs as being inadequate in providing aid to repair damaged rental units when there was a shortage of housing. The FEMA IG stated in 1993, more than 15 years ago, "Alternatives need to be explored for situations in which suitable rental resources are not readily available."

FEMA recognizes these problems. Prior to August 2005, prior to Katrina and Rita making landfall, had made at least three failed attempts to develop a catastrophic disaster housing plan. Had such a housing plan existed prior to Katrina and Rita making landfall, the amount of available housing would have probably increased and the cost of temporary and permanent housing would most likely have not been as great as it was or is.

Developing a disaster housing plan, which includes better alternative housing solutions, is important for a number of reasons, but a key one is the cost of the current housing approach.

GAO has estimated that the average lifespan of temporary housing units can be as long as 3 years, and the lifespan costs could range from \$26,379 for a travel trailer at a private site to \$229,000 for a travel trailer at a group site.

In addition to these costs, FEMA estimates it is currently spending about \$100 million per year to store over 100,000 trailers in manufactured housing units that they eventually plan to dispose of.

The use of manufactured housing might be a reasonable approach after most disasters, as Mr. Fugate pointed out, but in the wake of a catastrophic event, as Hurricanes Katrina and Rita have taught us, FEMA needs better alternatives that quickly restore housing stocks and represent a cost-effective option for American taxpayers.

It is critical to understand the impact that post-disaster housing stock levels have on disaster housing operations. The repair and restoration of existing housing stocks is one of the most important challenges FEMA and its response-and-recovery partners face following a catastrophic housing disaster. All other housing decisions and programs hinge on this single variable.

When January 16 of this year FEMA released a national disaster housing strategy required by the Post-Katrina Act of 2006, this is FEMA's fourth attempt to develop a catastrophic disaster housing strategy since 2002. The strategy summarizes the sheltering housing capabilities, principles, and policies that will guide the disaster housing process.

It is a positive step forward, but it is only an interim step. It provides the framework for much-needed changes in disaster housing policy and outlines a number of potential programs and Federal agencies that can help victims find housing solutions.

But the strategy does not include the operational plans that everyone acknowledges are needed for successful post-disaster housing recovery. These plans should be tailored to meet the needs of the particular event or disaster scenario, that is, from the garden-variety disaster to the catastrophic disaster.

FEMA needs more flexibility to explore innovative and cost-effective solutions to disaster housing challenges. In our 2008 report, FEMA's Sheltering and Transitional Housing Activities after Hurricane Katrina, we encouraged FEMA to explore alternatives.

Both FEMA's national disaster housing strategy and a recent U.S. Senate report on disaster housing recognizes the challenges and the importance of developing greater flexibility in providing housing solutions. Some promising ideas came out of those studies.

Catastrophic disasters are high-consequence, low-probability events, and preparing for these events is extremely complex and difficult, as Mr. Fugate has pointed out. It is not something that we are going to fix overnight, so we are going to require everyone to sit around the table, Federal, State, local, nonprofit. It also will require considerable input from this committee and others that have a stake in developing a solution.

FEMA's greatest housing challenge is helping victims remain in their communities following catastrophic disasters. To meet this challenge, FEMA needs flexible, innovative and cost-effective ways to help victims repair housing stocks. It is critically important that all disaster stakeholders at the Federal, State, and local levels and private sector maintain this momentum and continue to implement needed changes over time. Only by doing this will we as a Nation be better prepared for the next catastrophic disaster.

Mr. Chairman, that concludes my testimony. I will be happy to answer any of your questions.

[The statement of Mr. Skinner follows:]

PREPARED STATEMENT OF RICHARD L. SKINNER

JULY 8, 2009

Good morning, Mr. Chairman and Members of the committee. I am Richard Skinner, Inspector General for the Department of Homeland Security (DHS). Thank you for the opportunity to discuss the status of the Federal Emergency Management Agency's (FEMA) efforts to improve its disaster housing operations.

As you are well aware, hurricane season is upon us. While FEMA has made strides in a number of areas since Hurricanes Katrina and Rita struck the Gulf Coast in 2005, there is still room for improvement, including in the critical area of disaster housing.

When Hurricane Katrina made landfall, it devastated far more residential property than any recent hurricane, displacing over a million people and destroying over 300,000 homes—nearly ten times the number of homes destroyed by hurricanes Camille and Andrew combined. Hurricane Rita caused further devastation, making landfall on the Gulf Coast in September 2005. Hurricanes Katrina and Rita severely challenged FEMA's ability to find housing solutions for victims. Complicating the challenge, these hurricanes affected large numbers of renters, the poor, and the elderly—groups that have more difficulty dealing with the challenges of a catastrophic disaster.

Losing one's home in a disaster has far-reaching consequences. In the immediate aftermath of a disaster, individuals need secure shelter. When one's home is destroyed, most personal possessions are also destroyed and must be replaced. In order to begin rebuilding, individuals often need to return to work. Children need to return to school. But this may not be possible if a family has to relocate far from the affected area. The sooner individuals can get into permanent or semi-permanent housing, the sooner they can begin rebuilding their lives. In turn, communities can also begin to rebuild and recover.

FEMA is addressing weaknesses identified in a range of post-Katrina reports and is in various stages of implementing the requirements of the *Post-Katrina Emergency Management Reform Act of 2006* (Pub. L. 109-295, Title VI—National Emergency Management, of the Department of Homeland Security Appropriations Act of 2007) (Post-Katrina Act). FEMA continues to perform well responding to non-catastrophic or "garden variety" disasters; however, it still has much to do to become a cohesive, efficient, and effective organization to prepare for and respond to the next catastrophic event.

My testimony today draws upon past and on-going work performed by my office and focuses on FEMA's efforts to improve its disaster housing operations. It also addresses FEMA's progress implementing recommendations made by my office, as well

as external organizations including Congress and GAO. I will focus on six key areas: (1) The high cost of FEMA's current housing approach; (2) the critical element of housing stocks; (3) the importance of communications in the aftermath of a disaster; (4) the National Disaster Housing Strategy and the Joint Housing Solutions Group; (5) the importance of State and local officials' involvement and leadership; and (6) the need for innovation and "thinking outside the box" in addressing the intractable disaster housing problem.

THE HIGH COST OF CURRENT HOUSING OPTIONS

Developing better alternative housing solutions, particularly options to be used in catastrophic disasters, is important for a number of reasons, but a key one is the cost of the current housing approach.

FEMA's traditional housing programs are not always the most cost-effective way to deal with the massive destruction of housing stocks. For example, following Hurricane Katrina, FEMA built expensive community sites and placed victims in travel trailers, sometimes spending over \$100,000 to house a family for 18 months. Further, FEMA paid rent to tens of thousands of hurricane victims under various housing programs for up to 44 months, 26 months longer than the 18 months generally allowed under the Stafford Act.

FEMA has estimated that the average lifespan of temporary housing units occupied by disaster assistance applicants post-Katrina/Rita is 3 years. Their estimate assumes that a temporary housing unit will be deployed in the field for up to 2 years and stored at a FEMA housing storage site for 1 year. When a unit is returned after use by an occupant, the unit is designated either for disposal or redeployment depending on its condition. FEMA estimates that the lifespan cost of a travel trailer, park model, and mobile home is \$26,379, \$37,379, and \$52,634, respectively. When units are disposed of, the average sales price is \$5,550, \$7,250, and \$19,000, respectively. These cost estimates are consistent with those determined by the U.S. Government Accountability Office (GAO) in a 2007 report¹ based on Hurricane Katrina and Rita occupants, which indicated that FEMA would spend an average of \$30,000 for each 280-square-foot trailer at a private site. It is important to note, however, that at some sites, the average costs were significantly higher, estimated to be as high as \$229,000, approximately the equivalent of the cost of a five-bedroom, 2,000-square-foot home in Jackson, Mississippi.

FEMA estimates it is spending about \$100 million per year to store over 100,000 trailers and manufactured housing units that they eventually plan to dispose of. While in a "garden variety" disaster, the use of manufactured housing might be a reasonable approach, in the wake of a catastrophic event, FEMA needs better alternatives that quickly restore housing stocks and represent a cost-effective option for disaster victims and American taxpayers.

THE CRITICAL ELEMENT OF HOUSING STOCKS

It is critical to understand the impact that post-disaster housing stock levels have on disaster housing operations. The repair and restoration of existing housing stocks is one of the most important challenges FEMA and its response and recovery partners face following a catastrophic housing disaster. All other housing decisions and programs hinge on this single variable.

After Hurricanes Katrina and Rita, there was simply not enough affordable housing left to allow many victims to remain near their communities. The Brookings Institution reported that in the months following Hurricane Katrina, the population of New Orleans might have fallen by as much as half.² It's not that people wanted to relocate outside the area; there just wasn't enough housing to support the population. Three-and-a-half years after the storm, the Brookings report estimates the New Orleans metropolitan area has recovered to about 88% of its pre-storm population, but rents have also risen, to approximately 46% above pre-Katrina rates.

"Alternatives need to be explored for situations in which suitable rental resources are not readily available." I don't think anyone is surprised by this statement, but you may be surprised that it was written by the FEMA Inspector General in 1993

¹*Hurricane Katrina: Ineffective FEMA Oversight of Housing Maintenance Contracts in Mississippi Resulted in Millions of Dollars of Waste and Potential Fraud* (GAO-08-106), U.S. Government Accountability Office, November 2007.

²*The New Orleans Index Anniversary Edition: Three Years after Katrina*, The Brookings Institution Metropolitan Policy Program & Greater New Orleans Community Data Center, August 2009.

after Hurricane Andrew.³ I believe it is as true today as when it was written more than 15 years ago.

FEMA does not have sufficient tools, operational procedures, and legislative authorities to aggressively promote the cost-effective repair of housing stocks, which would increase the amount of housing available and likely limit increases in the cost of housing, particularly rental rates. For example, FEMA needs a flexible and efficient rental repair program for use in catastrophic disasters to get low-income rental housing back on-line quickly. For catastrophic disasters, it may help for FEMA to have the flexibility to provide more repair money, above the \$30,300 currently available under the Individuals and Households Program, to low-income home owners.

In the Post-Katrina Act, Congress required FEMA to develop the National Disaster Housing Strategy and describe any additional authorities necessary to carry out any portion of the strategy. However, when FEMA issued the Strategy, it did not identify additional authorities to strengthen its ability to repair existing housing stocks.

COMMUNICATION IS KEY

Whether there is enough housing stock after a disaster to resettle residents in the affected area, or whether individuals and households may need to consider relocation, clear communication is key. Following the 2005 hurricanes, affected individuals, the media, Members of Congress, and State and local officials severely criticized FEMA for its response to the housing crisis. Many of these criticisms occurred because of a misunderstanding of disaster housing roles, responsibilities, and limitations. To better manage expectations following a catastrophic event and speed the recovery process, FEMA should work with State and local officials to state clearly in its policies, procedures, and public messaging achievable goals and what constitutes success when housing stocks cannot be repaired. In extreme cases, officials should clearly communicate that some victims may need to relocate their households, possibly far from their original communities.

Stakeholders generally understand that quickly assisting affected individuals to secure housing near their pre-disaster communities is the primary goal and defines success in virtually all disasters. When housing stocks are not lost on a massive scale, FEMA and its partners have the tools to help victims locate permanent housing in their pre-disaster communities. However, the usefulness of this definition of success breaks down in a catastrophic disaster.

Homeowners can make home repairs with insurance proceeds or through small grants provided by FEMA's Individuals and Households Program. When the storm destroys some rental properties, housing officials can help individuals find new units from surviving stocks. FEMA can also provide temporary manufactured housing units until victims can repair or replace their homes.

However, when housing stocks are destroyed and have little prospect for quick repair, FEMA, State, and local officials should clearly communicate to stakeholders that there is not enough housing stock for everyone and that some will need to relocate to other communities. This will help individuals and families begin to rebuild their lives. The sooner FEMA, its Federal partners, State, and local government leaders, and other stakeholders make this determination, the quicker households can be assisted in finding permanent and cost-effective housing solutions. Officials at every level should communicate to affected individuals their roles and responsibilities in finding permanent housing. This communication is key and should occur, as the saying goes, early and often.

FEMA's Acting Administrator summarized the challenge of housing victims of a catastrophic disaster, in March 2009, this way, "The fundamental issue is not whether FEMA and our partners can find and provide provisional housing to disaster survivors, we can. The fundamental challenge is whether we can provide those disaster survivors safe and secure housing where they and their communities want it, and do so in a timely and cost-effective manner. This latter challenge is, and will remain, our greatest challenge."⁴

³ *FEMA's Disaster Management Program: A Performance Audit After Hurricane Andrew* (H-01-93), FEMA Office of Inspector General, January 14, 1993.

⁴ Written Statement of Nancy Ward, Acting Administrator, Federal Emergency Management Agency, U.S. Department of Homeland Security, before the Ad Hoc Subcommittee on Disaster Recovery, Homeland Security and Governmental Affairs Committee, United States Senate, "A New Way Home: Findings from the Subcommittee on Disaster Recovery's Special Report and Working with the Obama Administration on a Way Forward," March 18, 2009.

THE NATIONAL DISASTER HOUSING STRATEGY AND THE JOINT HOUSING SOLUTIONS GROUP

On January 16 of this year, FEMA released the National Disaster Housing Strategy required by the Post-Katrina Act. The Strategy summarizes the sheltering and housing capabilities, principles, and policies that will guide the disaster housing process.

The Strategy promotes engagement of all levels of government, along with non-profits, the private sector, and individuals to collectively address the housing needs of disaster victims. The goal is to enable individuals, households, and communities to rebuild and restore their way of life as soon after a disaster as possible.

The Strategy released in January is a positive step forward, but it is only an interim step. It outlines a number of potential programs and Federal agencies that can help victims find housing solutions. But the Strategy does not include a plan of action designed to achieve a specific goal. It also does not describe what would be a favorable outcome or goal in a particular disaster scenario and what steps FEMA would take to achieve that goal. To be complete, FEMA must specify what constitutes success under increasingly severe disaster scenarios, especially catastrophic disasters.

Complementing the National Disaster Housing Strategy is the Joint Housing Solutions Group (JHSG) initiative, begun in September 2006, which is a multi-year effort to develop a systematic process to evaluate and rate various disaster housing options, identify alternatives to FEMA travel trailers and manufactured homes, and recommend improvements for conducting disaster housing operations. The JHSG, which includes housing specialists from the U.S. Department of Housing and Urban Development (HUD), the National Institute of Building Sciences (NIBS), and FEMA, evaluated proposals and initiated contracts with seven alternative housing manufacturers, each of whom has delivered one prototype unit to FEMA's Emergency Management Institute (EMI) in Emmitsburg, MD. These units will undergo pilot testing by having EMI students live in the units. Additionally, the JHSG continues to develop and field test a Housing Assessment Tool to facilitate decisions on the selection and use of temporary and alternative housing units. This tool is used by FEMA to collect information on housing products and determine whether available options are suitable for meeting disaster housing needs.

The JHSG has identified seven action items that FEMA should consider implementing to maintain its momentum in developing alternative housing solutions:

- Develop an Alternative Housing Options Strategy, pulling together stakeholders in a coherent and structured way;
- Continue identification and assessment of potential alternative housing units;
- Pilot the most promising alternative housing units;
- Develop performance specifications for new alternative housing units;
- Develop a procurement plan for pilot and full implementation of alternative units;
- Increase coordination between JHSG and the Alternative Housing Pilot Program (AHPP); and
- Conduct public information and outreach.

EMPHASIZING STATE AND LOCAL GOVERNMENT LEADERSHIP

Both the National Disaster Housing Strategy and FEMA's 2009 Disaster Housing Plan, which is based on key concepts in the Strategy and describes FEMA's approach to meeting disaster housing needs during the 2009 hurricane season, emphasize the role of State and local governments in assuming greater housing leadership through the State-led Joint Housing Task Force. Although State and local government officials are in the position to know the best housing solutions for their communities, officials may be reluctant to lead this effort.

In a 2008 audit prepared by my office, we reported that after Hurricane Katrina, a number of local communities were very reluctant, or even directly refused, to accept FEMA mobile home and travel trailer group sites in their communities. In some cases, State or local governments agreed to temporary housing sites, but then reversed their decision after housing installation had begun. Each time this happened, FEMA was further delayed in housing disaster victims and incurred additional costs.⁵ FEMA has wasted millions of dollars in the past preparing group sites that were later rejected for one reason or another.

According to the National Disaster Housing Strategy, when it becomes necessary to build group housing sites, State and local governments are responsible for identi-

⁵ *FEMA's Preparedness for the Next Catastrophic Disaster* (OIG-08-34), U.S. Department of Homeland Security Office of Inspector General, March 2008.

fying vacant land that they own that may be suitable for a community site. When publicly owned land is unavailable or infeasible, the State and local governments are responsible for identifying potentially viable sites for FEMA to lease. FEMA must continue to emphasize to State and local government officials their increased responsibility to develop and implement housing solutions.

THINKING OUTSIDE THE BOX

FEMA needs more flexibility to explore innovative and cost-effective solutions to disaster housing challenges. In our report, *FEMA's Sheltering and Transitional Housing Activities After Hurricane Katrina*,⁶ issued in September 2008, we encouraged FEMA to explore alternatives to its traditional housing programs, including providing lump sum payments to disaster victims. This could be a more cost-effective and expeditious way of returning them to a more normal way of life.

Both FEMA's National Disaster Housing Strategy and a recent United States Senate report on disaster housing⁷ recognize the challenges and the importance of developing greater flexibility in providing housing solutions. Some promising ideas include:

- *Implementing a rental repair program.*—Although FEMA's Individuals and Households Pilot Program shows promise, it is uncertain whether the program is sufficiently scalable and flexible to be effective following a catastrophic disaster.
- *Expanding the Individuals and Households Program for catastrophic events.*—In catastrophic events that include the massive loss of housing stocks, the \$30,300 repair limit may not be sufficient to provide victims the flexibility to choose cost-effective solutions, especially when compared to the cost of building community sites, providing manufactured housing, or paying rental assistance over extended periods.
- *Finding low-cost and low-formaldehyde alternatives to travel trailers.*—FEMA, through its Joint Housing Solutions Group, has recently developed temporary disaster housing alternatives that meet stringent emission standards. However, these alternatives are expensive, ranging from \$45,000 to \$75,000, before installation, monthly maintenance, deactivation costs and, when required, building community sites. Additionally, contractors may not be able to quickly produce the many thousands of units that FEMA could need following a catastrophic disaster. Based on current contracts, FEMA has the capacity to purchase approximately 38,000 travel trailers, mobile homes, and park models in a relatively short period of time. However, following Hurricanes Katrina and Rita, FEMA eventually purchased approximately 145,000 units.
- *Maintaining comprehensive cost data on all housing options.*—FEMA should collect and maintain comprehensive historical cost data for all housing options. This information will assist FEMA and future disaster victims in deciding among the most cost-effective housing options.

As a result of the Post-Katrina Act, FEMA undertook the Alternative Housing Pilot Program (AHPP), which funded five projects, in four States, using \$400 million appropriated for this purpose. The goal of the AHPP is to identify and evaluate better alternatives for housing disaster victims. FEMA's final report on the AHPP, which will be produced in conjunction with HUD, is expected to be completed by December 31, 2011.

CONCLUSION

Catastrophic disasters are high-consequence, low-probability events, and preparing for these events is extremely complex and difficult. FEMA's greatest housing challenge is helping victims remain in their communities following catastrophic disasters. To meet this challenge, FEMA needs flexible, innovative, and cost-effective ways to help victims repair housing stocks. But when restoration of housing stocks is not possible, FEMA, State, and local officials need to communicate the need for individuals to consider relocation.

In our report on FEMA's response to Hurricane Ike, we stated:

"FEMA's response to Hurricane Ike was well organized and effective, and FEMA and its Federal and State partners implemented their incident objectives aggres-

⁶*FEMA's Sheltering and Transitional Housing Activities After Hurricane Katrina* (OIG-08-93), U.S. Department of Homeland Security Office of Inspector General, September 2008.

⁷*Far From Home: Deficiencies in Federal Disaster Housing Assistance After Hurricanes Katrina and Rita and Recommendations for Improvement*, Ad Hoc Subcommittee on Disaster Recovery of the Committee on Homeland Security and Governmental Affairs, United States Senate, February 2009.

sively. By the end of October 2008, only 7 weeks after landfall, FEMA had registered more than 715,000 hurricane victims, completed 359,000 housing inspections, installed manufactured housing for 339 families, and disbursed \$326 million for housing and other needs. FEMA also assisted more than 100,000 disaster victims at its Disaster Recovery Centers.”⁸

Also, FEMA’s National Disaster Housing Strategy, released in January 2009, is a significant step toward improving FEMA’s overall disaster housing response. The strategy catalogues the Nation’s housing options and provides common principles to assist stakeholders in creating housing implementation plans. However, FEMA’s housing program continues to face challenges.

As demonstrated following Hurricane Ike, FEMA is better prepared for the next housing disaster. However, FEMA should act quickly to develop the tools, operational procedures and, if needed, seek additional legislative authorities to respond effectively to the next catastrophic disaster. Also, to better manage expectations and speed housing solutions, FEMA should set achievable housing goals and manage expectations following catastrophic disasters.

It is critically important that all disaster stakeholders at the Federal, State, and local levels maintain momentum and continue to implement needed changes over time. Only by doing so will we, as a Nation, be better prepared for the next catastrophic disaster, whether man-made or natural.

Mr. Chairman, this concludes my prepared remarks. I would be happy to answer any questions that you or the committee Members may have.

Chairman THOMPSON. Thank you very much, Mr. Skinner.
I now recognize Mr. Jones for 5 minutes.

STATEMENT OF GERALD H. JONES, MEMBER, NATIONAL INSTITUTE OF BUILDING SCIENCES

Mr. JONES. Thank you, Mr. Chairman, Members of the committee. I find it hard to live up to the introduction that Congressman Cleaver gave to me, but I think there is a message here in that what I was able to accomplish in the city of Kansas City, Missouri, was only possible because of the legislature, the council gave the will and the resources to let me do it. I think that applies across the board.

I am here today as a member of the National Institute of Building Sciences, which was created by Congress in 1974 as a single authoritative national source to make findings and advise both the public and private sectors on the use of building science and technology to achieve national goals and benefits.

Our board is diverse and includes six public interest members appointed by the President and confirmed by the Senate. As part of our mission, we work to reduce social and economic losses from natural hazards by improving collaboration among all entities involved in mitigation by deliberately promoting risk—multihazard risk reduction in the planning, design, and operation of built environment and not just let it happen later.

We serve as a focal point for dissemination of information on major policy issues. We have worked closely with FEMA for many years in several areas of hazard mitigation to manage post-disaster information and ensure that lessons learned from each disaster are documented and disseminated.

My written testimony provides documents of our collaborative work and many of the things that we have done with FEMA over the years. Our last project was to assist FEMA supporting the

⁸ *Management Advisory Report: FEMA’s Response to Hurricane Ike* (OIG–09–78), U.S. Department of Homeland Security Office of Inspector General, June 2009.

Joint Housing Solutions Group, as they attempted to evaluate the many different temporary housing solutions offered.

We assisted them in developing criteria and methodologies to determine the suitability of temporary structures, including safe, hazard-resistant designs, materials, taking into account geographic location, prevalent hazards, weather, environmental requirements, cost, delivery, and other factors that must be considered in reacting to a disaster.

We help the council develop a spreadsheet assessment tool that had at some 175 characteristics of a proposed housing unit. It included such things as production capability, the ability to ramp up production, storage issues, reuse issues, and it provided a standard frame of reference for comparing traditional and innovative emergency housing alternatives.

As a result of an open solicitation by FEMA, we then had representatives on a field assessment team that looked at some 40 potential solutions. We looked—we went into various parts of the United States, Puerto Rico, and Canada, looking at the various proposed solutions.

There were a wide variety of units submitted, and the team assessed each one as we were on the site. Then the team tried to do a team ranking as we went along. It is my understanding that those rankings have been taken into consideration in the units that are currently under testing right now.

We congratulate FEMA on the work they have completed under the housing group, but—there is always a but—we think that there is more work to be done in the nature of: What is the transition issue between temporary and permanent?

As a local building official, let me tell you that I have some temporary structures that are 20 years old. We have no scientific basis for how we have determined the interface between temporary and permanent use.

A community is very sensitive to compatibility with its housing stock. We need to take that into consideration. Right now, in my opinion, we are winging it. We are doing our past experience that says, “This will work,” or, “This will work.”

There are scientists out there who can provide additional scientific basis for trying to reach a longer-term goal of: How do we reach transition into permanent?

We thank you very much for the opportunity to make these opening remarks and be happy to try to deal with any questions you may have.

Thank you, sir.

[The statement of Mr. Jones follows:]

PREPARED STATEMENT OF GERALD H. JONES

JULY 8, 2009

Mr. Chairman and Members of the committee, my name is Gerald Jones and I am a professional engineer. Before retiring in 1994, I served as building codes administrator for Kansas City, Missouri, for 14 years. Prior to that, I was building codes administrator for Overland Park, Kansas, for 11 years. I worked as a partner and chief engineer for a metal building design and construction firm for 20 years before entering into the building official profession. I am testifying before this committee as a volunteer member of the National Institute of Building Sciences (Institute). I currently serve on the Institute’s Multihazard Mitigation Council (MMC)

Board of Direction. I have attached a copy of the MMC Overview including a membership listing for the MMC Board of Direction and Member organizations (Exhibit 1).

I previously chaired the Institute's Board of Directors and its Building Seismic Safety Council Board of Direction. I also served as chair of the Council of American Building Officials and president of the Building Officials and Code Administrators International (two predecessor organizations of the International Code Council). Over the years, I have worked closely with the Federal Emergency Management Agency (FEMA). FEMA honored my service with an Outstanding Public Service Award for recognition of extraordinary contribution to improving seismic safety to the Nation's buildings and occupants.

The National Institute of Building Sciences is a private, non-profit organization established by Congress through the Housing and Community Development Act of 1974 (Public Law 93-383) as a single authoritative national source to make findings and advise both the public and private sectors on the use of building science and technology to achieve national goals and benefits. The Institute is a public/private sector partnership governed by a Board of Directors that represents all sectors of the building community, including six public interest appointees by the President of the United States.

The Institute serves the Nation and the public interest by initiating advances in building science and technology and supporting their application to improve the built environment. As a nonprofit, nongovernmental organization, the Institute brings together representatives of Government, the professions, industry, labor, and consumer interests to focus on the identification and resolution of problems that hamper the construction of safe, affordable structures for housing, commerce, and industry throughout the United States.

The MMC works to reduce social and economic losses from natural hazards. Established in 1997 as a voluntary advisory facilitative body, the MMC works to achieve its purpose by conducting activities and providing the leadership needed to:

- Improve communication, coordination, and cooperation among all entities involved in mitigation.
- Promote deliberate consideration of multi-hazard risk reduction in all efforts that affect the planning, design, construction, and operation of the built environment.
- Serve as a focal point for sage counsel as well as the dissemination of credible information on major policy issues involving multi-hazard risk mitigation.

Since its creation, the MMC has worked closely with FEMA to stimulate hazard mitigation planning and activities across the Nation and to explore how best to manage post-disaster information and ensure that "lessons learned" from each disaster event are documented and disseminated. It currently is developing mechanisms for creating a network that will foster disaster-related, peer-to-peer mentoring. Examples of the MMC's collaborative work including:

- In 2007 and 2008, assisting FEMA and the Joint Housing Solutions Group to explore and assess innovative solutions for post-disaster housing needs.
- Issuing an independent report in 2005, making an assessment for FEMA¹ of the future savings from mitigation activities, which provided the Federal Government with quantitative evidence that every dollar spent on hazard mitigation activities results in \$4 in benefits to society as a whole. (Exhibit 2)*
- Since 1992, the National Institute of Building Sciences has provided the organizational home for the FEMA-funded HAZUS@MH program. This geographic information system (GIS) based software program estimates the consequences of a natural disaster before it happens, which is useful in assessing the costs and benefits of alternative mitigation actions.
- Managing the American Lifelines Alliance (ALA) for FEMA for the past 7 years. This private-public partnership builds upon established industry practices to support the development of national consensus guidance for the design, construction, and retrofit of new and existing lifelines.

A more complete listing of work within the MMC with FEMA is contained in the MMC Background document. (Exhibit 1)

The MMC began its work for FEMA in support of the Joint Housing Solutions Group (JHSG) in late 2006. Its charge was to:

*The information has been retained in committee files.

¹FEMA funded this independent study in response to a mandate by the Senate Appropriations Committee, Subcommittee for Veterans Administration, Department of Housing and Urban Development, and Independent Agencies of the 106th Congress (Senate Report 106-161).

- Assist the JHSG in developing criteria and methodologies for determining the suitability of temporary housing structures, including safe and hazard-resistant design and materials.
- Take into account geographic location and prevalent hazards, weather and environmental requirements, cost, delivery, and other various factors that must be considered in reacting to a large disaster.

The MMC initially helped the JHSG refine a tool that would provide for the evaluation of innovative models for emergency housing. In general, the emergency housing is expected to be deployed for a maximum of 18 months but some alternatives have the potential to evolve into permanent housing. Essentially, the housing assessment tool (HAT) is a web-based spreadsheet that permits the collection of information on housing alternatives from housing manufacturers, vendors, and builders. The HAT provides a standard frame of reference that permits the comparison of traditional and innovative emergency housing alternatives.

MMC representatives also participated in HAT field tests as members of teams that visited alternative housing models and manufacturing facilities in the United States, Puerto Rico, and Canada. In addition, the MMC worked with a testing facility to develop a draft testing protocol for FEMA personnel. The protocol could be used to verify the physical characteristics of housing alternatives and their conformance with a variety of codes and standards.

Based on feedback from HAT team participants, the Institute understands that information from the field assessments was used to identify potential candidates for temporary housing. It also appears those candidates chosen for further consideration were ones that rated well during the field assessments. The Institute supports the work done by the JHSG and believes that significant progress has been accomplished.

However, work is not yet complete in dealing with the many issues surrounding emergency housing and requires additional consideration. While the HAT now serves as an excellent tool for assessing housing options, it does not yet provide a complete set of specifications that reflect the full range of considerations for temporary or transitional housing.

The direction taken by the JHSG in assessing the use of temporary housing has been influenced by disaster events that occurred over the past couple of years, including the problems attributed to the use of temporary housing. What is needed now is a comprehensive post-application examination and expansion of the JHSG findings and the HAT to ensure that the broad range of local community attributes and acceptance issues are addressed. Among the matters of concerns are attributes and issues surrounding the location and placement of various temporary housing alternatives in a community environment; potential social impacts, local sensitivities, and preferences regarding housing design and appearance; and the potential costs and benefits of housing re-use, re-sale, and related storage and rehabilitation considerations.

This could result in the creation of an additional tool used to provide a framework for exploring these community-based issues in ways that are consistent with Federal, State, and local government needs and priorities, as well as those of disaster victims. This framework would provide further information for decision-making in the future and support efforts to ensure temporary housing alternatives deployed in communities are acceptable in several respects.

Flexibility remains essential to providing temporary housing on a large scale. Nevertheless, many factors still require consideration in a performance context. The opportunity for collecting and analyzing real-time performance feedback should not be overlooked. A comprehensive set of standards should include a range of attributes to provide for flexibility in providing temporary housing throughout the United States.

Thank you.

Exhibits: 1. MMC Background including Board of Direction, Members Organizations, and Projects and Activities. 2. Natural Hazards Mitigation Saves Lives: An Independent Study to Assess the Future Savings from Mitigation Activities

EXHIBIT 1

MULTIHAZARD MITIGATION COUNCIL—BACKGROUND

The purpose of the Multihazard Mitigation Council (MMC) is to reduce the total costs associated with natural and other hazards to buildings by fostering and promoting consistent and improved multihazard risk mitigation strategies, guidelines, practices, and related efforts. Total costs are considered to include the direct and indirect cost of deaths and injuries; property damage; business, personal, and gov-

environmental/civil disruption; disaster assistance and emergency services; and redundant or duplicative mitigation measures associated with training, planning, programming, design, construction, operation, maintenance, and enforcement.

The scope of the Council's interests is diverse and reflects the concerns and responsibilities of all those public and private sector entities involved with building and non-building structure and lifeline facility research, planning, design, construction, regulation, management, and utilization/operation and the hazards that affect them. In recognition of this diversity, the Council believes that appropriate multi-hazard risk reduction measures and initiatives should be adopted by existing organizations and institutions and incorporated into their legislation, regulations, practices, rules, relief procedures, and loan and insurance requirements whenever possible so that these measures and initiatives become part of established activities rather than being superimposed as separate and additional. Further, the Council's activities are structured to provide for explicit consideration and assessment of the social, technical, administrative, political, legal, and economic implications of its deliberations and recommendations.

To achieve its purpose, the Council conducts activities and provides the leadership needed to:

- Improve communication, coordination, and cooperation among all entities involved with mitigation.
- Promote deliberate consideration of multi-hazard risk mitigation in all efforts that affect the planning, design, construction, and operation of the built environment.
- Serve as a focal point for sage counsel as well as the dissemination of credible information on major policy issues involving multi-hazard risk mitigation.

PROJECTS AND ACTIVITIES

Since its establishment in 1997 as a voluntary advisory, facilitative body of the Congressionally authorized, nonprofit National Institute of Building Sciences (the Institute), the MMC has conducted a variety of projects:

An assessment for the Federal Emergency Management Agency (FEMA) of the future savings from mitigation activities that provided the agency with quantitative evidence that every dollar spent on hazard mitigation activities results in \$4 of benefits to society as a whole.

Assisting FEMA and the Joint Housing Solutions Group in exploring and assessing innovative solutions (e.g., the latest in factory-built contemporary housing, modular homes based on universal design, housing built from recyclable materials) to post-disaster temporary housing needs.

Providing the organizational home within the Institute for the FEMA-funded HAZUS@MH software that facilitates assessment of the risk from hurricane winds, riverine flooding, and earthquake events.

Operating, with FEMA funding, the American Lifelines Alliance (ALA), a public-private partnership that builds upon established industry practices to support the development of national consensus guidance for the design, construction, and retrofit of new and existing lifelines.

Exploring for FEMA of ways to optimize the role of building code enforcement officials in disaster mitigation, preparedness, response, and recovery and providing disaster-susceptible communities with a resource to assist them in preparing for and recovering from disaster events.

Administering a community planning fellowship program for FEMA.

Developing, managing, and conducting the Multihazard Building Design Summer Institute (MBDSI) for the Emergency Management Institute.

Assessing for FEMA the state-of-the-art of hazard mitigation in graduate-level mitigation planning curricula and formulating a preliminary strategy for stimulating the integration of hazard mitigation courses into such curricula.

Assisting FEMA in responding to its responsibilities under the Earthquake Hazards Reduction Program Authorization Act of 2000.

Assisting the National Institute of Standards and Technology (NIST) in translating appropriate recommendations from its World Trade Center investigation into building codes and standards.

Assisting NIST in developing guidance concerning progressive collapse prevention and fire safety design.

Organizing for NIST a building egress workshop intended to foster out-of-the-box thinking concerning egress from tall buildings.

Conducting a workshop on the vulnerability of buildings to chemical, biological, and radiological attack under a grant from the Alfred P. Sloan Foundation.

MMC BOARD OF DIRECTION

Chair

Brent Woodworth, Global Crisis Services, Inc. (representing the building/facility owner community).

Vice Chair

L. Thomas Tobin, Tobin & Associates (representing Government and policy).

Secretary

Ann Patton, Ann Patton Company, LLC, Tulsa, Oklahoma (ex-officio member representing community interests).

Members

Andrew Castaldi, Swiss Reinsurance America Corporation (representing the reinsurance community); Ken Ford, National Association of Home Builders (representing the contracting/building community); Philip Ganderton, MEd, PhD, University of New Mexico, Albuquerque (representing the financial community); Michael Gaus, PhD, Professor Emeritus, State University of New York at Buffalo (representing the wind hazard mitigation community); David Godschalk, PhD, University of North Carolina at Chapel Hill (representing the planning/development community); George Hosek, Michigan Department of Environmental Quality (representing the flood hazard mitigation community); Klaus H. Jacob, PhD, Columbia University, Lamont-Doherty Earth Observatory (representing the geological hazards research community); Gerald H. Jones, retired building official, Kansas City, Missouri (representing the building code enforcement community); David McMillion, Consultant (representing the emergency management community); Nancy McNabb, National Fire Protection Association (representing the fire hazard mitigation community); Michael Moye, National Lender's Insurance Council (representing the financial community); Dennis Mileti, PhD, Professor Emeritus, University of Colorado (representing the multi-hazard risk reduction community); Michael J. O'Rourke, PE, Rensselaer Polytechnic Institute (representing the snow hazard mitigation community); Timothy Reinhold, PhD, PE, Institute for Business and Home Safety (representing the insurance community); Alex Tang, PEng, C Eng, Chair, ASCE Committee on Lifeline Earthquake Engineering, Mississauga, Ontario (representing the lifelines community); Charles H. Thornton, PhD, SE, CHT and Company, Inc. (representing the structural engineering community); Eugene Zeller, retired building official, City of Long Beach, California (representing the seismic hazard mitigation community).

MMC MEMBERSHIP

Organizational Members

American Forest and Paper Association, Washington, DC; The American Red Cross, Washington, DC; Association of State Floodplain Managers, Inc., Madison, Wisconsin; Consortium of Universities for Research in Earthquake Engineering, Richmond, California; Earthquake Engineering Research Institute, Oakland, California; Factory Mutual Insurance Company, Norwood, Massachusetts; GE Global Asset Protection Service, Hartford, Connecticut; IBM, Woodland Hills, California; Institute for Catastrophic Loss Reduction, Toronto, Ontario, Canada; International Code Council, Inc., Country Club Hills, Illinois; Johns Hopkins University Applied Physics Laboratory, Laurel, Maryland; Multidisciplinary Center for Earthquake Engineering Research, State University of New York, Buffalo; National Fire Protection Association, Quincy, Massachusetts; National Fire Sprinkler Association, Patterson, New York; NIST Building and Fire Research Laboratory, Gaithersburg, Maryland; Natural Hazards Center, University of Colorado, Boulder; Portland Cement Association, Skokie, Illinois; Society of Fire Protection Engineers, Bethesda, Maryland; State Farm Fire and Casualty Company, Bloomington, Illinois; The Thornton-Tomasetti Group, Inc., New York, New York.

Affiliate Members

Arup; Baldrige Associates; Structural Engineering, Inc.; Corotis, Ross, Boulder, Colorado; EverGlow NA, Inc.; Goettel & Associates, Inc.; Martin & Chock, Inc., Honolulu, Hawaii; Seismic Installations.

Chairman THOMPSON. Thank you very much.

I want to thank you for your testimony. I will remind each Member that he or she will have 5 minutes to question the panel. I now recognize myself for questions.

Mr. Fugate, I appreciate your recognition that mitigation is absolutely important. Going forward, you will see some legislation that has been introduced to kind of reflect that as a priority. But for the here and now, as Carl Rogers would say, I think we have to address it.

Are you presently in your position as FEMA director satisfied with the temporary housing plan that FEMA is operating under?

Mr. FUGATE. Mr. Chairman, no.

Chairman THOMPSON. Can you share with the committee what dissatisfaction you have identified thus far?

Mr. FUGATE. Mr. Chairman, the plan does not define an outcome. It is not scalable. It does not address catastrophic housing.

I have asked that they incorporate into our strategy an outcome based upon what our strategy would be and how we would implement temporary housing for 500,000 housing units destroyed.

As you heard in the opening remarks about the variety of catastrophic effects, those numbers don't reflect every potential scenario. But I believe it is important that we stress the plan to the point where we see where it breaks. At what point would temporary housing no longer be an option as hauling in units versus having to relocate population?

When does it now make sense that we have to look at, how do we recover and repair and salvage existing structures, which our programs currently do not address, both through Stafford Act and other prohibitions against going into rental properties or repairing private homeowners' homes, above and beyond individual assistance programs where they are oftentimes having to go out and find those resources?

Chairman THOMPSON. Thank you. Thank you. I am sorry I cut you off.

Mr. Jones, you made a reference that we were kind of winging it as an entity. Is that because you think FEMA or the United States Government ought to do more than just what they have done so far?

Mr. JONES. I believe we need to do some additional scientific study. By winging it, I meant that, in my own case especially, I am depending on past history and experience, but I have no scientific basis to back up my intuitive decisions.

I think that, on the long run, we need some more research, and I know research is kind of a bad word sometimes. But I think we need to do more in-depth review of this issue of, what is temporary? When does the transition take place? How do you transition from something that is readily available on the spot to make it permanently available and desirable? That is why.

Chairman THOMPSON. Thank you. You showed a slide of seven possibilities. Mr. Skinner talked about costs ranging anywhere from \$26,000 to \$229,000 at a private site. Those are significant figures.

Have we looked at whether or not the travel trailer alternative, Mr. Fugate, is the only alternative available in this situation? Have we asked the private sector to help us craft something that may or may not confirm that this may or may not be the best response to this?

Mr. FUGATE. Mr. Chairman, in the few months I have been here, we have been able to demonstrate through the pilot project, because these units you see here are—actually, six of them are installed up at the Emergency Management Institute in Emmitsburg, Maryland. We are actually—we host students up there having them use and tell us about these units.

But I guess the question I have is, have we actually asked the public what they need? Again, I think we have situations where, if my home is damaged and I can get a travel trailer or a travel unit or whatever we are going to call it, put it in my driveway so I can stay there and fix my house, that may be my preference.

In many cases, it will be, do we have rental property that we can rent or hotel-motel rooms while you do that repair? What if the home isn't yours and it is a rental unit? Is there any way we can get that rental unit back on-line?

So I think we have to look at these tools and go back and go, based upon various scenarios, what does the public want to be able to do? My experience has been, dislocating people even tens of miles in their community is so disruptive that their preference is not to leave if they have property to move outside that area, but sometimes the tools are not going to provide us with options other than relocation to rental properties or other locations where housing exists.

Chairman THOMPSON. Thank you.

Mr. Skinner, what is your analysis of these units and whether or not you think we are getting the best for our investment?

Mr. SKINNER. As far as these units, we actually haven't done any studies as to the utility, but I think we have to be careful here as to looking at these as a fix-all, especially from a cost perspective, and that is something our office is always looking at.

To transport, store, install, maintain, deactivate, store, these units are going to cost just as much as a travel trailer. So we have to take a very close look at what we have here.

Second, do we want to create—and they are looking at these units as something that is in between—temporary—transitional. I am starting to use new terms here, temporary, permanent-type homes.

The thing is—and as Mr. Fugate pointed out—what we have to do is work with the communities. We are still going to have the issue of, do we want these units in our community? Do we want to make these units permanent? Does the community want to have these units there permanently?

These are the questions you have to work locally with the local community to address. I am not going to suggest—and we haven't done a study—that this is the fix-all as a replacement for travel trailers.

Chairman THOMPSON. Thank you very much.

The Chair now recognizes the gentleman from Indiana for 5 minutes, Mr. Souder.

Mr. SOUDER. Thank you. I appreciate you all showing the complexity of whether you are working on your own home, what your neighbors are like, whether we are in a beachfront community or an area where they may not have the assets with which to rebuild because most of the people may not even have a job at the par-

ticular point in time, depending on what has been hit. It is an extremely complex price range and style of home challenge and assets of the individuals.

I wanted to make sure I pointed out for the record, Mr. Fugate, in your testimony, you say—and you have reiterated here—that many States and communities do want the travel trailers. You state in your testimony that they are not suitable for people who need housing solutions for a prolonged period of time.

While I would agree that certain of those units are not, the fact is, is that many people spend their whole lives in larger versions of these. Sometimes we get confused the park trailer, which is very small, not as much ventilation, are intended for emergency use. In fact, most of what are in Arkansas are not for sale to the general public.

They were FEMA specs that you would not have in a regular situation that were designed specifically for short-term, but many because FEMA purchased all kinds are now being smeared beyond that and saying, well, you shouldn't live in those long-term, but millions of Americans in our Park Service, in our Border Patrol, in our Government agencies live in different forms of trailers for extended periods of time.

In addition to that, modular housing, which gets thrown in with this, we have classrooms in this for many years, as we try to make the transition, and, you know, this temporary, transitional, and permanent housing is not only confusing in emergency after a disaster.

It is when a neighborhood gets a new school and they didn't have enough buildings for it and you have trams, so to speak. You have how you put the police department back-up, the fire department back-up, an emergency health unit. Where are you going to get groceries in the neighborhood? All those things are variations of modular housing. Now, my—and temporary. We shouldn't look for a simplistic, quick fix.

Also, some people have four kids and a big family and the grandparents there. Some are single people. Size and scale, cost.

But I think that all of you—and Mr. Jones in particular—and I wanted to ask Mr. Skinner this question. Fundamentally, just as a business guy, I don't understand why we don't have a fixed time where this is a FEMA emergency management and then it gets handed off to HUD or a housing agency? Why is FEMA involved in something 4 years later?

Wouldn't a logical way to do this, say, FEMA, your responsibility is—and would you say 1 year, 2 years, take care of emergency, and then there is a long-term that looks at the neighborhoods, it looks at complexity of problems, because FEMA isn't supposed to be a housing agency?

Mr. Skinner.

Mr. SKINNER. That is an excellent point. Traditionally, we have always talked about housing as sheltering prior to, during, and immediately after an event, temporary. If you want to define temporary, by the Stafford Act standards, it would be 18 months, but that is extendable. Then bringing people into permanent housing.

FEMA had never considered itself as responsible for the permanent housing business, so to speak. FEMA was to coordinate and

help people get back on their feet so they can transition into permanent housing.

The issues that we are dealing with here is, should there be a finite time? You know, to get—I hesitate to say we should use a cookie-cutter approach here. Every disaster is going to be different. Sometimes we can do it in 6 months; sometimes we can do it in 18; sometimes it may take 3 years.

Mr. SOUDER. If I may—

Mr. SKINNER. We need a plan—

Mr. SOUDER. If I may reclaim my time for just a second, because it is ticking down, you said several different things. You said 18 months, but the Stafford Act can be continued indefinitely would be one question. The second thing is, is that, once again, we are going emergency housing into transitional housing into permanent housing. Why is FEMA in transitional housing? That is a housing question, not an emergency management question.

And that nobody is arguing that some of these things don't take longer. The question is, if it takes a fully developed plan, why would FEMA be doing the development plan? I am not anti-FEMA here. It is just that then they are getting into these massive long-term plans, and emergencies are coming up all over the place, that it seems to be a different skill set even and different people that you would need and different strategies.

Mr. SKINNER. If you can develop a comprehensive plan, I think FEMA definitely needs to be at the table. They have the responsibility to shelter people, to put them in temporary housing, and they need to pass off those people into permanent housing.

They should be at that table helping HUD, SBA, VA, IRS, other agencies, Agriculture, all have capabilities, not only at the Federal level, not only horizontally, but vertically, down at the local level. They are major players. It is the State and locals that have the responsibility to be working to put their citizens back into permanent housing.

FEMA is responding, and they have a statutory responsibility to help people recover in the community. They have to be working with the people on the infrastructure, for example. You pointed out, do you want to put a neighborhood—and I just came back from the Lower Ninth Ward just this past week, as well as Biloxi, Mississippi—and do you want to be putting people back into housing where there are no shopping, where there is no food, where there are no medical facilities?

All of this has to be taken into consideration, and FEMA needs to be at the table helping coordinate that.

Mr. SOUDER. Thank you.

Chairman THOMPSON. Thank you very much.

The Chair now recognizes the gentleman from Missouri for 5 minutes, Mr. Cleaver.

Mr. CLEAVER. Thank you, Mr. Chairman. I also want to apologize. I am on Financial Services, and we are in markup. So I am going to leave.

I have one question. The photograph that was shown on the screen with all of the trailers in Hope, Arkansas, I am just wondering—and then based on the—on your testimony, Mr. Skinner, and this story in today's Washington Post, A-5, which actually

talks about your testimony today—when you look at all of those homes, it makes sense to somebody like me that if we are going to have a mass holding place for temporary housing, that it would be located in the areas that have been mentioned by your testimony, where we normally will have disasters.

I mean, instead of Hope, Arkansas, then what about somewhere on high ground in Louisiana or Florida or California or somewhere in the Midwest, not—I mean, because of what happened in Greensburg and all around the Midwest, and particularly the northern part of Texas, we know that that is tornado alley.

So would it make sense and save money if we located temporary housing, maybe even a manufacturing center, near areas that we could expect, just based on history and topography and weather patterns, for a disaster to hit? Is that just beyond anything that we can do or even imagine?

Mr. SKINNER. I think that is something that should be part of our strategy, and then I believe that it also should be part of our operational plan. Incidentally, with Hope, Arkansas, that was just one of several sites.

Mr. CLEAVER. Yes, I understand.

Mr. SKINNER. The reason that got so much attention was because of the volume of trailers that went in there that were never—were not eventually deployed for use.

But, yes, as far as the manufacturing of these things, that that is something I think maybe the private sector and FEMA need to work on as to—so you have these places that we can deploy in a timely manner.

But we also have to take into consideration, we don't want to put these places in harm's way. For example, storing travel trailers in Louisiana could present a problem because it is—most of Louisiana is in a flood zone. Putting these trailers along in Florida, they could be in a hurricane area that is prone to hurricanes on an annual basis. So those things have to be obviously taken into consideration.

Hope, Arkansas, was actually, I believe—my recollection—was a good place other than the tornado threats that could go through that region because of the highway systems. They could be deployed easily to Mississippi. They could be deployed easily over to Louisiana and Texas, and that was the reason that site was, in fact, selected.

Mr. CLEAVER. Yes, just to follow up on that, I am not suggesting that that an inappropriate or bad location. I am wondering if we were in Hope, Arkansas, with great intentionality or were we just there? Because this was—because there was some land there. You know, I mean, why were we there?

Mr. SKINNER. Keep in mind, we were not prepared. We were not prepared for a catastrophic disaster, and we were not prepared to handle a housing disaster of this magnitude. That is what we need to have in place before the disaster.

We were actually preparing in the midst—developing our war plan in the middle of the battle. That is why—and I think, under the reform act, the Homeland Security—the Post-Katrina Reform Act is requiring now that we start developing and thinking along these lines.

I think FEMA is now taking the first step forward. We do have a strategy. We now have to fill in the blanks. The devils are the details. We have to start developing the operational plans. It is not going to be easy, and it is going to involve a lot of players.

Once that is put together, we should not have to be developing and amending our strategies during the course of a disaster or after the disaster strikes.

Mr. CLEAVER. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We now recognize the gentleman from New Orleans, Mr. Cao, for 5 minutes.

Mr. CAO. Thank you, Mr. Chairman.

Mr. Fugate, in the beginning, you spoke of mitigation, which is important, but in the case of Katrina, no mitigation process could have gotten people back into their homes when city and utility infrastructures were destroyed. During your testimony, I did not hear any specifics with respect to housing plans.

What plans do you have, for instance, to house people for a period of 3 months, 6 months, 12 months, 2 years? Can you provide us with some specifics?

Mr. FUGATE. Yes, sir. If you have in the tens of thousands, we can probably house people in their communities using a combination of renting non-impacted properties and temporary housing units that can be brought in site-specific.

Once you probably get up around the 100,000 range, we are probably looking at having to relocate people out of the area, if there is no housing. You also, as you have seen in some of the other previous statements, that along with the housing loss, you also tend to also lose a lot of infrastructure.

So you end up with a situation that there is a point at which we will not be able to bring in housing or find enough housing in the immediate area, and we have to look at relocating people.

Now, the next part of that question—and this is the one that is, I think, of great concern to everybody, particularly to communities—is, how long will that relocation take place?

We know—and this is something I have faced in Florida in many disasters—that, once people are moved from their community for any period of time, a certain percentage will not return. That number will increase by the time frame it takes to re-establish a housing base for people to move back, provide schools, safety, and infrastructure.

So the initial tendency is not to move people and try to bring the resources to them. That is why you see us using things like temporary housing units, because that is something that we can add to the housing stock when the housing stock is destroyed.

But that is finite. It is not time or fast enough. In many cases, we have to determine—and this is part of where I want to go in our planning from the strategy—to how we implement this. So, community leaders, if we have a disaster, you would know that if we were dealing with several thousand homes destroyed, this would be the response and the solutions that we can bring to bear and the time frames we can bring to bear.

If it is larger than that, the answer may not be what people want to hear, but the reality is, if we cannot establish enough housing—

and, Mr. Chairman, I will just throw this out probably for semantics. But in what we do at FEMA, I would look at a sheltering, because even up to 2 years is not the long-term solution.

But if we can provide enough sheltering, whether it is congregate, whether it is individual, to keep people in that community, that is the initiative first starting point. That is the best option we would have.

But there will be a point where the option will not work. We can either get it there, or is there enough property that we can repair, rebuild, or somehow get back on-line? We need to know early that we are going to have to relocate people and then what that plan is, as been pointed out here, what is the housing solution?

Our business is sheltering. We may be using units up to 2 years, but our business is sheltering. We do not have the solution for, how do we re-establish housing stock to get a community back? This goes right to the heart of long-term recovery. If we don't solve this problem, we risk communities not coming back.

Mr. CAO. Thank you.

This is to either Mr. Skinner or Mr. Fugate. I believe that a more important issue—shelter is extremely important, but to me the more important issue, having lived through Katrina myself, is the ability for people to move back into their homes as quickly as possible, because oftentimes you sent trailers to different houses and, by the time you would get them there, their temporary housing, their house might have already been repaired.

I believe that Mr. Skinner's absolutely right in a sense that we have to have better coordination between Federal, State and city agencies in order to push the issue of recovery.

This is to either Mr. Fugate, Mr. Skinner. What plans do you have in place in order to better coordinate? Because, having lived through Katrina, after 4 years after Katrina, I still see a lack in the area of coordination between State, Federal, and city agencies with respect to recovery.

Mr. FUGATE. Well, let's tackle this one. Let's talk about it very specifically, your house. Who is responsible for repairing your house? Because if the majority of the homeowners can get that house repaired, then we can focus on renters and other folks that don't have those options.

That is generally the way we have modeled our response out of Stafford Act, the responsibility of individual insurance or their private funds. We are not really set up under the Stafford Act to directly enable that person to fix their house.

Yet, as has been pointed out, we will spend considerable sums of money to fund a temporary housing unit in their driveway. That goes back to permitting. That goes back into working with the private sector, because even if you have financial assistance, you may not have enough contractors, you may not have enough materials.

These disasters in Florida, it took better part of a year, year-and-a-half to re-roof houses just from the 2004 hurricane season, and that had nothing to do with the Federal response. That had to deal with supplies, contractors, and workers.

So when you talk about—if we can get the answers on how we would approach homes that either—because the insurance isn't fast enough or the workforce isn't there or we got supply chain disrupt-

tions, how do we work better with the private sector, State, and local governments, and address issues such as bringing in out-of-State contractors, doing the type of things to get houses fixed, and then look at, how do we work issues such as: Can we provide assistance?

Now, there was a pilot program where we could have provided assistance to people that had rental properties. That has expired. We don't have that tool going forward.

These are things, Mr. Chairman, we need to come back and look and use these numbers to drive not what we are capable of doing, but what the demand is in a large-scale event and go, "What are the tools we need, the whole spectrum from it's 1,000 homes to it's 500,000?"

Mr. CAO. Mr. Chairman, I see that my time is expired. I yield back my time. Thank you very much.

Chairman THOMPSON. Thank you. I don't think you have any trouble with the committee, Mr. Fugate, when you come back. We are willing to work with you on that.

The Chair now recognizes the gentlelady from Texas for 5 minutes, Ms. Jackson Lee.

Ms. JACKSON LEE. Thank you, Mr. Chairman. I would just thank you for, I think, what will turn out to be a very important and instructive hearing and also to thank you for leadership on making some changes that I think are crucial in the structure that we have.

I am a veteran and would never call myself a victim of Hurricane Katrina, Rita, and Ike. Unless I have missed it, Mr. Fugate, let me extend an invitation for you to come to the Gulf Region. I think I have mentioned it to you in the past.

But what I have seen—and my colleague from New Orleans probably lives it every day—certainly, we have lived through the Ninth Ward, I as a guest, visiting as a Member of the Homeland Security Committee. Others have lived with it.

But then, of course, the region that I live in took tens of thousands of Hurricane Katrina survivors, compounded by Hurricane Rita, and what we now call the forgotten hurricane, Hurricane Ike.

So our frustration is mountainous. It is the question of getting housing in fast enough and the right kind of housing. You were not there, but you know the question of toxicity, the trailers that were unlivable, but people lived in them for a period of time.

So my question is going to both Mr. Skinner and our new FEMA director as to what has changed. That is the first question.

To the—Mr. Skinner, if you would speak to this question of more flexibility and also the idea that, when a disaster of mountainous proportion occurs, do we need to look at, consider, review the idea of usurping, overriding—and maybe with certain criteria—certain ordinances and zoning laws that really have inhibited people from being able to get a temporary structure in some places?

The other question would be for Mr. Fugate in particular. In our region, when we needed emergency housing, we would have to listen to, "It's in a flood zone." Well, you know, should I say, a light bulb just went on. Of course we are in a flood zone. That is where we live. You have us kicked out and can come back, because you are telling us we are in a flood zone, if you could answer that.

Let me just put two other questions on the table. You have a FEMA pilot program, if you can tell me what the status of that is. In Texas, we are still trying to be able to respond to that pilot program. I spoke with you a couple of weeks ago; I have not heard back from you on the environmental issue. If you can give me a report on the new contract you have on the alternative housing that is out in Maryland.

Mr. Skinner, if you would on those questions?

Mr. SKINNER. With regards to your question with, should the Federal Government assume the authority to usurp local laws and ordinances—

Ms. JACKSON LEE. With criteria.

Mr. SKINNER [continuing]. With criteria—

Ms. JACKSON LEE [continuing]. Enormous—

Mr. SKINNER. I would suggest that we should not do that. What we need to focus on is preparedness. We need to know what city ordinances, what codes that would prohibit us from responding to a disaster on different scales and to work with the local community to find solutions before the disaster strikes so that, when the disaster does strike, we know where to go.

For example, in the State of Florida, Mr. Fugate's former State—or maybe still current State—but with debris removal, the State of Florida knew before disaster strikes who—many of the counties that have defined—

Ms. JACKSON LEE. Let me let you move on to the next question about flexibility. The reason why I say that is that is not always the best approach. Some people believe that the fix is in when you get contracts ahead of time. But I don't want to focus on that. What about the flexibility issue on housing?

Mr. SKINNER. I keep referring to flexibility, and this is something that I have been—that I have referred to not just from Katrina or Rita, but it goes back to Hurricane Andrew and Northridge earthquake, and that is that we have to define the Stafford Act. We, I think, are tying our own hands when we try to implement the Stafford Act.

For example, there is a belief that we cannot pay a local unit of government to begin rebuilding, that, instead, they must spend their funds and we will reimburse them. I have always challenged and questioned that interpretation.

Yes, it is a reimbursement program, but that is at the end of the day, not at the beginning of the day. If we need that working capital fund or need that advance to get the work started, then you should have that flexibility to do that.

Ms. JACKSON LEE. Mr. Fugate, can you—

Chairman THOMPSON. The gentlelady's time has expired. You asked about six questions, and that created a program, because there is no way they can answer them within 5 minutes.

I mean, I will—Mr. Fugate, if you will give it as quick a shot as you can?

Mr. FUGATE. Mr. Chairman, Congressman, I have got two good facts to you. Where is that environmental review at and the contract status of our pilot program? We will have that for you today.

Ms. JACKSON LEE. I appreciate it. The alternative program, if you would, as well.

Mr. FUGATE. Yes, ma'am.

Chairman THOMPSON. Thank you.

We now recognize the gentleman from Texas for 5 minutes, Mr. Olson.

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

Thank you all for coming today. Mr. Fugate, great to see you again. I appreciate you coming back. Welcome back.

I have a question for you regarding Hurricane Ike, which seems to be, as my colleague mentioned, a forgotten hurricane in many regards. But as you know, the Bolivar Peninsula, which is on the east side of Galveston County, suffered probably the greatest single damage of one area during Ike.

Galveston County there has over 300 road projects, with the majority of them right there on the peninsula. Many of these projects are in a state of flux right now because they are located at the velocity zone, where over, as you know, if they are over 50 percent damaged, they are prohibited from rebuilding.

I was tremendously encouraged with your testimony when you were here for your confirmation on the velocity zones. I understand that FEMA was going to go back to take another look at that and see if the Federal rules regarding velocity zones could be somehow modified to be more helpful.

I just want to see, what is the status review? Has the issue been clarified? Do you have a timeline for us?

Mr. FUGATE. Congressman, the National Flood Insurance Program reauthorization is coming up this year. These are many of the issues we need to address. I am not sure we are going to be able to do it in the short time frame. I think we need to take a step back and have a dialogue on how we are doing this.

But to get to the crux of the matter, when we are looking at these types of temporary programs, I think semantics have gotten in our way, because the way the National Flood Insurance Program reads, if I put in a temporary housing unit there, I can do that. If I put in something that is more permanent, like a manufactured housing modular unit, that is considered housing.

Well, if I just call it a shelter and recognize it is temporary—because I have run into this issue in Florida. We have gotten in many cases where we are not talking about a long-term fix. We are talking about sheltering people whether it is in congregate care or in many of these programs we call temporary housing. It is literally a shelter program on a temporary basis.

Yet the way we interpret our rules, because we deal with one part that is temporary and one part that can be considered permanent, we apply the National Flood Insurance Program to what is, in effect, how we try to shelter a population while they get back into their homes and rebuild.

So, again, I think that a lot of times, as we go through these programs, as the IG points out, the Stafford Act hasn't said a lot of the things that we try to interpret, and we have to come back and clarify, well, is that the intention of this body? Did Congress intend for us to do things that way?

If not, are we seeing procedures and processes—and what we see as conflict between two separate bodies of legislation that, in trying to deal with short-term shelter issues, we are mixing housing and

sheltering operations in defining how we can approach that in a velocity zone, which is different than where we would be if we were not in that same zone?

But it is essentially a short-term housing or shelter operation to bridge that gap between what has happened so people have a long-term housing solution.

Ms. OLSON. Thank you for the answer to that question.

One more for you. With Sheila, my colleague from Texas, but with a lot of hard work on her behalf in the defense supplemental, H.R. 2346, the cost-share ratios for the communities affected by Hurricane Ike were amended and to be altered consistent with Hurricane Katrina, the 100 percent reimbursement.

I just wanted to see if you have issued the letters to the affected governments notifying this change. Is the money starting to flow or the reimbursements starting to flow? What can we do to help if it is not?

Mr. FUGATE. Congressman, I will have to check. I have not seen that or signed that, and I will get back to you today on the status of that.

Ms. OLSON. Thank you, Mr. Fugate.

Thank you, panelists.

I yield back my time, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

The Chair now recognizes Ms. Kilroy for 5 minutes.

Ms. KILROY. Thank you, Mr. Chairman.

I thank the witnesses for being here this morning.

I am from a district in Ohio, in Columbus, Ohio, and you might not think that disaster planning for hurricanes is of significant concern to us, but if you think that, that would be wrong.

In 2005, I was a county commissioner, and I could tell you that the people in our county watching on their televisions what was going on with Hurricane Katrina were angry. They were angry at the Federal Government. They were angry at every level of government for not being in a position to respond effectively.

Our county was asked by FEMA to take in some of the Katrina veterans. On a very short-term basis, we got called. We said, "Sure." We got called four times, and we said, "Sure." Nobody ever came.

What we ran into was, time and time again, jurisdictional fights and wranglings instead of working with the local community here that was willing to help. I just wanted to say that it is just appalling to me that, even in the face of a disaster like that, that people can't stop their jurisdictional in-fighting.

We came up with a plan on a very quick basis that utilized some Section 8 vouchers—not very many, because they are not very available to people—even in our own community, there is a long waiting list—a plan that took in childcare, helping people get their Social Security checks, their child support checks, their IDs re-established, their banks re-established, and make sure they had doctor's care and childcare. We worked with our National Guard to house people on base at Rickenbacker. Nobody ever came, and that is fine.

But what really struck me was the lack of planning and the winging it that was going on. It disturbs now today to get the sense that we still don't have the kind of planning that is necessary.

I think it was General Eisenhower that said, in war, a plan is useless, but planning is essential. I think right starting from evacuation on out, it is all part of the housing and relocation. So how people are evacuated and where they are evacuated to affects what kind of housing is going to be needed and how we are going to be able to get them back to their homes to do that kind of repair.

So that is enough of the speech. I just want to really encourage you to continue to plan and want to know now, how are you planning to engage local, State, Federal, or private-sector agencies to effectively and efficiently plan for post-disaster housing needs, no matter what the level of disaster or what type of disaster?

Mr. FUGATE. Congresswoman, we currently have a national disaster housing task force that is made up of representatives that are working these issues. We also are utilizing through the Post-Katrina Emergency Management Reform Act our national advisory committee to help bring in a diverse group of people to look at these issues and help us craft a strategy and a plan that you can execute.

I think one of the things you point out is, a lot of what was happening and how we were dealing with things was based upon, we had kind of a concept, but we never put an outcome on there.

That is why I like coming back and saying: Let's look at 500,000 housing units and what we are going to do within 60 days, and then start driving, and go into the areas where it is likely to see those types of events, and start planning ahead and going, "If we had to evacuate because of earthquakes, parts of Arkansas, where are those people going?" Then go into those States and work with those States and going, "All right, based upon the plan, your willingness to accept people, how do we make this work so that we lay down a much better framework?"

We won't have all the answers, as you point out. But we will have the framework, and we will have built the team that can address these issues, and it is going to take all the moving pieces of a community. It cannot just be done at the Federal level.

But let's use where we have already looked at, these large-scale impacts to housing from disasters, and plan how we would handle and do relocation. If something occurs outside that area, at least we have built a concept and a team that we can then apply to things that maybe we had not anticipated.

But as you show Hope, Arkansas, and other pictures, those aren't the results of a plan. They are the consequences of not having the plan.

Ms. KILROY. Has there been collaboration with HUD on how to transition from interim housing into more permanent, affordable housing structures?

Mr. FUGATE. Yes, ma'am. That is an on-going process, and that is one I think where the administration is very much focused in on is: How do we bring in all the Federal family to address the long-term housing needs after a disaster? What is the appropriate role for each agency? How do we provide a seamless system from we evacuate, we shelter, to we do temporary or sheltering operations,

out to the point where a long-term housing solution is present in that community?

Chairman THOMPSON. Thank you.

Ms. KILROY. Thank you, Mr. Chair.

Chairman THOMPSON. We see your interest.

We now recognize the gentleman from Florida, Mr. Bilirakis, for 5 minutes.

Mr. BILIRAKIS. Thank you, Mr. Chairman. I appreciate it very much.

I want to welcome Director Fugate. I am familiar with all your good work in Florida. I served in the legislature.

As you probably know, Florida recently completed an emergency management training exercise to strengthen the State's plan for preparing for and responding to a catastrophic hurricane. One of the scenarios considered during this exercise focused on potential options for housing the evacuees from a Category 4 hurricane that could displace hundreds of thousands of State residents.

State emergency management officials suggested temporary housing, such as evacuees in foreclosed homes as an option of last resort. They reasoned that such a plan could avoid the large-scale relocation to other States of people whose homes were destroyed, like those evacuees in Katrina and Rita, many of whom have yet to return to their homes.

Do you have any thoughts on that? Is FEMA actually listening to this? Will they propose something like this? I have major concerns.

Mr. FUGATE. We have listened to it. In fact, I was part of those original discussions of how we would look at those properties. I think the way to approach that and the way I would look at it, the way I have—was looking at it originally was that we would look at, would banks be willing to lease or rent us those properties like we would rent and lease other rental units and do it under our traditional program?

If we could acquire a rent or a lease with that property owner, whether it is the mortgage-holder or the bank or the institution, and then we would look at the cost-effectiveness of that rental against renting a hotel or motel room.

That is my approach. I think anything other than that gets into areas that I am not sure, (A) I have any expertise or any authorities to forcefully go in there and try to take those properties, but I think if we could sit down and look at where we do have those properties, if they are appropriate, is, is there a mechanism, through perhaps one of the major lending institutions that has those properties?

The other thing, Congressman, is, are those properties ready to go? As you know, this condition of many of those foreclosed properties ranges from they are ready to move in to they are dilapidated and would not be usable.

But look at it from the standpoint of, is a rental property—if that is available, look at the cost-effectiveness versus other programs and see if that would work. But anything else, I think, goes into gray areas that I am not sure that either we have the tools, the authorities, or whether or not it would be cost-effective for us to house evacuees.

Mr. BILIRAKIS. I am sorry. My mic is not on. Could you give us an assessment of how prepared Florida is—and, specifically, the Tampa Bay area—for a Katrina-like storm?

Mr. FUGATE. Congressman, you have heard my answer before. We are prepared as our public is. Probably our biggest challenge is getting people to evacuate out of the vulnerable areas.

Again, what we are focused on both at our Federal level, but working with our State and the local partners, is life safety. We can rebuild communities. That is something we work to strive to do. But if people have not prepared, if people don't heed evacuation orders, then our response is not going to be as successful.

It comes back to the public is part of the team. They have to prepare. They have to respond. We have a lot of vulnerable citizens out there that we should be focused on. People need to take more responsibility for being prepared.

I think we have good systems in place across the Nation, but it always comes back to the public is a key part of that process to be prepared so we can focus on our most vulnerable citizens. Most importantly, for hurricane threats, to heed those evacuation orders early. You know that Tampa Bay is a very challenging place even for rush-hour traffic, much less an evacuation.

Mr. BILIRAKIS. Yes. Give us an example of the most effective actions our constituents can take.

Mr. FUGATE. The first one is, if you live anywhere—since we are talking hurricanes in the hurricane-prone areas, is to know if you are in an evacuation zone or not. If you are, your plan should be to evacuate when local officials tell you it is time to go and not wait for the next 6-hour forecast and hope it gets better.

The second part of this is, all of us have responsibilities to get a plan, protect our families, get training—take CPR, first aid—and when disaster strikes, do one more thing. Once you are okay and your family is okay, check on a neighbor. This has got to be something we all understand is, you know, the survivors have to pull together. They are part of the team. They are not the liability. They are part of the resource and the community.

Mr. BILIRAKIS. Thank you very much.

Thanks, Mr. Chairman. Appreciate it.

Chairman THOMPSON. Thank you.

We now recognize the gentleman from Texas, Mr. Green, for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. I thank the witnesses for appearing.

I would like to speak rather quickly on a number of topics, and specifically I am concerned about the role of a congressperson in the post-disaster recovery. I understand that there is a need to work with the local and State officials, but for whatever reasons—and I can cite many—constituents tend to think that congresspersons have a significant role in the process.

When pods are being located, they assume that the congressperson will have some input. When NGOs are not being reimbursed as they perceive reimbursement should take place, they assume that congresspersons should have a role in the process.

So if you can, take about 1 minute and give me your perception of what the role of the congressperson is in this process.

Mr. FUGATE. Congressman, your role is to represent your constituency and work with our external affairs and figure out, where is the best place to answer the questions? If it is local, if it is our State partners, if it is something Federal agencies are doing, again, our job is to work with you to help get those answers and to work with your constituent issues.

Again, it may be something that a local government has got the best response or their responsibility. It could be the governor, or it could be Federal programs that we need to address.

Mr. GREEN. Well, let's examine that statement. I appreciate it. It was candidly stated.

Here is what happens under the current thinking or methodology process, if you will. It almost becomes adversarial as we proceed, because we find that we are engaged in this process after things have occurred and we are trying to, for want of better terminology, straighten things out.

It creates some tension that I think we need not have. There must be some way for us to find our way into this process in a different manner so as to be helpful as opposed to reactionary or as opposed to trying to resolve things after they have become too much of a problem to be resolved in some instances.

Let's just talk for a moment about one circumstance that we might try to help you with. NGOs will come to us after the fact and have receipts and say, "I really should be reimbursed for all of this." The rules seem to be dynamic, as opposed to static. There are times when they can be reimbursed, and there are times when they cannot.

Is there any codification with reference to reimbursement of NGOs, faith-based institutions?

Mr. FUGATE. Yes, sir. It is a complex, as you point out, process for any applicant receiving assistance under a public assistance for what we would generally refer to as Category B or emergency protective measures.

There are a lot of activities that are eligible that non-profits engage in, whether they are faith-based, community-based, or your traditional response organizations, that could be reimbursed. There are others that are not. Oftentimes, it is making sure we understand clearly what activities were taking place. Was it eligible work? Was it done in the declared area and to find how we can support that?

But, from time to time, we also run the challenge of some of the things they were doing—which were good things—however, were not eligible for that process. So it is—for most communities, the first disaster has a steep and painful learning curve of trying to apply these programs.

So I have asked staff to come back, as the IG has pointed out, many of their programs have a lot of complexity that I am not sure if we would be better off simplifying our process so it is more understandable and cuts down on the confusion. Ultimately, I believe that will save in money and give us greater accountability if the programs are easy to explain to anybody, not just somebody who has been doing the program for some time.

Mr. GREEN. With reference to equipment that may be needed—for example, an air conditioner—we find that sometimes they are

difficult to come by, and this isn't post-disaster relief. Is there any way for us to have a working relationship with reference to trying to facilitate the placement of needed equipment?

Mr. FUGATE. How big of an air conditioner, Congressman?

Mr. GREEN. We are talking about something that usually will cool an area perhaps smaller than this room.

Mr. FUGATE. Residential?

Mr. GREEN. Yes, residential, generally speaking, or it could be at a church center of some kind.

Mr. FUGATE. Generally, Congressman, we would work those requests if they came from the State for support. Depending upon how that program—there may be something that would be done under the individual assistance program, under what they call other needs assistance.

In general, those types of processes, we would just be supporting a request that the Governor makes, references what that team would need, whether it is support from acquisition or support from working with the private sector.

Mr. GREEN. My time is up. I just wanted to give you this clear indication. I really want to work with you on these projects, and I would like to try to find a means by which we can establish that working relationship early on.

Thank you very much.

Chairman THOMPSON. Thank you.

We now recognize the gentleman from Texas for 5 minutes, Mr. McCaul.

Mr. MCCAUL. Thank you, Mr. Chairman. Let me echo the sentiments of my colleague from Texas on the point of collaboration with the Members of Congress in the impacted areas. I think that would help for a more smoother process as we go forward.

I wanted to bring up again, Mr. Fugate, the issue I brought up at the previous hearing on the discrepancy between the assistance provided in Hurricane Katrina versus Hurricane Ike. I know some of this probably has to do with I think some of the good legislation we passed after the good work that was done by Mr. Skinner's office on the fraud, waste, and abuse that we saw after Hurricane Katrina. We passed the FEMA reform bill.

Having said that, though, I do want to put some numbers out there, because the discrepancy is pretty high. In Hurricane Ike, the housing assistance was 17 percent of applicants received assistance. That is a pretty low number, compared to Katrina, where 74 percent of the applicants received assistance.

Other needs assistance, Katrina was three times more than Ike. Total assistance, the average payment was almost \$5,000 per application or registrant in Katrina, and about \$700 in Hurricane Ike.

To boil it down, less than one-fifth of the Ike victims who were referred for assistance were actually deemed eligible for assistance, which means that about 80 percent of the people who applied for assistance didn't get that assistance.

These numbers come from your office, and I just—to me, that seems a little—that discrepancy just seems to me very, very high. I wanted to get your comments on that.

Mr. FUGATE. Congressman, as I understand it, you have asked either the General Accounting Office or IG to take a look at those

numbers in the background. Some of the other numbers I would like to run against those tables and take a look at is, what was the percentage of insured property versus uninsured property? Because, again, insurance is one of the factors we look at to determine eligibility.

Mr. McCAUL. Right.

Mr. FUGATE. Also, look at the structures themselves and go, what was the level of damage versus repairs? Because that will also drive those numbers.

I have seen in situations where, if I had a lot of roof and wind damage, that those numbers would probably be right. If I had—or I had more storm surge or flood damage where homes were destroyed, the other numbers would sound about right.

So I would actually—I am welcoming the look at, did we unintentionally screen out people by trying to tighten up the rules that should have been eligible for assistance? Or are we seeing a reflection of the types of damages, insurance, and things people do to get ready that actually reduces the burden on the Federal taxpayer?

But I think your point is well taken: Have we inadvertently screened people out of assistance they should have received? If we did, what is the remedy to that? But we need to go back—and I think what you have done is the appropriate thing—is, let's get somebody outside to take a look at this and tell us why these numbers or why they were there and then see if that is something that was an unintentional consequence of trying to be mindful of how we spend taxpayers' money, or is this a reflection that this type of storm, this type of damages, and the level of insurance and preparedness actually drove those numbers down?

Mr. McCAUL. I appreciate your candid and honest response. I think that an outside look would make some sense whether it comes out of the IG's office or whether the GAO does that.

Mr. Chairman, I would hope that you would join me and have this committee take a look at these numbers from an outside point of view. I think, again, 80 percent being denied eligibility is a pretty high number. I would hope this committee could join that effort.

Chairman THOMPSON. I don't think I have any problem with that. I see our chairman of oversight nodding his head, so I am sure Congressman Carney would be happy to join us in that effort.

Mr. McCAUL. I appreciate that. Thank you for your testimony.

With that, I will yield back.

Chairman THOMPSON. Thank you.

The Chair now recognizes the gentleman from Texas for 5 minutes, Mr. Cuellar.

Mr. CUELLAR. Thank you, Mr. Chairman.

I want to thank the witnesses for being here.

My question has to do with a procedure that we have been using in my congressional district, and I think other folks are, I am sure, doing that. Texas, as you know, we have a State surplus commission there. They have been working with FEMA, GSA to get those trailers that have been surplus equipment from FEMA.

We have been able to place a lot of those to small communities that have used them for fire, police stations, for, you know, county offices, et cetera, et cetera, et cetera. You know, just to make sure

that—you know, that—you know, they are—free, you know, our State folks are saying that they are.

But is there a way we can get some sort of certificate or something from you all that would say that, if they—you know, that if we get them and then we distribute them out, through the Federal surplus, State surplus commissions that we have in Texas? I just want to make sure that we don't come back and hear that there has been a problem with them.

But, Mr. FUGATE, what ideas do you have?

Mr. FUGATE. Well, right now, there is a court order that is limiting what units I can release. Those units that are not covered by the court order, we are slapping all kinds of bumper stickers and labels on them that these are not to use for long-term housing.

As we go forward with the new models that we are looking at that—our specifications require a fairly low level of any type of product that would involve any noxious or potentially toxic gases, those are less restrictive.

But the current ones we have, because of the on-going issue, those that are not covered under the court order that we are releasing, we are making it very clear that the temporary housing units are labeled not for long-term housing.

The ones that are manufactured housing are actually covered by HUD standards. As long as they met HUD standards, we don't have that restriction, and they can be used however that jurisdiction appropriately uses—so long as it was manufactured to the HUD standard.

Mr. CUELLAR. Could we follow up at a later time with our State folks to make sure whatever has been sent to Texas, that we don't have any follow-up problems?

Mr. FUGATE. Yes, sir.

Mr. CUELLAR. Thank you.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you.

I am glad the gentleman mentioned that, Mr. Fugate. The transition between FEMA and GSA on to the State has been a question, because there is still the question of what is scrap, what is sellable, and the lines are not quite clear, so that is an issue.

One of the issues tied to that I think I would be interested has, to your knowledge, the ability to resell any of the temporary units or put back in use for another emergency, have we ever looked at that as a condition for what kind of units we look at?

Mr. FUGATE. Yes, sir. Primarily it was—that program was built around mobile homes, manufactured housing-type units, that were actually specced and built, that they would be used and then potentially be used again.

The smaller units, where basically the wear and tear is generally such that it is a cost-benefit of how much you invest to repair those, versus their normal lifespan and how they are used. So part of that has been because of these large inventories that we have, which was, again, consequences of the response, not necessarily driven by the plan, is, what is the best way to go forward?

Some of these units we are looking at in the pilot programs are looking at it from that standpoint of recyclability, rehabbing them, and being able to reuse them. But in the event where the lifespan

of them and the wear and tear on them does not make a cost-effective repair, that they are relatively easy to recycle and that we are able to dispose of them if we do not have the option of rebuilding it, repairing it, storing it, or selling it, that if we do have to, you know, go in and, you know, salvage it, is that it does have a much better recyclable process.

Mr. SOUDER. Mr. Chairman.

Chairman THOMPSON. Yes.

Mr. SOUDER. I thank the Chairman for yielding. I just wanted to make a brief comment on Mr. Cuellar's comment, that there is a distinction between whether something is safe and whether a community might get sued.

There were three cases in the United States of complaints being filed prior to Katrina and that all those were lost. It doesn't appear that most of these suits are being won, either. But just because they certified doesn't mean somebody is going to get sued, unless we get liability protection.

Thanks.

Chairman THOMPSON. The gentleman from Alabama, Mr. Rogers, for 5 minutes.

Mr. ROGERS. Thank you, Mr. Chairman.

First, I wanted to thank Mr. Fugate publicly for how quickly you handled the problem in Montgomery, Alabama, after a flooding. It was very much appreciated.

I want to talk more about lessons learned—and we have talked about this in the past—lessons learned after post-Katrina. One of the themes that we heard within Louisiana, Mississippi, and Alabama was that these local communities needed the ability, latitude—to go ahead and negotiate when things are calm, arm-length deals with people for debris removal, as well as other services, that they would have to have immediately after a disaster, rather than having to use some contractor from far away that comes in, and the only way the city gets reimbursed is if they use that contractor.

We have had plenty of time. Please tell me those contracts have been authorized, and they are in place, as well as prepositioned supplies.

Mr. FUGATE. Sir, these programs are oftentimes not going to sustain. We had a pilot program for debris management that would increase the cost share in a disaster—magnitude of Katrina from an average cost share of 75 percent Federal, 25 percent State and local. We wanted to incentivize that.

We had a pilot program that provided, if you had an approved debris management plan in your local community that was signed off on, that the cost share would go to 80 percent, which doesn't seem like a lot, but 5 percent is substantial, particularly when you look at the costs of debris.

Mr. ROGERS. Right.

Mr. FUGATE. That program was a pilot. I think these are the things that we need to go back and look at, is how do we incentivize people taking those steps to pre-plan, identify, and have contracts in place? Because many communities won't face a disaster. It is, again, competing with every other resource and every other time constraint of trying to get these things ahead of time

that, in a smaller disaster, cost share could be a factor that would drive that.

But, again—

Mr. ROGERS. On what time-line do you expect to complete that pilot study and move that to other local communities so that the mayors and county commissioners can go ahead and explore those contract opportunities?

Mr. FUGATE. As I understand it, that was a pilot program that was in the legislation that has expired. We—finished up the report on that and reported back. It would require, again, taking a look at whether we have the authority to do that under Stafford or whether we would have to get guidance from Congress on how to implement that.

Mr. ROGERS. Well, you know, we are back in the hurricane season. If we are hit with a hurricane this year, and these local leaders had this problem again, it is a shame on us. It is inexcusable to have gone this long and not have given them the one thing that all of them said they needed after Katrina. That is the authority to pre-plan these things, negotiate it, have them signed off on by all, that the contractors are credible and the contracts are agreeable, but it is just a shame that it had not happened already.

I want to go back to a point that the Chairman was talking about earlier, and that is on these trailers. This will be more for Mr. Skinner, I guess.

I still don't understand why there is not a point after the disaster period has—the reasonable period of recovery has ended that we don't transition the responsibility for housing, when it becomes more interim housing or permanent, over to HUD. That is not FEMA's responsibility. It, in my view—I mean, they are to move on to the next disaster.

You said 18 months was how much was in the Stafford Act, but why don't we see HUD move in? Because they have got more expertise and skill sets and personnel prepared for this role.

Mr. SKINNER. Please understand, I agree that it should be transitioned to HUD.

Mr. ROGERS. Okay.

Mr. SKINNER. In fact, we have made recommendations in prior reports that permanent housing, can HUD play a more active role in permanent housing, in that we should transition—that is our ultimate goal. What is the end game to get people back into their homes to rebuild the community? But what I was suggesting is that FEMA has a role to play up to that—

Mr. ROGERS. Yes, I agree. I think everybody should be at the table, like you said, in the planning stages, but there should be mutual agreement that it is a 12-month period or this 18-month period, whatever, that HUD then takes over that housing responsibility.

If, you know, if you have recommended that, my next question is, has the policy been put in place to mandate that?

Mr. SKINNER. We didn't recommend a timeline, again, because of the extenuating circumstances. Every disaster is going to be a little different. Some may take 12 months; some may take 18 months; some may take 24 months. Some—

Mr. ROGERS. Does this committee need to do anything statutorily to help you?

Mr. SKINNER. Could the committee do—

Mr. ROGERS. Do we need to do anything statutorily or legislatively to help you?

Mr. SKINNER. Well, we could—the committee could—what I think needs to look at HUD's role, their disaster housing program, their disaster assistance housing program to institutionalize that program. That is something, I think, that came in late after Katrina and Rita, and it is something that we might want to consider continuing. If it had a legislative base, that would be helpful.

Chairman THOMPSON. Yes, I think one thing is the Stafford Act kicks in and that is T&I, and we have to work with them to try to negotiate it. But you are absolutely correct.

One of the issues with that is, you know, Mr. Jones, you put in place part of that strategy. I am a little concerned that nothing has happened since you did the first step. Is it your expert opinion that FEMA now needs to go and do a little more of the planning toward this housing?

Mr. JONES. Yes, sir. I believe that is correct.

FEMA is almost overwhelmed at times with the magnitude of the here and now. It is a little hard under those circumstances to think 4 and 5 years down the road. So our recommendation, I believe, is to get busy on some longer-range research and planning so that we can get our arms around these issues of transition and permanent.

Chairman THOMPSON. Thank you.

The gentleman from Pennsylvania for 5 minutes, Mr. Carney.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. Fugate, Mr. Skinner, Mr. Jones, good to see you again.

Just a couple of questions. I kind of want to follow up on what Mr. Rogers was talking about earlier. How far down the road are we in repositioning in different areas, as far as housing and supplies?

Mr. FUGATE. Well, in both cases, we have inventory that we have built up in previous storms. We are also looking at our response capabilities through either contracts or through storage of commodities to move in the areas. We work with our States.

One of the areas we have done more advanced work has been on the hurricane-prone States. That is a seasonal event.

But also going back and looking at our catastrophic planning at the types of events that can occur, and what those numbers look like, and where those supplies are.

Again, with housing, we are looking—and, again, this based upon what numbers we are talking about—our ability to purchase and contract for those units that we have specified after our experiences with Katrina versus those that are inventory that we can use.

Part of our planning that we want to get to is, what is the appropriate number to maintain an inventory versus what we would then depend upon other options?

There is a finite capability to haul and install these units in a short time frame. So that is why I wanted to use a large number of 500,000 housing units in a 60-day period to see what is actually possible with the existing infrastructure, what we can do with cur-

rent capabilities, and that—we will never get to that number, but then that starts telling us when we have to look at other options.

That may be, as we come back and work with the Chairman, go, all right, if that is not going to be the answer, then what is the answer? Does it mean we have got to fix houses? How do we do that? If we have got to relocate people, then we don't want to wait until there is a disaster and not have that plan ready to go. How do we support communities that end up hosting those populations?

As has been pointed out, this is a very complex issue when we move people and then we want to get them back home. We have to solve the bottom line: Are we going to be able to store enough housing units?

Mr. CARNEY. You are asking a lot of questions. What are the answers to those questions?

Mr. FUGATE. I think we start with a big number and see what the system currently does and where it breaks, and that is where we go after it. I think too often what I have run into is we have built our plans around what our capabilities are, not what the issues are, and then we run into the places where the system breaks down, and it tends to fail us catastrophically at that point.

Mr. CARNEY. Well, one of those considerations, certainly, is the cost of the housing trailer itself. What on average is the cost when you can put in the maintenance and the deactivation and the community construction and all those kinds of things?

Mr. FUGATE. Well, one of the numbers that we had—and this was a response earlier to a question the Chairman asked—on just the temporary housing units, it is probably about anywhere from \$40,000 to \$50,000.

The other factors you have got to add in, though, is how far it took to haul it, because we pay per mile on the trailer from either the manufacturer or from storage. So it depends upon how far those units go.

Now, as pointed out, in some of the group sites where we actually are leasing space and it is not on somebody's private property, we have got reoccurring costs to go there, those costs can get up to several hundred thousand dollars. So you have got to ask yourself—

Mr. CARNEY. Per unit?

Mr. FUGATE [continuing]. Is a couple hundred thousand dollars—

Mr. CARNEY. Per unit?

Mr. FUGATE. Per unit, sir. You know, in a lot of parts of the country, you can pretty well get a small-sized home for that price or—

Mr. CARNEY. In my part of the country, you get a big house for several hundred thousand dollars. I will yield to the gentleman.

Mr. SOUDER. One of the challenges is, is that, when you go to a manufacturer that has a regular business and say, "We need 30,000 right now," you pay overtime. You pay—you don't have the materials in stock. Some of the wood that we had came in from Indonesia. It was mixed in, because we were buying wood like crazy. So some of it is not having a plan, which is very hard to plan for disasters.

Mr. CARNEY. Well, it is not easy to plan for disaster, but we try to do as much as we possibly can. You know, I just—and we will address all this down the road from the oversight side, as well, but to try and get the cost of these things down, I think, you know, the more we plan, the more we think about these things.

You know, we have had some experience now. It is not like we are coming to this stuff cold and to figure these things out. You know, nothing is going to be perfect, but I don't want to an 80 percent solution to be the—to stop something that you—because we are never going to get perfection, so let's just make sure we plan down the road a little bit.

I will yield back, Mr. Chairman.

Chairman THOMPSON. Thank you.

One of the things that the gentleman hit on is, is whether or not the maintenance costs on this inventory is of such that it becomes prohibitive to have certain things in stock. I think that is one of the considerations long-term that you will have to look at is, can we maintain a stock that requires less maintenance than what we are doing?

Staff tells me that, when they looked around at the sites, you know, there was—some of the in-stock items, if the emergency happened, it couldn't roll out, because it has been there for a period of time, and, over time, has depreciated. So have you all looked at that?

Mr. FUGATE. Mr. Chairman, I know that they have. I have asked for more specifics. Part of what I want to get to is, what should be the inventory that we maintain based upon the disasters we face, knowing we will never be able to maintain enough inventory for the larger-scale events? But what should we maintain on short of those types of events to have ready to go within a short time frame those products?

Then, what is the lifespan in storage? How do we rotate that? So if we have product that has been there, we know the avenue lifespan in dry storage is only going to be finite years, that we don't go and go past that point where they now have no residual value, but how do we replace and maintain that stock?

The second piece of that, as was pointed out by the congressman, was there is a manufacturing capability in this country. What is that? If we went and started to let contracts, how many could they start building right now in a time frame that could provide those units? How long would it take to get in there? That tells us the next number.

Once we get past those, we are going to come back and say, "We need to look at a better—how do we get homes fixed? If we are going to spend this much money on a temporary unit, is it possible to fix homes faster?"

Well, that is going to come back to material, crews, and permitting, contracting, all these issues that are local State issues to drive that—

Chairman THOMPSON. It is called a plan that Mr. Carney was talking about.

Mr. FUGATE. Yes.

Chairman THOMPSON. I am going to have to cut you off, because I think that we are called to vote.

Gentleman from Texas—California, Mr. Lungren. Everybody here is from Texas.

Mr. LUNGREN. Thank you, Mr. Chairman. That is the first time I have been called from Texas, but that is all right.

Chairman THOMPSON. The accent gives you away.

Mr. LUNGREN. That is it. We are further west than Texas.

Mr. Fugate, first of all, let me thank you for your service. It is refreshing to hear your testimony here today as someone who understands the problems that this committee is posing to you and has given some thought and has provided us with some insights.

I notice in your written testimony you started out by explaining that FEMA can't do it all and that, in fact, FEMA shouldn't be the one that does most of it. It is a local and State responsibility and a personal responsibility.

I wish you would underscore that a little bit, because while I come from a State that is not hit by hurricanes, we have just about everything else. Whenever we get the big one, the big earthquake, we are going to be the recipient of assistance.

That is why I sometimes get very concerned about all the attention given to FEMA, as if you are the end-all and be-all, and if it is a problem, it is your problem. If it is a solution, it is your solution.

Could you just indicate a little bit what FEMA's prime responsibility is and the necessity for everybody at the local, State, regional levels to be intimately engaged in preparing and responding to a natural disaster?

Mr. FUGATE. Congressman, it would be an honor. FEMA is not a first-response agency. We are part of a team, and that team is made up of State and local officials, local responders, the private sector, faith-based communities that every day deal with disasters, oftentimes that do not involve Federal assistance.

Our primary mission on behalf of the President is, when a Governor requests assistance, to provide that assistance under the Stafford Act to support those States, as well as coordinate with the Federal family, our parent agency, Homeland Security, but all the other Federal agencies in providing assistance via those Governors' requests.

But a big part of that, as you point out, of that team that oftentimes our plans we don't recognize is the role of the public. They are one of our best resources in ensuring that we are going to be successful. The better prepared they are, the more we can focus on our most vulnerable citizens and make sure that we can address the needs of children, our frail elderly, people with disabilities, people that just don't have the resources, but it is a team effort.

So oftentimes my analogy, coming from local and State government, is FEMA tends to now take on the aspect of its description of a team of which we are just one component. But the reality is, most of the things that people are going to interface with in a disaster are going to be local and State officials. Where they are going to interface with FEMA is maybe through the individual assistance program or assistance we are coordinating on behalf of the President with the Governors.

But the strength of that team will always be in local and State government and, more importantly, individuals being prepared to the best of their ability.

Mr. LUNGREN. Now, earlier there were some questions asked of you about the difference in both per capita expenditures and eligibility and so forth, and in part of your response, you said, well, I would have to look at the—you either said the number or the percentage of insured property. Can you explicate a little on that?

Mr. FUGATE. Yes, sir. The whole intention of the Stafford Act was non-duplication of benefits. So the first thing we look at in the individual assistance or even for governments was, what should be insured? Was it insured?

Again, personal responsibility is, I should be insuring my property. Many of these events, the majority of people do not seek or receive Federal assistance, they had insurance, they paid their bills, they had their homes repaired.

Our programs are really designed to address people that did not have the insurance, were not insurable, did not have the resources, or when the magnitude of the event is so great that insurance—particularly in housing—can't address the housing needs, because there is no housing to get into, even if you had insurance.

Mr. LUNGREN. The reason I ask that is it would be a terrible thing for us to criticize the response of your agency based on the fact that many people in these areas had insurance or were able to insure their property, which is what we want to encourage, as opposed to suggesting that you are not doing a good job when, in fact, we had a situation where people were responding on a personal basis the way we want them to respond.

Mr. Skinner, just a very quick question, and that is, you mentioned in your testimony the high cost of current housing options. Mr. Fugate just responded as to what the dilemma is, in terms of determining the life of the stock, whether it cost money to hold it, as opposed to attempting to wait until there is a disaster and then trying to increase the production at that point in time.

Anything you would add to what Mr. Fugate said about how we might be able to bring the cost of these housing options down?

Mr. SKINNER. I certainly do. I think we definitely need to do some type of cost-benefit analysis, as to what our options are, and that is having pre-award contracts or something—I call them—refer to them as call contracts, with those manufacturers, with some type of agreement that they have the capability and the willingness to provide us with what we need after disaster or when a disaster strikes versus maintaining trailers or maintaining an inventory of housing stock, which can be very expensive.

FEMA at one time back in the 1980s did, in fact, maintain trailers in three different locations around the country. They gave up that. They discovered back in the early 1990s and mid-1990s that it was not cost-benefit-wise to continue to maintain those trailers. They were deteriorating. They were expensive to maintain. They were subject to the elements. We had full-time staffing over securing them.

So eventually, during the mid- to late 1990s, we depleted that stock and then started relying on contractors. I think we need to take a real close look as to what would be most beneficial for us.

Chairman THOMPSON. Thank you. We have a dilemma. We have three Members who need to ask questions, and we have about 7 minutes left for questions.

We can do 2, 2, and 2 and release our panel and take the next witness on the next round.

Gentleman from Connecticut, Mr. Himes, for 2 minutes.

Mr. HIMES. I will be very quick. I was encouraged to see in your testimony the commitment to working with HUD.

I wonder—a general question—can you characterize whether you are satisfied with the communication between your agencies? They are obviously very important as an entity that understands where housing is regionally and nationally.

Specifically, coincidentally right now the Financial Services Committee is marking up the Section 8 voucher reform act. I don't see or hear a lot of discussion about the potential for the use of temporary Section 8 vouchers, which strikes me, at least in theory, as an interesting way where you might provide a temporary solution.

Mr. FUGATE. I think our dialogue with HUD, particularly as the new team has come on-board, has been very good. My experience with Section 8 actually—there is one thing that is kind of interesting. You have those that are applied to the individual, and they are transportable. You have those that are applied to the facility and are not transferable.

I have had situations as a State director where I had people that did not have their own Section 8 certificate, so if that rental unit was destroyed, they had to go back to the housing authority and get in line to get another Section 8 voucher so they could get rental property, which put them at a disadvantage, competing with other people that still had not been able to get Section 8 housing vouchers.

Mr. HIMES. What if we, for example, created in response to a catastrophe temporary Section 8 vouchers that could be distributed precisely to people like that?

Mr. FUGATE. I think I—you know, I would want to work with my partners at HUD, but I think giving them more tools and more options is, again, what we are looking for, because, as the IG has pointed out, all disasters are different. We need a variety of tools based upon, do we have housing available? Would Section 8 help meet those issues? Would we be able to get vouchers through HUD to help people get the longer-term solutions in those communities?

Mr. HIMES. Thank you.

Thank you, Mr. Chairman. I yield my time.

Chairman THOMPSON. The gentlelady from California for 2 minutes.

Ms. RICHARDSON. Two brief questions. Mr. Fugate, you said it is the people's responsibility to evacuate and it is their responsibility to be prepared. I have been watching a lot of news, and if people had difficulties in 2005 responding, we now have major financial crises going on.

Has your plan been re-evaluated to consider the crises that people are going through? Many people are unemployed, don't have the resources, don't have the vehicles, all the things—other people helped each other. Those things we won't necessarily be able to

count on. Have you evaluated your plan, given the current financial state of this country?

Mr. FUGATE. Yes, we have. Again, as we pointed out, we want people to prepare to the best of your ability. We know that people don't have transportation. Those are transportation-dependent populations our local governments plan for. We provide support, as we do with supporting the State of Louisiana, if we have to evacuate Orleans Parish.

The other issue that we run into, particularly with hurricanes, is making sure that we are able to, with our State and local partners, shelter people closer to the area. In many cases, there are—and, again, there are exceptions, but in many cases, people really need to evacuate just tens of miles, not hundreds of miles. Shelter capacity in those States is very important.

Some of the biggest costs people face when they evacuate, though, is, again, lost work, lost wages, gas, other expenses that can make those decisions very difficult. I think that is, again, why we worked back through our States and local partners, to identify, as the situation changes, will they need assistance from us to support that?

But in many cases, the shorter the distance of the evacuation, the less costly it is for the people.

Ms. RICHARDSON. Okay. I have got 26 seconds. Let me make sure I am really clear. Have you evaluated the jobless rates, the financial situations, things that have happened in these major cities that we could expect an occurrence to occur? Have you looked at that and evaluated what specific additional things need to be done in order to deal with what we think will probably be even more people who are not prepared? Yes or no?

Mr. FUGATE. No.

Ms. RICHARDSON. Okay. We need to do that.

Thank you, Mr. Chairman.

Chairman THOMPSON. The gentleman from New Jersey.

Mr. PASCRELL. Thank you, Mr. Chairman.

Mr. Fugate, you and I have talked about the subject, going back to the former administration, to review and reform where it is necessary some of the processes they undertook. We have got 29 regional indefinite delivery, indefinite quantity areas, contractors, three PTS contractors, the production and technical services, I believe that is.

The FEMA process effectively cut out small-, medium-sized, potentially many minority-owned businesses. This is a serious problem. It was done in December of last year. I don't want to get off on that. I don't have the time, but I wanted to, but I don't have the time.

What I am asking you to do is to remedy the decision to allow each FEMA region to make its own decision as to whether they would like to stick to the IDIQ contractors or choose the new PTS contractors.

The people who work in each FEMA region, the people who work in our backyards should be responsible for these decisions, not contracting services here in Washington, DC. We are doing just the opposite of what we said we were going to do 8 years ago.

As far as I know, nothing in either set of contracts precludes the other from being used. The PTS contractors can supplement the work of IDIQs instead of supplanting them.

Now, Administrator Fugate, are you willing to undertake this solution, instead of mitigate the effects to small- and medium-sized businesses under these flood mapping contracts, particularly in view of what the financial situation is today? This is unconscionable.

Mr. FUGATE. I understand, sir. I am researching it to give you an answer by Friday as to where we are at in this contracting process and what my options are and what I can and cannot do under the current—

Mr. PASCRELL. Is my analysis of the issue and the problem correct?

Mr. FUGATE. I will have an answer Friday, as I go back and look through the answer, sir.

Mr. PASCRELL. Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

We will begin with the next panel in about 20 minutes or at the time we finish the next two votes.

The committee is recessed.

[Recess.]

Chairman THOMPSON. I would like to reconvene our hearing. A number of Members have indicated they will come as the testimony is given, given some other matters.

I now welcome our second panel of witnesses. We would like to welcome you.

Our first witness to this panel is Ms. Erica Gees, a member of the national board of directors of the American Institute of Architects. Ms. Gees is currently serving as a Massachusetts State-wide disaster coordinator for the AIA and formerly served on the AIA's national director assistance committee and disaster assistance task force.

Welcome.

Our second witness is Mr. Reilly Morse, senior attorney for the Biloxi office of the Mississippi Center for Justice, where he focuses his attention on affordable housing policy and civil rights.

Welcome.

Our third witness is Mr. Don Kubley, president and chief executive officer of Intershelter, Incorporated. Mr. Kubley has served as a chief of staff and legislative liaison to the lieutenant governor of the State of Alaska and a special appointment from the Governor of Alaska as director of the Governor's office of regulatory reform.

Welcome, also.

Our fourth witness is Mr. Braddon Rininger—I hope I did you justice, Braddon—president of Brajo, Incorporated, a housing initiative to create affordable, safe, and sustainable housing units using environmentally responsible materials and methods.

Our fifth witness is Mr. Walter Boasso, chief executive officer of Housing Emergency Logistics Plan, or HELP. Mr. Boasso has been in the business over 20 years and is a former member of the Louisiana State legislature, where he served as chair of the senate select committee.

Without objection, the witnesses' full statement will be inserted into the record.

I now recognize Ms. Gees to summarize her statement for 5 minutes.

**STATEMENT OF ERICA RIOUX GEES, REPRESENTATIVE, THE
AMERICAN INSTITUTE OF ARCHITECTS**

Ms. GEES. Thank you, Chairman Thompson.

Chairman Thompson and other Members of the committee, present and not, I am Erica Rioux Gees, AIA. I am an architect in Amherst, Massachusetts. I am also a member of the national board of directors for the American Institute of Architects.

Thank you for this opportunity to appear today to discuss disaster assistance and housing issues. There are strong connections between the dual challenges of post-disaster housing and sustainable approaches to mitigation and long-term recovery.

Architects and their allied design and construction professionals are ideally and uniquely suited to help FEMA, State and local emergency management agencies, and communities address post-disaster housing and recovery in a number of ways. Through our disaster assistance program, the AIA works with these agencies to put design professionals on the ground to assist communities after a disaster hits.

In the short-term, architects and fellow design professionals conduct rapid damage assessments to homes, businesses, and public infrastructure to begin the process of rebuilding. Licensed design professionals need to be involved to identify exactly what can be repaired and rebuilt and what must be torn down or reconstructed. This process is what gets people out of emergency housing and back into their community.

With regard to temporary and transitional post-disaster housing, there are a lot of interesting and ambitious ideas in the field, and many of our members are engaged in finding creative approaches. The main criteria that should be used to judge such housing are practicality, comfort, and sustainability.

We urge FEMA to continue working with HUD, NIST, NIBS, the Joint Housing Solutions Group, and design and construction professionals to continue fostering innovative housing solutions.

We also urge FEMA to work with these stakeholders to address not just the quality of the housing units themselves, but also that of the places where those units are located to avoid the FEMA-ville effect of isolated, unsafe, and unsustainable clusters of temporary shelter cut off from the rest of the world.

As a community transitions from short-term response to long-term recovery, it will need to make decisions that affect and may even significantly alter the built environment. It is essential, therefore, that they are made aware of the opportunities to not just rebuild, but rebuild better.

Among these opportunities are comprehensive neighborhood redesign, urban redesign, landscape redesign, preservation, and appreciation of little-known assets and utility relocation.

At the AIA, we have been providing long-term assistance through pro bono public service programs that offer unique opportunities to

build long-term recovery strategies which are inexpensive and achievable.

We are encouraged by the recently announced partnership between HUD, DOT, and EPA on livable communities. We believe this approach has application in a post-disaster context, as well, and we urge FEMA to explore ways to work collaboratively with these agencies.

I would like to discuss some key principles that my fellow architects and I have observed through our program. First, building a local capacity to respond to disasters is at the center of our strategy. There is no national one-size-fits-all approach to disaster response.

Our programs foster local communities' ability to take action in the wake of disaster by deploying the assets that are already in place. They also develop an engaged, knowledgeable community of citizens ready to respond.

The second principle is the importance of partnerships, effective collaboration between emergency management agencies and professional associations to be the centerpiece of efforts moving forward. It is vital that these partnerships are planned and formed before the disaster strikes so that plans can be put into motion immediately.

Communications are often challenged in the aftermath of a disaster. Having a well-established in-place network beforehand is absolutely critical.

The final principle is speed, the ability to get trained and licensed design professionals on the ground to perform damage assessments quickly is no less an urgent need than providing food and medicine. Getting people back into their homes lessens the needs for temporary shelter and other forms of emergency provisions. This is a key part of our disaster assistance program.

That is why it is very important that governmental agencies responsible for disaster recovery from FEMA to the local level have in place the communication plans to enable them to trigger the post-disaster response as soon as possible.

It is also important to note that these principles apply to all forms of disaster, natural or man-made, whether it is a hurricane, an earthquake, an act of terrorism, or even a pandemic, we need to ensure that people have adequate shelter and that the built environment is safe.

Thank you so much for the opportunity to provide testimony today on this very important issue. We look forward to working with the committee, and I am happy to answer any questions you may have. Thank you.

[The statement of Ms. Gees follows:]

PREPARED STATEMENT OF ERICA RIOUX GEES

JULY 8, 2009

INTRODUCTION

Chairman Thompson, Ranking Member King, and Members of the committee—good morning. I am Erica Rioux Gees, AIA, an architect from Amherst, Massachusetts, and a member of the national board of directors of the American Institute of Architects.

Thank you for this opportunity to appear before you to discuss disaster assistance and housing issues. There are strong connections between the dual challenges of post-disaster housing and sustainable approaches to mitigation and long-term recovery. We believe that architects and their allied design and construction professionals are ideally and uniquely suited to help FEMA, State and local emergency management agencies, and communities address these challenges.

As an associate with Kuhn Riddle Architects, a 17-person architecture, planning, and interior design firm in Amherst, MA, I focus on the master planning and design of multi-family housing, commercial, and institutional projects. I currently serve as the Massachusetts State-wide Disaster Coordinator for the AIA and have previously served on the AIA's National Disaster Assistance Committee and Disaster Assistance Task Force. I also have served on numerous AIA Sustainable Design Assessment Teams (SDATs) in communities across the country, including Louisiana, Washington, Florida, Hawaii, and Massachusetts.

I would like to share with the committee some information about the work of the AIA and architects to support mitigation and recovery efforts, discuss the role of architects and other design professionals in helping communities recover and rebuild from both natural and man-made disasters, and provide some thoughts about the key issues affecting post-disaster housing and community recovery.

THE AIA DISASTER ASSISTANCE PROGRAM

The AIA is comprised of more than 83,000 licensed architects, architects-in-training, and allied professionals across the country. Through our Disaster Assistance Program, we are training and mobilizing architects to help communities recover from disasters.

The program dates back to 1972, when the AIA formally recognized the important role that architects can play in disaster response. In Washington, DC, Members and staff began developing strategies to assist member components to respond quickly to requests for aid.

Several State and local components, including Texas, California, Florida, Kansas, and New York, began to develop programs to provide assistance to communities struck by disasters. The program coordinates with local AIA components and the larger disaster response community to train locally based teams of volunteer architects to respond in the event of a disaster. A dedicated network of State coordinators fulfills an invaluable role by coordinating with local or State emergency management agencies. More information on the AIA Disaster Assistance Program can be found on-line at <http://www.aia.org/about/initiatives/AIAS075269>.

The architectural community is well-positioned to offer expertise at every phase of the recovery process. When the focus shifts from emergency response to making homes livable and workplaces functional; licensed building experts—architects, engineers, builders, and others—are often called to assist in evaluating post-disaster conditions and later to help in restoring a community. There are two key areas where architects play a vital role when a disaster strikes: Performing damage assessments of buildings and helping communities develop long-term recovery plans.

Damage Assessments of Buildings

One of the most immediate concerns after a disaster is the safety of the buildings that people occupy. It is critical to be able to conduct rapid damage assessments to homes, businesses, and public infrastructure to begin the process of rebuilding, and it is essential that licensed design professionals be involved to identify exactly what can be repaired and rebuilt and what must be torn down and reconstructed. Completing this process is what gets people out of emergency housing and back into their community. For instance, more than 600 AIA members volunteered to perform damage assessments and offer technical assistance to recovery efforts in the aftermath of Hurricanes Katrina and Rita.

Long-term Recovery

As a community transitions from short-term response to longer-term recovery, local and State officials need to make decisions that will affect—and may even significantly alter—the built environment. It is absolutely essential, therefore, that they are made aware of the opportunities for change. Among these are comprehensive neighborhood redesign, urban redesign, landscape redesign, preservation, appreciation of little-known assets, and utility relocation. The recovery process can offer the opportunity to remedy underperforming aspects of a community.

There are a number of groups and associations that offer assistance programs to address long-term planning. However, these efforts should be better coordinated between FEMA's National Response Coordination Center and the National Volunteer

Organizations Active in Disaster (NVOAD), which have had a strategic partnership since 2003.

We also are encouraged by the recently announced multi-agency partnership between the Department of Housing and Urban Development, the Department of Transportation, and the Environmental Protection Agency on Livable Communities. We believe this approach has application in the post-disaster context as well, and we would urge FEMA to explore ways to work collaboratively with these agencies.

At the AIA, we have been providing long-term assistance through pro bono public service programs that offer unique opportunities to build long-term recovery strategies which are inexpensive. We have helped 143 communities through our Regional and Urban Design Assistance Team (RUDAT) programs since 1967. The RUDAT program has included post-disaster contexts such as East Nashville, Tennessee, in 1999, and Lancaster, Texas, in 1995 following tornadoes. Similarly, through our Sustainable Design Assessment Team (SDAT) program, we have been active in over 30 communities since 2005, including several projects in New Orleans. Through these two programs, multi-disciplinary teams of professionals can provide communities with recommended changes to a city's comprehensive plan and building codes, offer suggestions on urban design issues, and educate and engage the community in a dialogue about the options available.

KEY ISSUES AND PRINCIPLES IN POST-DISASTER RESPONSE

I would like to take a few moments to discuss some key issues and principles that my fellow architects and I have observed through the Disaster Assistance Program.

Place-based Strategies

Building the local capacity to respond to disaster situations is at the center of our strategy. There is no national, one-size-fits-all approach to disaster response. Our programs foster local communities' ability to take responsibility and action in the wake of disaster by deploying assets that are already in place. We recognize that the most effective programs must be organized at the State level, in part because:

- Most government agencies coordinating disaster assistance and long-term reconstruction are at the State level, and AIA components can most easily connect resources through this network.
- A State component is better able to examine and discern regional patterns and trends to customize programmatic approaches and meet contextual needs.
- Most importantly, the local AIA component can most effectively marshal professional resources from nearby unaffected areas.

Therefore, the AIA's approach has focused on building a national Comprehensive Response Network of member volunteers that can deploy locally and regionally. First established in 2006, the Comprehensive Response Network currently has 52 volunteers in 39 States, the majority of whom are currently trained to coordinate local disaster response. These State coordinators have the ability to mobilize hundreds of local architects to respond to disaster situations.

This network has proven valuable in both small and large contexts. In 2008, AIA Disaster Coordinator Tom Hurd, AIA, mobilized member volunteers in Mason City, Iowa, to conduct more than 350 building assessments in the days following their historic floods. Along the Texas coast, the Texas Society of Architects and Disaster, Inc., worked to train and mobilize volunteers to conduct hundreds of damage assessments following last year's hurricanes. Our members mobilized similar efforts earlier this year in Washington State following the flood emergency there. Collectively, our network represents a unique resource to the emergency management field.

Partnerships

Today's partnerships will yield tomorrow's recovery success stories. We believe effective collaboration between emergency management agencies and professional associations should be the centerpiece of efforts moving forward. With an effective local structure in place, the disaster assistance process can swiftly and efficiently respond to a range of situations.

Currently, the AIA is working to foster a more productive relationship with the larger disaster-response community, recognizing that partnerships are fundamental to our future work. In Rhode Island, for example, the AIA is collaborating on the development of the Rhode Island Architects and Engineers Emergency Response Task Force to formally recognize and provide licensing for volunteers to conduct damage assessments. This State-recognized network of design professionals would be trained and accredited by the Rhode Island Emergency Management Agency (RIEMA). They also have plans to work with the State Attorney General's office to develop a set of bylaws and an activation protocol for the group. While this is an on-going process, we are very hopeful that it will provide a model for other States

to establish a more comprehensive protocol for incorporating architects and design professionals who are willing to volunteer for this work.

Similarly, AIA Louisiana recently met with representatives from the office of Governor Bobby Jindal (R) and State emergency management officials. They are interested in working with us as well as FEMA to develop a pilot program for training and licensing architects and design professionals to engage in post-disaster assessment. In California, we have continued to work with the California Emergency Management Agency (CEMA), which has a volunteer database of thousands of design professionals licensed to conduct damage assessments. In Florida, Governor Charlie Christ (R) declared March 18 Florida Architects' Day in recognition of their contributions to society, especially through disaster assistance. AIA members have also participated in a limited capacity on FEMA Mitigation Assessment Teams, most recently in Galveston, Texas, following the 2008 hurricane.

Post-disaster Housing

There are a lot of interesting and ambitious post-disaster housing ideas in the field currently that relate to post-disaster housing, and many of our members are engaged in work that addresses creative approaches to the challenge of post-disaster housing. The main principles that I believe should be used to judge them are practicality, comfort, and sustainability.

Practicality is the easy one. Emergency housing must be available quickly to people who are displaced. It is vital that FEMA has contracts and plans in place to ensure that temporary housing can be procured quickly in the event of a disaster, and in amounts that closely correspond to the need.

The level of comfort will be directly correlated with the length of time people are expected to need temporary housing. The longer the time frame, the more comfort and greater the number of amenities that will be necessary. Proximity to shopping and employment centers may also become important considerations when relocating large numbers of displaced people.

Housing that is designed to be temporary is unsustainable by definition. It has to be reusable, and if it is reusable it must be lightweight to travel quickly and cheaply.

The AIA was pleased to work with FEMA on the Alternative Housing Pilot Project for the Gulf Coast, authorized by Congress 2006 following Hurricanes Katrina and Rita. But clearly more needs to be done to ensure a wide range of innovative housing strategies to meet the aforementioned goals. We urge FEMA to continue working collaboratively with HUD, the National Institute of Standards and Technology, the National Institute of Building Sciences, the Joint Housing Solutions Group, and design and construction professionals to both evaluate the progress and results of the AHPP projects and to continue fostering on innovative housing solutions. We also urge FEMA to work with other stakeholders in the public and private sectors to address not just the practicality, comfort, and sustainability of the housing units themselves, but also those of the larger communities in which those units are located, to avoid the "FEMA-Ville" effect of isolated, unsafe, and unsustainable clusters of temporary shelter cut off from the rest of the world.

Good Samaritan Legislation

The involvement of architects in post-disaster contexts raises the related issue of the need for Good Samaritan legislation. During a disaster event, licensed architects and engineers may be exposed to questions of liability even though they are acting in good faith to preserve the safety of a community. While most States have statutes that cover certain volunteers from liability during an emergency situation, it is questionable if these statutes would shield an architect or engineer from liability if he or she is called upon to render professional services in a time of crisis. This ambiguity needs to be removed by passing Federal Good Samaritan legislation.

Many States have extended immunity from liability to doctors and various other professionals who are needed during a crisis. Immunity from liability allows these professions to volunteer more readily and gives the public access to crucial services during major disasters.

Similarly, some States have recognized the importance of giving licensed architects and engineers immunity during a disaster. States ranging in size and population from Colorado to Washington have adopted such legislation. Many, however, have not. For the public good it is important that Congress pass a Federal Good Samaritan law for architects and engineers.

Speed

Last but certainly not least, post-disaster assistance needs to be implemented quickly. Although we cannot predict with any certainty when the next disaster will strike, we have seen time and again that timing is everything. The ability to get

trained and licensed design professionals on the ground to perform damage assessments quickly is no less an urgent need than providing food and medicine, as getting people back into their homes lessens the need for temporary shelter and other forms of emergency provisions.

That is why it is very important that governmental agencies responsible for disaster recovery, from FEMA down to the local level, have in place the partnerships and communication plans to enable them to trigger the post-disaster response as soon as possible.

Lastly, it is important to note that all of these principles apply to all forms of disaster, natural or man-made. Whether is it a hurricane, an earthquake, an act of terrorism or a pandemic, the need to ensure that people have adequate shelter and the necessity of assessing the safety and usability of the built environment are equally great.

Thank you for the opportunity to provide testimony on this important issue. We look forward to working with the committee to help communities prepare for, mitigate, and respond to disasters, and I am happy to answer any questions the committee may have.

Chairman THOMPSON. Thank you very much.

The gentleman from Mississippi for 5 minutes, Mr. Morse.

**STATEMENT OF REILLY MORSE, SENIOR ATTORNEY,
MISSISSIPPI CENTER FOR JUSTICE**

Mr. MORSE. Thank you, Mr. Chairman and Members of the committee for holding this hearing and for inviting Mississippi Center for Justice to testify.

Housing is fundamental for disaster recovery, to state the obvious. Nearly 4 years after Hurricane Katrina, coastal Mississippi's population, civilian labor force, and permanent housing stock all remain below pre-Katrina levels. Until more affordable housing becomes available, the labor force cannot return.

We strongly support the strategy of immediate repair assistance for rental properties and the development of rental repair sweep teams to carry out this mission. This was a missed opportunity after Hurricane Katrina, Mr. Chairman. There were over 171,000 single-family rentals in the Gulf Region with minor damage, and over 163,000 of those untouched by storm surge.

The per-unit cost of restoring a lightly wind-damaged rental is one-sixth the cost of a FEMA trailer when on private property, one-thirteenth or less the cost of a trailer on a group site. So we urge Congress to authorize and fund FEMA's ability to pursue this rental repair strategy on a large scale.

Across the region, the 2005 hurricanes significantly reduced the affordable rental stock, and rental rates spiked dramatically for what remained. These pressures sharply reduced the housing options for low-income individuals. Rebuilding an adequate, affordable rental supply can take years.

As FEMA's 2009 plan notes, populations with additional needs or low income receive the same amount of financial assistance that the general population, even though their needs may exceed the limits of the program. FEMA should ask Congress to modify the cap to meet the needs—the greater needs of lower-income persons following a disaster, particularly a catastrophic disaster.

Affordable rental shortages after a disaster only magnify the acute national undersupply of rental housing for the 9 million extremely low-income Americans who have only \$6.2 million rental units that rent at rates they can afford. Congressional action to close this structural gap serves the national interest to house our

working poor, elderly, and disabled and the interest in responding to the housing needs of those displaced by disaster.

Federal disaster housing strategy increasingly depends upon HUD housing voucher programs. But as FEMA's David Garratt acknowledged, handing someone a voucher if there are no other forms of housing available at or near the fair-market rate is not worth a lot. Recently, Mississippi requested funds for 5,000 housing vouchers citing FEMA data of 2,000 vacancies in voucher-qualified apartments.

But, in fact, Mr. Chairman, coastal Mississippi has less than 1,000 such vacancies according to preliminary results of surveys attached to my written statement in the past 2 weeks.

Mississippi today is not better able to use vouchers should another disaster strike because its current programs do not remedy the undersupply of affordable rental housing. Congress must exert greater control over how States spend disaster recovery grants and serve the national interests in affordable housing and disaster housing response.

When a disaster destroys most of the available rental housing and forces longer stays in interim housing, FEMA should look to other options instead of travel trailers. We support the Mississippi cottage pilot program funded by FEMA that produced and placed 2,800 modular units that are stronger, safer, and roomier than the FEMA trailer, and can be converted to permanent use on a foundation, provided local jurisdictions cooperate.

Disability access, fair housing enforcement, and improvements to case management in interim housing also are crucial to meet the needs of the affected population, and I have detailed recommendations in my written statement and exhibits on these subjects.

I want to close with a plea for teamwork and an example. James Johnson, a 74-year-old Mississippian on Social Security, left school at age 9 to work in a sawmill. He helped his family buy the land and collected the scrap wood used to build the shotgun house that a tornado spawned by Katrina demolished, according to a front-page Washington Post report last month.

Nearly 4 years after Katrina, this man wakes up every morning on a bench pushing in a FEMA trailer because of a lack of teamwork. Mississippi's homeowner grant program approved by HUD turned him down because the State chose to exclude wind damage. Mississippi's MEMA cottage program, funded by FEMA, won't say if he can buy one of the 700 empty cottages sitting in a field 5 minutes' drive away from him.

Case managers cannot connect the dots for him. HUD allowed Mississippi to divert disaster aid from unmet needs like his to other purposes.

I urge this committee and Federal agencies to remedy this lack of coordination and to ensure that Mr. Johnson and other displaced storm victims like him, as well as future victims of disaster, receive better treatment than he has.

Thank you.

[The statement of Mr. Morse follows:]

PREPARED STATEMENT OF REILLY MORSE

JULY 8, 2009

INTRODUCTION¹

Good morning. I am Reilly Morse, a senior attorney in the Katrina Recovery Office of the Mississippi Center for Justice in Biloxi, Mississippi. I thank Chairman Thompson, Ranking Member King, and the Members of the committee for holding this hearing to examine current problems and solutions on FEMA disaster housing. I also thank the U.S. Department of Housing and Urban Development (HUD) and the Federal Emergency Management Agency (FEMA) for their efforts to house Gulf Coast residents following emergencies and natural disasters.

The Mississippi Center for Justice (“MCJ”) is a non-partisan, non-profit, civil rights legal organization that was founded in 2003. It was formed to provide a home-grown means to advance racial and economic justice in Mississippi. In 2005, MCJ became the Deep South affiliate of the Lawyers’ Committee for Civil Rights Under Law (“Lawyer’s Committee”), a national civil rights legal organization formed in 1963 to remedy racial discrimination. Shortly after Hurricane Katrina, MCJ opened a Katrina Recovery office in Biloxi, where we joined forces with the Lawyers’ Committee and attorneys and law students from across the Nation to provide free legal representation, impact litigation, and policy advocacy for storm victims, particularly low-income and minority populations.²

I am a third-generation Gulfport, Mississippi lawyer. After Katrina destroyed my office, and displaced innumerable relatives and friends, I joined MCJ to provide legal assistance for others to move towards recovery. My family and our home survived Katrina, but the clients I represent here today were not so fortunate. On behalf of those clients and future disaster victims, I urge you to do the following:

1. Ensure that post-disaster housing and the necessary public assistance to local governments that supports housing recovery remain FEMA’s top priorities.
2. Require FEMA to maximize the repair and rehabilitation of existing housing resources, prioritize modular housing over travel trailers, and accelerate and increase aid to special needs and lower-income populations.
3. Require FEMA to provide unified, comprehensive, and intensive case management, especially for vulnerable populations, to reform eligibility and duplication of benefits rules, and to strengthen fair housing training and enforcement for its staff and contractors.

I. POST-DISASTER HOUSING IS TOP PRIORITY FOR RECOVERY PROCESS

Housing is central to disaster recovery, to state the obvious. “Housing is the connector to how we live our lives and interact with the social networks within our communities,” notes FEMA’s 2009 National Disaster Housing Strategy.³ All stages, from shelter to interim to permanent housing, determine the pace of recovery. As pointed out by the Director of Governor Barbour’s Office of Recovery and Renewal, “[t]he repair and reconstruction of housing is the foundation of individual, community, and overall economic recovery . . . Without the rapid provision of temporary and permanent housing solutions, recovery will be slowed or fail to occur in a manner that meets the needs of disaster victims, the recovery objectives of local leaders, or the intent of the Governor, which is to achieve a coastal ‘renaissance.’”⁴

Affordable housing is a prerequisite to the recovery of the job market. This is as true years later as it is in the immediate aftermath. “Housing is our biggest priority. Our community cannot survive without housing. The jobs will come and have come back but people must have a place to live,” testified a local minister in Janu-

¹I express appreciation for contributions to this testimony from the National Low Income Housing Coalition, the National Fair Housing Center, PolicyLink, Texas Appleseed, my colleagues at Mississippi Center for Justice and the Lawyers’ Committee for Civil Rights Under Law, and the 2009 University of Maryland Law School Summer interns.

²MCJ’s early experience in partnership with the Lawyers’ Committee for Civil Rights Under Law, is described in Jonathan P. Hooks, Trisha B. Miller, *The Continuing Storm: How Disaster Recovery Excludes Those Most in Need*, 43 California Western Law Review 21 (Fall 2006).

³FEMA National Disaster Housing Strategy, January 16, 2009, p. 52 (hereafter “the Strategy.”) <http://www.fema.gov/news/newsrelease.fema?id=47305>.

⁴Testimony of Gavin Smith, January 14, 2006 Field Hearing of House Financial Services Subcommittee on Housing and Community Opportunity, “Housing Options in the Aftermath of Hurricanes Katrina and Rita,” (hereafter January, 2006 Housing Options Hearing), pp. 2-3. <http://www.house.gov/financialservices/media/pdf/011406gs.pdf>.

ary, 2006.⁵ In 2007, Mississippi proposed to solve the hiring problem of many of its major employers through a long-term workforce housing program. As of May, 2009, both the population and the civilian labor force in the Mississippi coastal region were 7 percent or more below pre-Katrina levels.⁶ Housing stock, excluding temporary housing, likewise stands at roughly 7 percent below pre-Katrina levels, according to recent estimates by Mississippi officials. Until more housing becomes available, the affected region's civilian labor force cannot return.

II. FEMA'S INTERIM HOUSING STRATEGY SHOULD MAXIMIZE AVAILABLE HOUSING RESOURCES

Interim housing, according to FEMA, "covers the gap between sheltering and the return of disaster victims to permanent homes."⁷ Providing interim housing is more difficult when the disaster also damages the public and commercial infrastructure of the community. As households transition from shelter to interim housing, the recovery of their neighborhood will determine their access to food, health services, work, and school.

People tend to recover sooner from disasters the closer they are to home, and so MCJ endorses FEMA's plans for immediate repair assistance to rental properties to enable as many tenants as possible to return to their pre-disaster locations.⁸ Congress should amend the Stafford Act to permanently enable FEMA to use public funds for repairs of private, for-profit rental property following a Federally declared disaster.⁹ In Mississippi, 30,017 out of 42,187 single-family rentals had minor damage (below \$5,200).¹⁰ The per-unit cost of restoring a lightly-damaged single family rental to permanent habitability is one-sixth of the cost of a FEMA trailer on a private site, and one-thirteenth of the cost of a FEMA trailer at a group site.¹¹ Rental repair is quicker, it stimulates the local economy, it reduces neighborhood blight and depopulation, does not incur expenses for mobilization/demobilization, and it avoids zoning barriers that may block conversion of other housing alternatives from temporary to permanent use. In the case of a major disaster or catastrophe, we also encourage consideration of the use of rental repair sweep teams using a civilian-led combination of civilian/military personnel to make habitability repairs within 90 days of a natural disaster.¹²

FEMA's public assistance programs are critical to achieving the recovery of essential public services and infrastructure on which the housing and commercial recovery depends.¹³ For this reason, MCJ urges FEMA to streamline and coordinate the public assistance approval process with FEMA's interim housing activities in each community. In cases of catastrophic loss, we urge FEMA to eliminate cost shares and reimbursement-based assistance to local governments. Just as people and families need enhanced financial assistance to restore their stability, local and county governments need Federal public assistance without having to shoulder additional cost shares in the wake of a catastrophic loss.

III. FEMA'S INTERIM HOUSING STRATEGY SHOULD PRIORITIZE MODULAR HOUSING OVER TRAVEL TRAILERS

FEMA should look to other options instead of travel trailers when a disaster destroys much of the available rental housing and requires longer stays in interim housing. FEMA's \$400 million Alternative Housing Pilot Program sought to develop alternatives to travel trailers in situations where a disaster has left a significant shortage of available rental housing. In Mississippi, nearly 2,800 cottages were constructed and deployed under this pilot program funded by FEMA and administered

⁵ Testimony of Rosemary Williams, Mount Zion United Methodist Church, January, 2006 Housing Options Hearing, transcript, p. 48.

⁶ See Census Report and Labor Market data attached as Exhibit "A".

⁷ The Strategy, p. 50.

⁸ The Strategy, pp. 57-58.

⁹ We support in concept FEMA's Rental Repair Pilot Program; however, we cannot comment on the details because we have not yet seen the report that was to have been filed on March 30, 2009.

¹⁰ Housing Unit Damage Report, February 12, 2006, FEMA ("FEMA February 2006 Report"). http://gnocdc.s3.amazonaws.com/reports/Katrina_Rita_Wilma_Damage_2_12_06_revised.pdf.

¹¹ General Accounting Office, "Hurricane Katrina: Ineffective Oversight of Housing Maintenance Contracts in Mississippi Resulted in Millions of Dollars in Waste and Potential Fraud," GAO 08-106, Figure 3, p. 24 (\$30,000 per trailer on private site) Table 4, p. 25. (\$69,000 to \$229,000 per unit at group sites). <http://www.gao.gov/new.items/d08106.pdf>.

¹² See Southeast Louisiana Catastrophic Hurricane Plan, prepared by IEM, Inc, for FEMA and State agencies, January 5, 2005, pp. 88-90, 92, 97, Appendices pp. 68-70.

¹³ The Strategy, Annex 2, pp. 54-57.

by the Mississippi Emergency Management Agency (“MEMA”). The cottages were larger, stronger, and more livable than the FEMA trailers they replaced. While a few hundred cottages in extremely low-lying flood zones were surge-damaged by Hurricane Gustav, the majority of cottages weathered the winds well. Also, the cottages were designed to be converted to permanent use. MCJ endorses the Mississippi cottage as an important interim housing option. MCJ opposes use of travel trailers as FEMA’s default option.

Despite the MEMA Cottage’s superior modular construction, vernacular architecture, and higher quality, some communities have banned or severely restricted the permanent placement of the MEMA cottage because it must be towed in on axles.¹⁴ MCJ has pursued advocacy and litigation against local municipalities to ensure that the MEMA cottages are treated the same as any other modular unit, and to remove other restrictions such as pre-storm ownership.¹⁵ The axle fixation demonstrates how local perceptions on relatively small details can alter the fate of a proposed housing solution. It also demonstrates the importance of clear legal and engineering classifications to overcome objections to the conversion to permanent use of any FEMA interim housing program.

“Interim housing” is a FEMA construct which can obscure the core mission of housing: To keep occupants safe and healthy. All housing, whether classified by FEMA or other Government entities as “temporary,” “disaster” or otherwise should at a minimum meet the requirements as set forth in the ICC’s International Residential Code without restriction. These requirements are the standards by which a building official would inspect a structure to deem it safe and healthy and thus secure the basic human right of people in FEMA’s care. In cases of catastrophic loss, durability is especially important because the residents will likely stay longer in interim housing and face successive exposures to disaster. All modular housing, like the Mississippi Cottages, meet these codes.

IV. FEMA’S INTERIM HOUSING STRATEGY SHOULD PRIORITIZE AID TO LOWER-INCOME AND SPECIAL NEEDS POPULATIONS

Disasters like Hurricane Katrina reduce significantly the affordable rental stock in the affected region and reduce the permanent housing options for low-income renters. In coastal Mississippi, thousands of units of public housing and subsidized private rental housing were destroyed or rendered uninhabitable. Rental rates rose on average between 30–40 percent, and in some evictions handled by MCJ, they doubled within months of the disaster. Restoring the public and subsidized rental housing market after a catastrophic disaster can take years and call for greater flexibility on financial caps than exists in current law. As FEMA notes, “[c]urrent legislation imposes financial restrictions on Federal programs; therefore, populations with additional needs and/or low income receive the same amount of financial assistance as the general population, even though their needs may exceed the limits of the program.”¹⁶ (emphasis added). In catastrophic losses, FEMA should eliminate the financial cap for very low income households or implement a sliding scale cap that recognizes that lower-income disaster victims need greater financial assistance over time than those with greater personal resources, such as higher income, credit, and insurance.

This shortage stems from a persistent trend to under-fund Federal housing programs. FEMA’s 2009 Strategy catalogues various housing programs for special needs and low-income populations, including those with disabilities, as well as those for the general population¹⁷ but gloomily notes that “many if not most . . . have extensive waiting lists (frequently in excess of one year) and thus have few vacancies, so all alternatives for housing will need to be considered.”¹⁸ Our Nation faces a vast structural shortage of affordable housing that requires a fundamental shift in Federal housing policy. As noted by the National Low Income Housing Coalition, there is an acute shortage of rental homes for the lowest income people in the United States—9 million extremely low-income renter households (earning 30% of area median income or less) but only 6.2 million homes that rent at prices they can

¹⁴ Examples of excessive restrictions include veto authority to any resident within 160 feet of a proposed cottage site and requirements of pre-Katrina title and homestead exemption.

¹⁵ *Gambrell et al v. City of Waveland* 2301–09–0045(1) (Hancock County Chancery Court) http://mscenterforjustice.org/press-article.php?article_id=107.

¹⁶ The Strategy, Annex 3, p. 77.

¹⁷ Id. p. 80–89 (special needs, low income) pp. 90–98 (general population).

¹⁸ Id., p. 80.

afford. For Mississippi there are 55 homes for every 100 such households.¹⁹ Given these troubling truths, MCJ questions the capability of current housing voucher programs to adequately meet the interim housing needs of our most vulnerable populations following a disaster.

It therefore was surprising to learn in May, 2009, that FEMA's Rental Resource Division informed Mississippi Governor Barbour that there are over 3,000 rental vacancies on the Mississippi Gulf Coast, nearly 2,000 of which will accept a Section 8 voucher.²⁰ To test this assertion, the Mississippi Center for Justice and Lawyers' Committee contacted all landlords accepting Section 8 vouchers on current lists from the area's two largest public housing authorities. The provisional results showed a maximum possible 773 vacancies, over 60 percent less than FEMA claimed, out of 2,631 units.²¹ The provisional results overstate the actual vacancy rate, since the survey counted all units as Section 8 eligible for several large property managers who were unable to separate Section 8 from other units. MCJ will provide final supplemental data following the hearing. In addition MCJ verified through public records requests that there remain thousands of persons currently on PHA Section 8 waiting lists. This field research mirrors the shortfalls, backlogs, and inability to serve clients in HUD's public and assisted housing programs described in the Special Report of the Senate Homeland Security Ad Hoc Subcommittee on Disaster Recovery.²²

While broader use of HUD programs is a sound step, it will not be enough to create a permanent DHAP-like stream of vouchers to address interim housing needs. Any such program must include steps to provide an adequate supply of housing, a national inventory of available housing, an effective case-management regime, and a funding stream to finance the cost of providing these capacities.²³ As FEMA's David Garratt acknowledged, "[H]anding someone a voucher . . . if there are no other forms of housing available at or near the fair market rent . . . is not worth a lot."²⁴

Disability access in interim housing is both practically necessary and required by Federal laws. Over one-third of households in the Mississippi Cottage Program have a person with disabilities, according to a recent survey.²⁵ Yet only one-quarter of Mississippi cottages were ADA compliant, according to MEMA.²⁶ The problem was substantially worse for those in FEMA trailers, only a miniscule percentage of which complied with the Uniform Federal Accessibility Standards. FEMA's non-compliance with Federal accessibility laws prompted a class action on behalf of persons with disabilities and a settlement.²⁷ To better meet the needs of the class FEMA agreed to order 10 percent of temporary housing units that complied with the UFAS, to modify common areas to render the group sites accessible to persons with disabilities, and to notification and reporting requirements for persons with disabilities who seek disability-accessible interim housing.²⁸

Today, FEMA has the opportunity to do better. In October, 2008, the U.S. Access Board Federal Advisory Committee released a report with detailed recommendations that should be reviewed and incorporated into emergency and interim housing solutions for persons with disabilities by architects, engineers, manufacturers, and contractors. These recommendations deal with the vital nuts and bolts of accessibility, deserve careful scrutiny, but require more space than permitted by this committee to adequately discuss.²⁹ Accordingly, MCJ recommends that the committee ensure that these requirements are factored into its future plans and that FEMA make contact with disability advocates with recent disaster housing experience to

¹⁹ Testimony of Sheila Crowley, "A New Way Home: Findings from the Disaster Recovery Subcommittee Special Report and Working with the New Administration on a Way Forward," Senate Homeland Security Ad Hoc Subcommittee on Disaster Recovery, March 18, 2009, p. 3.

²⁰ Governor Haley Barbour, "The Role of the Community Development Block Grant Program in Disaster Recovery," Senate Homeland Security Ad Hoc Subcommittee on Disaster Recovery, May 20, 2009, p. 6.

²¹ Summary of Results of Coastal Mississippi Section 8 Vacancy Rate Survey, Exhibit "B".

²² "Far From Home: Deficiencies in Federal Disaster Assistance After Hurricanes Katrina and Rita and Recommendations for Improvement," Special Report of Ad Hoc Subcommittee on Disaster Recovery of Committee on Homeland Security, February 2009, pp. 173-181.

²³ *Id.*, at 183-84.

²⁴ Testimony of David Garratt, Senate "Beyond Trailers" Hearing, April 24, 2007, p. 17.

²⁵ ABT Associates, Mississippi Alternative Housing Pilot Program, Quality of Life Evaluation, April 15, 2009. Slide 4.

²⁶ Table of ADA units provided by MEMA to Mississippi Center for Justice, Exhibit "C".

²⁷ *Brou v. FEMA*, (No. 06-0838) (E. D. La. 2006) (Duval, J.).

²⁸ Settlement Agreement on file with MCJ Biloxi office (available on request), pp. 7-15.

²⁹ "Recommendations for Accessible Emergency Transportable Housing," U.S. Access Board Federal Advisory Committee, October, 2008, <http://www.access-board.gov/eth/report.htm>.

ensure that its future response is an improvement over Hurricanes Katrina and Rita.

V. BETTER CASE MANAGEMENT OF INTERIM HOUSING IS REQUIRED, ESPECIALLY FOR VULNERABLE POPULATIONS

MCJ agrees with FEMA's 2009 Strategy that case management is important to successfully place and transition special needs and low-income populations into and out of interim housing.³⁰ Several advocacy organizations have submitted a set of recommendations to the Office of Management and Budget on case management. The letter urges the adoption of a comprehensive and client-centered service delivery system that transcends program barriers and agency turf. The letter recommends unified and intensive case management coupled with unsiloed and accessible resources, and provides additional detail and guidance on both elements.³¹

FEMA's track record since Hurricane Katrina indicates that there remains major areas for improvement. Following Hurricane Dolly in July 2008, half of all applications for housing assistance were denied. In May 2009, a Federal judge in Brownsville, Texas issued a preliminary injunction finding that FEMA's failure to publish clear and ascertainable standards, criteria, and procedures for determining eligibility for home repair housing assistance violated the Stafford Act and ordered the agency to rewrite its rules.³² According to Texas Appleseed, FEMA denied 85% of applications for housing assistance following Hurricane Ike. The most common reason for denial was "insufficient damage," but applicants were denied for reasons as minor as an omitted middle initial.

VI. REFORM OF FEMA'S ELIGIBILITY AND DUPLICATION OF BENEFITS RULES IS REQUIRED FOR INTERIM HOUSING TO FUNCTION AS INTENDED

Closely related to case management are reforms to the overall administration of FEMA's temporary housing programs. Annex 7 of FEMA's 2009 Strategy correctly emphasizes that "differences in interpretation of programs under the Stafford Act have led to inconsistencies in assistance provided."³³ (emphasis in original) However, FEMA must take additional steps to clarify its eligibility and appeal requirements to ensure success of any FEMA interim housing effort. In testimony before the Senate Ad Hoc Subcommittee on Disaster Recovery, MCJ and the Lawyers' Committee provided a detailed critique, recommendations, and endorsement of solutions proposed in the Senate "Far From Home" report. Please incorporate this discussion and these recommendations into your overall strategy.³⁴

FEMA's ability to transition residents from interim to permanent housing will require reexamination of Federal duplication of benefits rules, especially in the setting of catastrophic disasters. MCJ urges FEMA to use a more nuanced approach in determining whether an individual FEMA benefit actually "duplicates" another Federal benefit. As FEMA's Strategy notes, the different housing programs, shelter, interim, and permanent housing serve fundamentally different purposes.³⁵ Likewise, other benefits funded via Federal disaster community development block programs can frequently serve different purposes than an individual FEMA payment under review.³⁶ FEMA, working with HUD, should put away broad brush approaches to duplication of benefits, and instead precisely classify its assistance to enable true matching of duplicate benefits without eliminating the full spectrum of assistance available and necessary for disaster victims to return to permanent housing. As previously noted, this is especially important for lower-income renter populations who will need greater than normal housing assistance. If necessary, FEMA and HUD should jointly seek revisions to the applicable laws to achieve this goal.

³⁰The Strategy, p. 5; Annexes, pp. 58, 80.

³¹Letter to Xavier Briggs from National Low Income Housing Coalition, PolicyLink and MCJ, July 6, 2009, Exhibit "D".

³²*Lupe v. FEMA*, Civil Action No. B-08-487, S.D. Texas, May 13, 2009.

³³The Strategy, Annex 7, p. 126.

³⁴Testimony of Reilly Morse, "A New Way Home: Findings from the Disaster Subcommittee Special Report and Working with the New Administration on a Way Forward," March 18, 2009, pp. 4-5.

³⁵The Strategy, Annex 7, pp. 131-141.

³⁶For example, a landlord who accepts a tenant's DHAP voucher, and who receives a forgivable loan under a State's CDBG-funded small rental assistance program is not receiving a duplication of benefits because the two payments provide different, necessary layers of rental housing subsidy, with different eligibility criteria, and different rent-restriction obligations.

VII. FEMA MUST BETTER INTEGRATE FAIR HOUSING TRAINING AND ENFORCEMENT INTO ITS MISSION

The Stafford Act requires FEMA to promulgate regulations to ensure that all of its functions are carried out in a manner that does not discriminate on the basis of race, color, religion, nationality, sex, age, disability, English proficiency, or economic status. (42 USC 5151, Sec. 308 (a)). FEMA regulations provide that no one involved in carrying out FEMA functions (either FEMA employees or contractors) can discriminate on any of those bases. (44 CFR 206.11, citing to 44 CFR part 7, Nondiscrimination in Federally Assisted Programs). FEMA needs to increase its efforts to train staff and contractors on non-discrimination and place on its Web site the regulations, policies, procedures, and manuals that actually spell out the steps that FEMA employees or contractors should take to be in compliance.

After a disaster, FEMA itself needs to provide information to individuals about fair housing rights, how to recognize discrimination, or what to do if they encountered it. Following Hurricane Katrina, FEMA failed to take this very basic step and so it fell to local fair housing organizations to do so. The information should be provided in English and appropriate alternate languages.

FEMA's use of resource networks should carry with it a responsibility to police and enforce non-discrimination by users. In the immediate aftermath of Katrina, a FEMA-endorsed Web site, *Dhronline.com*, intended as a resource to help evacuees find housing, posted advertisements for housing vacancies by third parties that were blatantly racially discriminatory.³⁷

FEMA's delegation of interim housing to contractors carries the risk of discriminatory treatment of displaced storm victims. It is essential that FEMA provide the initial investigation and training to weed out contractors with histories of discrimination. FEMA and HUD also should develop a joint operating agreement to more expeditiously address housing discrimination complaints in FEMA interim housing. This is necessary to prevent incidents such as the one detailed in a recently-filed HUD complaint on a 3-year-old allegation of racial discrimination against African-American persons against owners of a FEMA trailer park in Mississippi.³⁸ It simply is unacceptable that FEMA and HUD had no capacity to take address and more quickly resolve complaints of racial discrimination in FEMA disaster housing programs. If FEMA does not want to develop the staff and expertise in-house, it could contract with private fair housing groups to investigate complaints, or it could negotiate an agreement with HUD to investigate complaints on an expedited basis. In any event, a more accelerated solution for solving this sort of problem for disaster victims is required.

It is not clear whether FEMA's 2009 Strategy mentions or acknowledges the Fair Housing issues associated with interim housing. The result is that people who have been displaced by storms like Katrina, or other disasters, may find themselves barred from desperately needed housing because of their race, color, religion, national origin, familial status, disability, etc. FEMA, working with HUD, and private fair housing groups, clearly can improve this aspect of its operations.

Thank you for the opportunity to testify.

EXHIBIT A

POPULATION MISSISSIPPI COAST CITIES

	2005	2007	2008	08-'05	Percent
Bay St. Louis	11,211	8,123	8,052	- 3,159	
Biloxi	46,287	45,760	45,670	- 617	
D'Iberville	8,258	7,758	7,928	- 330	
Gautier	16,641	16,091	16,306	- 335	
Gulfport	73,260	68,981	70,055	- 3,205	
Long Beach	17,469	11,481	12,234	- 5,235	
Moss Point	14,944	14,210	13,951	- 993	
Ocean Springs	17,555	17,258	17,149	- 406	
Pass Christian	6,938	3,794	3,993	- 2,945	
Pascagoula	24,862	23,466	23,609	- 1,253	

³⁷Testimony of James Perry, Greater New Orleans Fair Housing Action Center, House Financial Services Subcommittee, February 28, 2006, <http://financialservices.house.gov/media/pdf/022806jpp.pdf>.

³⁸*HUD v. Hebert, et al*, FHEO 04-06-0723-8, April 30, 2009, http://www.hud.gov/offices/fheo/enforcement/09_HUD_v_Christopher_S_Hebert_etc.pdf.

POPULATION MISSISSIPPI COAST CITIES—Continued

	2005	2007	2008	08-'05	Percent
Waveland	8,346	4,795	5,249	-3,097	
Coast Total	245,771	221,717	224,196	-21,575	-8.78
Lucedale	2,860	3,018	3,077	217	
Picayune	10,650	11,530	11,787	1,137	
Poplarville	2,578	3,030	3,003	425	
Wiggins	4,395	4,745	4,901	506	
	20,483	22,323	22,768	2,285	
6 Counties	266,254	244,040	246,964	-19,290	-7.24

Source: "Census Numbers," Biloxi Sun Herald, July 1, 2009. <http://www.sunherald.com/658/story/1448035.html>.

COAST LABOR MARKET DATA

	Biloxi Gpt Metro	Pascagoula Metro	Total
Aug. 1, 2005:.			
Employed	115,260	66,070	181,330
Unemployed	7,140	4,700	11,840
Civilian labor force	122,400	70,770	193,170
May 1, 2009:.			
Employed	101,810	62,430	164,240
Unemployed	8,560	5,750	14,310
Civilian labor force	110,370	68,180	178,550
Difference:.			
Employed (Percent)	11.67	5.51	9.42
Unemployed (Percent)	-19.89	-22.34	-20.86
Civilian labor force (Percent)	9.83	3.66	7.57

Source: Mississippi Department of Employment Security Labor Market Data.

EXHIBIT B

SUMMARY OF PRELIMINARY RESULTS OF COASTAL MISSISSIPPI SECTION 8 VACANCY RATE SURVEY

*Research and analysis by the Lawyers' Committee for Civil Rights Under Law and the Mississippi Center for Justice*¹

From Wednesday, June 24, 2009, through Thursday, July 2, 2009, the Lawyers' Committee for Civil Rights Under Law (Lawyers' Committee) and the Mississippi Center for Justice (MCJ) surveyed landlords in coastal Mississippi to gauge the vacancy rate for units that are available to tenants with Section 8 vouchers. The research team interviewed landlords whose names appeared on lists produced by the Biloxi Housing Authority (BHA) and the Mississippi Regional Housing Authority for Region VIII (MRHA Region VIII) of landlords in Biloxi and the region, respectively, who accept Section 8 vouchers. Interviewers asked landlords how many Section 8-eligible units they currently had vacant, how many total Section 8-eligible units they had, how many total units they currently had vacant, and how many total units they had.

The research team called a total of 242 out of a list of 267 Mississippi Gulf Coast landlords and conducted 164 interviews, talking with 61.4% of the landlords on the lists provided by the housing authorities. In those interviews, landlords indicated that they currently had 773 vacant Section 8-eligible units that they were willing to rent to tenants with vouchers. The landlords indicated that they had a total inventory of 2,631 Section 8-eligible units that they were willing to rent to tenants with vouchers. 29.4% of those units are vacant.

¹The Lawyers' Committee and the Mississippi Center for Justice would like thank students from the University of Maryland School of Law for their assistance in conducting this research.

MRHA Region VIII's list included 247 unique landlords. The research team was able to call 222 of these landlords and conduct interviews with 152 of them, 61.5% of the unique landlords on the list. In those interviews, landlords on the MRHA Region VIII list indicated that they currently had 724 vacant Section 8-eligible units that they were willing to rent to tenants with vouchers. The landlords indicated that they had a total inventory of 2,373 Section 8-eligible units that they were willing to rent to tenants with vouchers. 30.5% of those units are vacant.

BHA's list included 20 unique landlords. The research team was able to call of the landlords and interview 12 of them, 60% of the total. In those interviews, landlords on the BHA list indicated that they currently had 49 vacant Section 8-eligible units that they were willing to rent to tenants with vouchers. The landlords indicated that they had a total inventory of 258 Section 8-eligible units that they were willing to rent to tenants with vouchers. 19.0% of those units are vacant.

MRHA Region VIII and the BHA are the two largest administrators of the Section 8 program in the region and the low total numbers of vacant Section 8-eligible units held by the landlords on their lists is alarming given the anticipated introduction of 5,000 new vouchers to the Mississippi Gulf Coast. The research team believes that the results of this survey represent an over-count of the number of vacant Section 8-eligible units as a result of multiple factors, including the inability of landlords to provide a breakdown between Section 8 and other units in several large complexes. The survey also revealed deep problems with the housing authorities' lists of landlords, including the listing of landlords who refuse to rent to tenants with vouchers, the listing of disconnected phone numbers, and widespread typos.

The final results of this survey, including the underlying spreadsheet will be provided in supplemental submissions to this committee.

EXHIBIT C

OCCUPIED MEMA COTTAGES AS OF DECEMBER 15, 2008

Data provided by MEMA to the Mississippi Center for Justice

Jurisdiction	Total Units	ADA Units	ADA Percentage
Waveland	163	32	19.6
Hancock Co	570	131	23.0
D'Iberville	41	12	29.3
Ocean Springs	14	6	42.9
Gulfport	163	39	23.9
Pass Christian	103	23	22.3
Pascagoula	72	10	13.9
Pearl River Co	35	13	37.1
Picayune	10	5	50.0
Biloxi	175	45	25.7
Harrison Co	359	100	27.9
Long Beach	27	3	11.1
Jackson Co	386	106	27.5
George Co	1	1	100.0
Bay St Louis	64	17	26.6
Moss Point	92	16	17.4
Gautier	50	23	46.0
Total	2,325	582	25.0

EXHIBIT D

JULY 6, 2009.

Xavier D. Briggs,

Office of Management and Budget, The White House, Washington, DC 20500.

DEAR MR. BRIGGS: This letter follows up on our recent discussions with you and members of your staff concerning finding permanent housing solutions for people displaced by the 2005 hurricanes who are still receiving temporary housing assistance.

The quest to successfully and permanently rehouse the citizens whose homes were damaged or destroyed by Hurricanes Katrina and Rita has been hampered by a highly fragmented service delivery system that has had to accommodate the requirements of the myriad agencies that control the resources than it has been to the

needs of the people it was intended to help. As Federal and State governments attempt to end the FEMA temporary housing programs almost 4 years after Katrina struck, we urge the establishment of a unified, comprehensive, and client-centered service delivery system that transcends program barriers and agency turf in the interest of achieving the best possible results.

Services must be available for people still receiving FEMA temporary housing assistance (including DHAP) and for those whose assistance was prematurely ended in the time period of January 1, 2009 to today, as well as for those trying to return from out-of-State.

Such a delivery system would include the following two elements:

1. Unified and intensive case management.

- If any one person or family has more than one case manager, by definition, the case is not being managed. The point of case management is for the person or family in need of assistance to have one person on whom to rely as together they navigate the complex array of programs that they may or may not be eligible for and the rules that may or not apply to them. Once a client has to relate to more than one case manager, the potential for case MISmanagement grows exponentially. At best, multiple case managers become nothing more than clerks who facilitate single transactions. At worst, harm can result when no one is coordinating the various transactions. Think about the role of the primary care provider in health care. And just as is the practice with primary health care providers, a client should have the option to petition to change case managers if he or she does not think that the case manager is doing an adequate job.
- Case management should never be provided long distance by phone or email. All case management relationships must be in person with phone and email used only as a secondary means of providing information.
- The intensity of case management must match the intensity of the needs of the clients, which first requires that case managers be skilled enough to conduct the kind of assessment that is required to uncover the extent and depth of needs. Many of the remaining clients receiving temporary housing assistance are people with multiple problems and may be considered “hard-to-reach,” that is, conventional, “light-touch” methods of communication will not work. These case managers must “go where the client is,” both literally and figuratively. Outreach means visiting clients when and where works best for them, instead of telling them to show up at an office at an appointed time between 9am and 5 pm, Monday to Friday, or only calling them for referrals by phone. Case managers must have both the autonomy and authority to go where needed and conduct the activities needed to provide proper assistance for each and all clients.
- These case managers must be skilled in establishing rapport with people with physical, emotional, and developmental limitations and with people who are suspect of representatives of Government agencies. Social workers who have experience in working in non-traditional or client-centered agencies should be recruited for this work.¹ Many of the smaller grassroots agencies employ people with the training and professional ethic that this kind of case management requires.
- Case managers should have a reasonable number of clients that makes it possible to provide the quality and intensity of service required. The 1:50 case worker-client ratio used by FEMA is too high for the intensity of services that are required. Case managers should also be able to rely on high quality clinical supervision.
- Case managers must be knowledgeable about and be able to access the full range of resources available to assist their clients settle in the best possible permanent housing option for each person or family. For example, a case manager visits a family living in a FEMA travel trailer sited on property that the family owns. The clear objective is to get the family out of the travel trailer. But where they go depends on their unique situation. Are they rebuilding their home, but not able to finish? If so, why? What will it take to get the home finished? How do they access the needed resources? What is the best option in the meantime? Should they be issued a voucher and move to an apartment? Is there an apartment nearby? Or should they buy a FEMA mobile home for a \$1 and place it on their property to live in until their house is completed? Are there legal or other barriers to siting the mobile home? What will it take to overcome the barriers? Regardless of the agency that controls the resource (FEMA, HUD, different State agencies), the case manager should be able to tap into all that he

¹Rapp, C.A. & Poertner, J. (1992). *Social administration: A client-centered approach*. New York: Longman.

or she determines the client is eligible for and that which best matches each client's given situation.

- If the case managers are properly trained, have the right size caseload, necessary supervision, and the authority to access and deploy available resources, then they, and the agencies for which they work, can and should be held accountable for successful outcomes; i.e. clients who are permanently housed in a manner that best suits their needs. The number of contacts, number of referrals, or any other process measures should NOT be used to measure case managers' performance or the performance of the agency providing the case management services. Under no circumstances should a case be closed before an appropriate permanent housing outcome to which the client agrees has been achieved.
2. Un-siloed and accessible resources.
- The list of publicly funded resources that can be brought to bear immediately to access successful permanent housing for people still receiving FEMA temporary housing assistance include:
 - Section 8 vouchers for people transitioning from DHAP.
 - New Section 8 vouchers provided in June 2009 supplemental bill.
 - FEMA mobile homes and park models that can be sold to clients.
 - Katrina cottages in MS and LA.
 - Unspent CDBG disaster funds allocated to MS and LA.
 - Unspent non-disaster CDBG and HOME funds allocate to MS, LA, and participating jurisdictions. HOME can be used for tenant-based assistance for people whose income exceeds 50% AMI and therefore are ineligible for disaster-related Section 8 vouchers.
 - Rapid Rehousing and Homelessness Program and other ARRA funds allocated to MS, LA, and participating jurisdictions.
 - State-funded programs.
 - The agencies that control these funds should voluntarily agree to come together, or be compelled to so, to devise a system by which they can deploy the resources in a unified fashion, so that case managers can access them with a minimum of red tape. A unified and accessible resource pool will not only yield better results for clients, but will be more cost-effective by reducing the time that it takes case managers and clients to negotiate with multiple agencies.
 - In the case of vouchers, HUD should assign voucher distribution to the agency in each State that is carrying out the case management, similar to the design of the VASH vouchers for homeless vets, and not simply allocate them to PHAs in the jurisdiction.
 - It also follows that the various streams of funding for case management should be unified.

Thank you for your consideration of our comments. We look forward to working with you to design and implement a program to assure successful permanent housing for the people who remain displaced by Katrina and Rita even today.

Sincerely,

SHEILA CROWLEY,
National Low Income Housing Coalition.
REILLY MORSE,
Mississippi Center for Justice.
KALIMA ROSE,
Policy Link.

Chairman THOMPSON. Thank you very much.
We now recognize Mr. Kubley for 5 minutes.

STATEMENT OF DON KUBLEY, PRESIDENT, INTERSHELTER

Mr. KUBLEY. Mr. Chairman, distinguished Members of the Homeland Security Committee, my name is Captain Don Kubley, and I am president of Intershelter, Incorporated, headquartered in Juneau, Alaska. I would like to thank you for the privilege of addressing you here today.

May I please ask that my full testimony be included in the record?

Intershelter produces and markets a revolutionary new portable prefabricated building called the Intershelter Dome. I applaud you,

Mr. Chairman, and the committee for the vision and leadership to take a hard look at the status quo and potential new and innovative options in first responder and emergency shelter and housing for victims.

There are few issues as important as to those most in need after a devastating event that has left them injured or homeless. In fact, in a detailed report dated December 16, 2006, by the Department of Homeland Security, looking at how they and other first responders could have improved their response to the horrific aftermath of Katrina, they identified five top priorities that they felt would improve future disaster relief efforts.

No. 3 in those top five were pop-up shelters, improved and increased numbers of them. Frankly, that is exactly what our domes are: Pop-up shelters.

In that report, they also concluded that Hurricane Katrina transformed thousands of people's lives into a battle for survival. For some, finding adequate shelter proved at least as difficult as finding something to eat or drink.

After the recent earthquake in Italy north of Rome, I had the opportunity to talk to one of the leaders at the embassy here in the District of Columbia about their response to those devastated communities and their victims. While discussing his Nation's response to the quake, he said something to me that was very profound.

He said: You know, Mr. Kubley, I am embarrassed to tell you that the emergency shelters we are responding to this disaster with is the very same thing the Romans used after Mount Vesuvius destroyed Pompeii—tents.

We all understand the attributes of tents in a situation like this. They are portable, easy to assemble, can be warehoused until needed. But just as obvious to all who have ever been forced to live in a tent are their many shortcomings: They are too hot in the tropics; they are too cold in the northern climes; they are damp and unhealthy in wet, inclement weather; they are extremely susceptible to fire; they are drafty on windy and dusty days and become projectiles in anything greater than a gale force wind; they have very short life expectancy and once damp are prone to mold and mildew if stored for reuse.

I think you would be hard-pressed to find anyone who has had to go from a normal housing situation to a tent that would tell you they are either comfortable or impressed and cannot wait to get out of them. Perhaps that is one of the strongest assets of tents: They have a very easy exit strategy.

In regards to improving on tents, I would like to share with you a letter dated May 16 from the head of the Alaska National Guard. "Mr. Kubley, I would like to offer support and encouragement to all federal agencies that might be interested in procuring your temporary dome shelters for emergency use. These domes provide safe, reliable shelter in all types of extreme weather conditions. They are easy to assemble and easily transportable. These shelters are optimal for use as temporary shelters in times of disaster emergencies, and these domes would be exceptional for use in Alaska. They far exceed the existing canvas tents."

Mr. Chair, I would say that, if these work this well in Alaska, the most extreme and remote State in our union, that they would work very well Nation-wide.

A well-known expert on emergency preparedness, Mr. Ellis Stanley, former director of L.A. county emergency preparedness, is convinced that in an emergency room surge scenario, Intershelter domes are the answer for properly responding to the multitudes of injured and contaminated victims.

In a letter to me, Mr. Stanley wrote, "After reading today's MSNBC article, 'FEMA Trailers Toxic Tin Cans?', I want to renew our discussion regarding the domes that have been working so well here in Los Angeles with the homeless community. As we discussed earlier, I believe this system has some great utilization as we continue to do our pandemic planning as related to surge capacity around hospitals, at airports, et cetera."

"As a 32-year career emergency manager, we see very few opportunities to really make giant leaps in the way we do things in disaster preparedness, and I believe Intershelter is one of those opportunities when we can really do things differently."

In the same space it takes to ship one FEMA trailer, Mr. Chairman, we can ship enough domes to house 25 families. Instead of costing \$70,000-plus a unit for a building that cannot be disposed of, our buildings could be totally sustainable and self-contained for under \$20,000 a unit. Instead of having to figure out what to do with the now-unusable trailer, we power-wash our units, disassemble them in a matter of minutes, and stow them for the next 10 hurricane seasons, or for any other disaster or emergency that might happen between hurricane seasons.

We stand ready to provide the next generation of emergency shelter in the numbers needed at a vast savings given to the United States.

Mr. Chairman and Members of the committee, again, I would very much like to thank you for the honor of being able to address you here today. Godspeed to you, and God bless America.

[The statement of Mr. Kubley follows:]

PREPARED STATEMENT OF DON KUBLEY

JULY 8, 2009

Mr. Chairman and Members of the committee, my name is Captain Don Kubley. I am President/CEO of InterShelter Incorporated, headquartered in Juneau, Alaska. I would like to thank the committee for the privilege of addressing you here today concerning your effort to examine our current national disaster response problems and capabilities.

I applaud you, Mr. Chairman, and the committee for your vision and leadership in reviewing the shortcomings of our present response systems. There are few issues as important as sheltering the victims and first responders as they meet the emergency needs of our communities, treat the injured, and shelter the homeless. As a matter of reference, the Department of Homeland Security (DHS) issued a detailed report on December 16, 2006, reviewing how they and other first responders could have improved the response to the aftermath of Hurricane Katrina. DHS concluded in their report that "Hurricane Katrina transformed thousands of people's lives into a battle for survival—and, for some, finding adequate shelter proved at least as difficult as finding something to eat or drink." To meet this need, InterShelter has designed and produced a revolutionary portable, prefabricated structure called The InterShelter Dome™ which is pictured above.*

*The image referred to has appeared previously in this document.

Adequate emergency shelter is a global problem. After the recent earthquake north of Rome, I had the opportunity to talk with The First Counselor at the Italian Embassy, Mr. Marco Mancini, about their response to those communities devastated by the quake. While discussing his Nation's response he made a very profound observation. He said "you know Mr. Kubley, I'm embarrassed to tell you that the emergency temporary shelters we are responding to this disaster with are the very same thing the Romans used after Mt. Vesuvius destroyed Pompeii . . . tents"! We all understand the attributes of tents in a situation like this. They are portable, easy to assemble quickly, and can be warehoused until needed. Just as obvious, to all who have ever been forced to live in a tent for weeks or months, are their many shortcomings. They are too hot in the tropics, too cold in the Northern climes, damp and unhealthy in wet inclement weather, are extremely susceptible to fire, drafty in blustery weather, dusty in desert areas, and become projectiles in anything above "Gale Force" winds. One of the tent's strongest assets is that they have by far the easiest "exit strategy". However, they have very short life expectancy and once they have gotten wet they are prone to mold and mildew when stored for reuse. Anyone who has gone from a normal accommodation to a tent will tell you that they were neither comfortable nor safe and couldn't wait to get to an adequate form of shelter.

In this regard, I would like to share some comments from General Craig Campbell, Commander of the Alaska National Guard in a letter dated May 16, 2009. He stated concerning our domes:

"These domes provide safe, reliable shelter in all types of extreme weather conditions. They are easy to assemble and easily transportable.

I would recommend you contact the Federal Emergency Management Agency (FEMA) and encourage their purchase of these domes for emergency deployment use. Should FEMA purchase your shelters, I would encourage them to be deployed to FEMA Region 10, so that they would be accessible to Alaska and other states in the Pacific Northwest.

These shelters are optimal for use as temporary shelters in times of disaster emergencies and these domes would be exceptional for use in Alaska. They far exceed the existing canvas tents."

Mr. Chairman, I would suggest that if our domes are a vast improvement over tents their attributes can apply Nation-wide. With our cutting edge insulation kits and alternative energy systems installed they are the most efficient, off-the-grid, portable structures on earth and are as effective in keeping you cool in the Mohave Desert as they are in keeping you warm and dry on the North Slope of Alaska.

To provide a more substantial shelter response agencies often have turned to trailers or mobile homes. These, of course, provide more creature comforts and are used for longer-term temporary housing requirements. However, there are many, very large differences between our "domes" and trailers. Trailers take longer to produce and are more expensive to acquire, warehouse, transport, and maintain. The entrance and exit strategy for a trailer or similar hard-wall structure is much more difficult to plan and execute. Often existing roads are blocked with traffic or debris and cannot accommodate the passage of large the trucks that transport them. As evidenced in Katrina, too often they can only be used once, if at all, and proper disposal is extremely difficult and an added expense.

Obviously, the use of tents and trailers leaves a huge unfilled gap in providing adequate, safe, and reusable accommodation. After Katrina, we heard from response agencies, first responders, those being housed and many NGO's that, "trailers just don't work, and tents are simply not acceptable". We are confident that we have developed the "missing link" in the emergency accommodation scheme.

Our structures go up as fast as a tent and because of their dome design once erected they are stronger than a trailer and many stick-built houses. Utilizing simple tools and unskilled labor, they can be erected in a couple of hours and when they are sealed and anchored properly, they are hurricane-proof, earthquake-proof, water-proof and extremely fire-resistant. They can remain in place for months or years, as necessary, or dismantled and stored in a matter of hours. In contrast to trailers or other hard-wall structures, our portable shelters can be transported using light trucks or medium lift helicopters and can be easily placed close to response victim centers using parking lots or existing athletic fields. Over the past 12 years they have been fully tested and used successfully in the most extreme weather and hazardous terrain on earth.

On the home page of our Web site at www.intershelter.com you will see one of our domes sitting next to the helicopter that brought it there, on a mountain top above Valdez, Alaska. This is one of the snowiest places on earth with an average of 300 inches. On top of that mountain overlooking Prince William Sound our 14-ft. Survival Sphere is hit by winds in excess of 175 MPH during the fall and winter

storm seasons. In winter it is then buried under 40 feet of snow until melt-off in late summer. This shelter has housed sensitive telecommunications and computer equipment used to communicate with the oil tankers plying the waters below. It has withstood 6 winters with absolutely no maintenance or structural damage fully protecting the expensive, important satellite communications gear inside. The versatility, durability, storability, mobility, and economy of our buildings cannot be matched by any of the tent or trailer variants on the market today.

We feel that our buildings would be a great asset for the sustainment of the victims of disaster. Using our domes it may not be necessary to totally remove those left homeless from their local communities. Once the area is cleared, it may be possible to accommodate families on or close to familiar surroundings. In a best-case scenario, families could stay on or close to their own property, near their neighbors and friends, protecting what little property and belongings they have left to begin the daunting task rebuilding their lives and homes. In time, when families can be adequately housed, whether in weeks or months, the "exit plan" for our shelters couldn't be simpler. The domes can be washed, disassembled in under an hour, and stored until they are needed with no requirement for the recurring maintenance required for tentage or trailers.

Because of the "Pringles"-like stackability of our dome components, in the same space it takes to ship one FEMA trailer we can ship enough domes to house 300 people. Instead of spending \$45,000 to \$70,000+ for a trailer that cannot be easily disposed of or reconditioned for reuse. Our domes, which do not have these limitations, can be produced for under \$20,000 which is less than many of the proposed tentage systems for this purpose.

Our domes can be used as command posts for "first responders", emergency communications centers, and MASH-style hospitals, and triage facilities, long-term accommodations for offices or shelter for the homeless. They can be interconnected in any configuration needed. Because the domes are of fiber-glass resin construction many types of computer, communications, and satellite equipment can be used and protected from the elements with absolutely no signal interference from the building materials. To meet the needs of FEMA and other global response organizations.

InterShelter has proposed to team with the AAR Corporation to build "total response" packages using our modular dome designs which can be seen in the Annex to this presentation. Our objective is to produce fully air-deployable self-contained and supported camps that can be installed with little or no site preparation for 300 people within 24 hours and for up to 2,000 people within 72 hours. This effort, using U.S.-manufactured products, is well underway and will incorporate totally interoperable communications and IT systems for police, fire, and military response teams, ID card production facilities, over-pressure systems for chemical and biological response teams to include decontamination facilities and medical modules with complete field surgical capabilities and accommodation packages for first responders, office and lodging, and family accommodation modules. AAR's mobility systems and Contingency Response Communication Systems, integrating first responder communications nets, are presently in use in the U.S. Army and Army National Guard Units. All modular dome configurations will be supported by fully integrated alternative energy sources, solar and wind, as well as, potable water production facilities and waterless human and hazardous waste disposal systems.

If given the opportunity, we stand ready to provide "The Next Generation of Emergency Shelter", in the numbers needed at a substantial savings to our Government.

Again, Mr. Chairman and Members of the committee, I would like thank you for the honor and privilege of addressing you here today.

Chairman THOMPSON. Thank you very much.

We now recognize Mr. Rininger for 5 minutes.

STATEMENT OF BRADDON B. RININGER, PRESIDENT, BRAJO, INCORPORATED

Mr. RININGER. Thank you, Chairman Thompson and distinguished Members of the committee for the invitation and opportunity to testify before you today on behalf of Brajo, Incorporated, and as American people.

In considering products for use in conjunction with the emergency preparedness program, we made three points our priority: Affordable, safe, and substantial.

Affordable units will save the American taxpayers money by reduced initial costs and reusability. Safe. We have a Class A fire rating. Green, and we are formaldehyde-free. Substantial, with sound construction of steel and structural insulated panels and 160 mile-per-hour wind load exceeding seismic ratings of 8 on the Richter scale.

Features and benefits of the Brajo Hurricane House: Flexibility. Non-wheeled units promote dignity and pride of ownership.

What are the options? Recover the unit, reuse it, or store it in a future deployment—for future deployment. They can be used as adjacent structures, further increasing the tax base.

But to realize the cost-effectiveness of our design, we must address emergency preparedness. The Brajo preparedness alternative consists of understanding the foundation issue, which is continuity of community.

The Brajo Hurricane House addresses the need to maintain and preserve the continuity of the community in a disaster situation because of its ease of transition of the dwelling from quick response to intermediate and then finally to permanent housing, where possible, which preserves the tax base.

Ease of construction, using local unskilled labor encourages team effort, people helping people.

Quick response is imperative to maintaining the community. Quick response means hope, and hope sustains faith in our country's system. Quick response requires emergency preparedness. The Brajo preparedness alternative will assist FEMA in meeting the crisis head on by demonstrating the ability to fill the void of the initial impact of the disaster by having product on-site within a 24-hour period of notification, creating the time element necessary to gear up, meet the need, while cementing goodwill with the American people.

Emergency preparedness requires a proactive decision in inventorying product. Inventory warehousing alternative will accommodate 60,000 people short-term for approximately \$150 million.

Now, with my submittal and testimony, I have the details on that.

Container-based product. By comparison, utilizes approximately 20 percent of the comparable size wheel units, 80 percent savings. Please note: container-based products allow ease of security, preventing damage due to vandalism and exposure to the elements. Container-based product reduces freight costs, because you can ship a Brajo—eight Brajo Hurricane Houses for every one wheeled unit. The point to container-based product is the ability to manage the product, whether in inventory, during transition, or on-site.

In closing, history shows us that change is imperative. I am here to assist in improving the way we address disaster relief through product design. We believe that, by using correct product initially, we enable local and State governments to build on what FEMA has provided.

This product is in 36 countries throughout the world. A pilot project for permanent housing is currently underway in Lafayette, Louisiana, under the Lafayette, Louisiana, housing authority.

Ladies and gentlemen, I offer my personal pledge to provide our fullest support to achieve the ultimate goal of this program: The rapid and dignified restoration and recovery of American communities devastated by acts of nature or man.

Honorable Chairman Thompson and distinguished Members of the committee, thank you, and may God bless America.

[The statement of Mr. Rininger follows:]

PREPARED STATEMENT OF BRADDON B. RININGER

JULY 8, 2009

Thank you, Chairman Thompson and Members of the committee, for the invitation and opportunity to testify before you today on behalf of Brajo, Incorporated and the American people.

Ladies and gentlemen, in considering products for use in conjunction with the Emergency Preparedness Program, i.e. Disaster Relief Housing, we made three points our priority:

1. AFFORDABLE/SAFE/SUBSTANTIAL

In addition to these 3 points, we also recognize the utmost importance of maintaining the continuity of the community. These 3 points played a key role in our decision as to what to bring to the table.

Affordable—Units will Save the American Taxpayers Money

- Initial Cost—compared to the cost of units currently in use—a substantial savings can be realized.
- Reusability—Unit can be disassembled, refurbished, and returned to inventory status.
- The unit can be incorporated as permanent real estate enhancing the tax base.

Safe—It Is Built With Environmentally Responsible Materials

- Green.
- Formaldehyde-Free.
- Class A Fire Rating.

Substantial

- Sound construction of Steel and Structural Insulated Panels (SIPs) meeting 160-mph wind load.
- Exceeding seismic ratings of 8 on the Richter Scale.

To recognize the cost-effectiveness of our design, we address emergency preparedness.

2. FEATURES AND BENEFITS OF THE BRAJO HURRICANE HOUSE

- *Non-wheeled Units.*—Our units promote dignity and pride of ownership.
- *Recovery/Reuse/Storage Capability* for future deployment or conversion to alternate use as an adjacent structure, further increasing tax base.

(Reference CRS Report for Congress Order Code RL34087 Updated August 8, 2008 at page CRS-27 and therein referenced bibliography.)

Options.—Throw it away/back to the warehouse for refurbishing and re-use in the future once again saving money/can be left on site as an auxiliary bldg to the homeowner/can be upgraded to permanent housing where primary structure has been deemed to be irreparable. Up-fitting to standard building codes with minimal costs will convert unit into a permanent home, securing acceptance of dwellings at the local government level by qualifying as real property tax base.

The Brajo Hurricane House is designed to be situated when possible on the primary property. This is due to a self-supporting floor frame design which requires minimal terrain preparation in conjunction with simple utility connections when available. Auxiliary utilities must be utilized in the interim.

3. BRAJO PREPAREDNESS PLAN

Consists of understanding the foundation issue, which is:

Continuity of Community

- The Brajo Hurricane House addresses the need to Maintain and Preserve the continuity of the community in a disaster situation because of: Maintaining con-

tinuity of the community; Quick Response is imperative to maintaining the continuity of the community.

Quick Response

- Method of implementing Quick Response: Purposes offers (a) Ease of transition of the dwelling from Quick Response to intermediate and finally to permanent housing which preserves the tax base when possible; (b) Ease of construction using local unskilled labor encourages team effort—people helping people.

Cost of Haste

(As quoted from CRS Report for Congress Order Code RL34087 Updated August 8, 2008 at page CRS-5 Paragraph 3 and therein referenced bibliography.)

The Katrina Experience.

“During their use the ships housed over 8,000 people and served over 2 million meals to Katrina victims and workers helping in the recovery. While meeting emergency needs, critics questioned the cost of housing victims on the ships. Some doubted the efficacy of the plan, the location of some ships, the cost and length of the contract, and the process used to arrive at the agreement. As one story noted: ‘The 6-month contract—staunchly defended by Carnival but castigated by politicians from both parties—has come to exemplify the cost of haste that followed Katrina’s strike and FEMA’s lack of preparation.’”

Distinguished Members of this committee: We all like the words “Emergency Preparedness,” however we seem to ignore the requirements. Why do we tend to ignore the requirements? Because with requirements come commitment and commitment costs money. Can we not further our considerations in this effort to the point where we have the issues on the table? In private industry we must identify the points clearly to do a fair comparison. And that is what I am asking you to consider. Rather than saying “No” to spending money upfront, consider the costs of reaction vs. pro-action. We are asking for a proactive decision. Recent history shows us that for every dollar not spent up-front, resulted in astronomical costs on the backend. We all know and are experiencing the cost of recent disasters and I think we can agree that the decision to not spend money on the front-end, i.e. little or no preparation in terms of inventory of product, a warehousing program, advance party, etc. results in exorbitant over-runs, financially penalizing the American taxpayer.

- The Brajo Preparedness Plan is designed to assist FEMA in meeting the crisis head-on by demonstrating the ability to fill the void of the initial impact of the disaster by having product on-site within a 24-hr. period of requirement, creating the time element necessary to gear up to meet the need while cementing good-will with the American People.

Therefore, we propose the Brajo Preparedness Program, which consists of:

4. INVENTORY/WAREHOUSING PROGRAM

Inventory to accommodate 60,000 people short-term and with the capability of transitioning that our U3 Design offers enables going from Quick Response Shelter status to Intermediate Temporary Housing and most important up-fitting to permanent housing. This capability will have a major effect on the entire effort across the board. It addresses the following questions:

- Must victims leave the area? No, there is a reason to stay.
- Can local volunteers support effort immediately? Yes, quick response.
- Are the initial shelter units useless after crisis is over rendering all monies invested a loss? No money lost.
- Can shelter be up graded to intermediate and then permanent status? Yes.
- Will unit become real estate therefore improving tax base? Yes.
- Will the unit be acceptable by local governments and qualify for local funding? Permanent status meets HUD code.
- Is unit aesthetically acceptable and people-friendly? Yes.

NOTE: The U3 design may be used at the existing site or on the alternate site of the host community. Once again, units will qualify as permanent housing and real property, thus maintaining tax base.

Warehousing Costs

- 10 Locations=1 inventory site in each of the 10 FEMA Regions.
- Total number of Flat Pack Modulares=5,000 Accommodating 20,000 people.
- Total number of Brajo Hurricane Houses (U3)=5,000 Accommodating 40,000 people.
- Total Estimated \$150,000,000 up-front costs of shelters.
- Warehousing and Administrative costs to include:

- Warehousing Leases 10 Locations.
- Security and Insurance.
- Annual Inspections All Containers.
- Pest Control Annually.
- Training Seminars for National Guard Advance Party Annually Each Site.
- Total Lump Sum Annually \$5,000,000.
- A low-cost outdoor storage facility location in each of 10 FEMA regions tailored to historic disaster demographics. Example: Conventional storage of a comparable sized wheeled units requires appx. 5,000 cu. ft. The Brajo Hurricane House, while container-based and stackable, requires appx. 1,000 cu. ft. This is a major reduction in inventory cost. Please Note: Container-based products allow:
 - Ease of security.
 - Preventing damage due to vandalism and exposure to the element.
 - In addition, container-based product reduces freight cost because you can ship 8 Brajo Hurricane Houses for every 1 wheeled unit.
 - The point to container-based product is the ability to manage the product, whether in inventory, during transition via highway transport and/or on-site.
- Training of National Guardsmen in each of the 10 inventory locations, which is the responsibility of the contract holder, not the Government.
- A master inventory site is strongly suggested for a central location adjacent to the “hot zone” for the purpose of rehabilitating our reusable units prior to returning inventory to assigned region.
- A national emergency preparedness program that will assist FEMA in providing an emergency quick response throughout the United States enabling FEMA to react anywhere in the continental United States within 24 hrs. of notification. This is predicated on transportation infrastructure being intact.
- This plan calls for employment of trained National Guard team leaders (2 Guardsmen on first shipment) to deploy with the units to act as advance party at the disaster site as incident command centers are set up.
- Training and orientation of advance party for each of the 10 locations will be the responsibility of the contract holder.
- Contract management team of the contract holder is on call to receive the request by FEMA to alert the appropriate warehouse operation and the National Guardsmen assigned to that operation simultaneously.
- This program is designed to facilitate the quick response necessary to maintain continuity in the community.

Note.—It has been our experience and I am sure you all agree that once the continuity of the community is lost, the result is astronomical over-expenditures due to the inherent chaos and confusion that ensues. History tells us that the faster we react the more successful the relief effort becomes. Consequently, we are saving our people, and we are saving the taxpayers’ money due to averting outrageous costs overruns.

- Part of the equation that is ever most important is efficiency. While in the onset it may appear that by not making a financial commitment to be emergency prepared, that we are saving money, however, history tells us once again that because of the inability to react in a quick response sense, outrageous and extreme cost overruns are inevitable.

And last but certainly not least . . .

5. A MORTGAGE RECOVERY PLAN FOR DISASTER VICTIMS

Reference: Congressional Oversight Panel Foreclosure Crisis: Working Toward a Solution—March Oversight Report dated March 9, 2009 Submitted under Section 125(b)(1) of Title 1 of the Emergency Economic Stabilization Act of 2008, Pub. L. No. 110–343.

In an effort to support President Obama’s announced homeowner affordability and stability plan intended to prevent unnecessary foreclosures and strengthen affected communities, specifically where disasters are involved, we offer this mortgage recovery plan. This is an attempt to show that by having quick response capability with the correct product foreclosures can be averted.

Purpose

- Avoid Foreclosure
- Encourage Residents to Remain at Homesite
- Mitigate Loss by Hazard Insurance Companies
- Mitigate Loss by Mortgage Insurance Companies
- Aid Community in Rebuilding Process—People present

- Help Prevent Looting and Crime—People present
- Speed Recovery Process—Keep People local
- Promotes Local Labor Force
- Restores Pride of Home Ownership—hands on by victims
- Encourages Psychological Healing from Loss
- Personal Property Can be Recovered & Secured
- Community Integrity Through Self-Help/Promoting Solidarity & Team-Spirit
- Refurbishing Efforts Will be Expedited, Returning Community to Normalcy

Proposed Plan of Action

- Deliver Brajo Hurricane House to Damaged Property Site
- Clear Site for Erection in Appropriate Proximity to Damaged House
- Pre-Trained Team Leader Arrives with the Brajo Hurricane House
- Team Leader Initiates Erection of Brajo Hurricane House
- Team Leader Enlists Property Occupant and Local Labor to Begin Erection Process
- Approximately 5 Persons Can Erect the Brajo Hurricane House in 1 day
- Connect Brajo Hurricane House to On-Site Infrastructure (Water/Sewer/Utilities Quick Connect)
- Progress Toward Rebuilding the Damaged Home and Community Begins

In closing, this product is currently in 23 countries throughout the world and in addition, a pilot project for permanent housing is underway for the Lafayette, Louisiana Housing Authority.

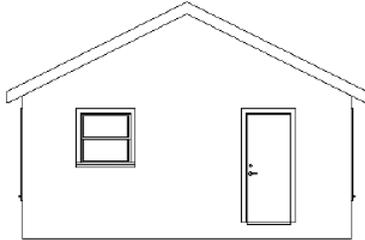
Units are on display at the International Aid and Trade show convention in the District of Columbia July 9–10 at the Ronald Reagan Building, 1300 Penn. Ave., Washington, DC.

I offer my personal pledge to provide our fullest support to achieve the ultimate goal of this program—the rapid and dignified restoration and recovery of American communities devastated by acts of nature or man.

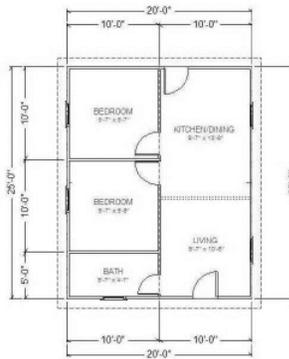
Honorable Chairman Thompson and Members of the committee, thank you.

EXHIBIT A

2 Bedroom / 1 Bath / 500 Sq. Ft.
Brajo Inc.



Cut-away structure for illustration purposes only

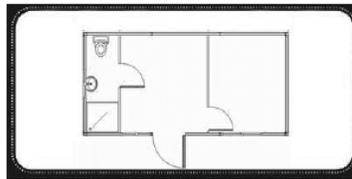


BASELINE SPECIFICATIONS

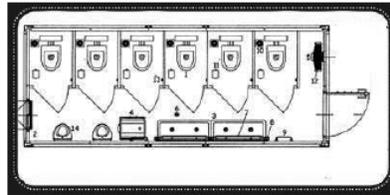
- Exterior footprint 500 square feet
- 8 occupant capacity
- Can be converted to permanent structure
- Unit and components comply with Federal Energy Star Standards where applicable
- Electrical systems will meet UL standard
- Units can be designed to comply with UFAS request
- Unit has Quality Assurance/Quality Control Program
- All building materials are low-emitting or non-toxic with MSDS Sheets included, and all construction materials comply with 3280 308/309 HUD MHC & SST 24
- Unit will comply with Indoor Air Quality Testing Procedures
- Unit includes complete bathroom with shower or tub, toilet and sink
- Unit is equipped with egress windows
- Exterior doors have two independent locks with separate keys and capable of being opened from inside without a tool or key
- Unit exterior doorways and interior hallways meet or exceed minimum clearing with fire safety
- Units shall be all-electric with no gas or propane appliances
- Units are designed for cold or hot/humid climate zones including proper insulation values, vapor barriers and other protection against humidity and heat and/or cold climate design including proper insulation values, snow roof-load ratings, and other protection against cold weather hazards
- Unit is designed to possess minimal wind speed resistance as prescribed under relevant codes and standards and documentation for design/certification is 160 MPH & Seismic 0.2 seconds spectral response acceleration of 300% g for soil class "E"
- Unit is capable of being delivered and installed by a third party contractor
- Unit will be ready for hook-up to municipal electric, sewage and water
- Unit is easily transported
- Unit can be easily disassembled
- Unit has a minimum two year warranty on structure
- Unit is verified as currently in use as temporary or permanent housing (not a prototype)

EXHIBIT B

1 Bedroom / 1 Bath / 160 Sq. Ft. Modular Unit
Brajo Inc.



One Bedroom / One Bath / Combination Living Rm-Kitchen



Example of Multi-Use Design Bathroom Modular Unit

BASELINE SPECIFICATIONS

- Exterior footprint 160 square feet
- 4 occupant capacity
- Can be converted to permanent structure
- Unit and components comply with Federal Energy Star Standards where applicable
- Electrical systems will meet UL standard
- Units can be designed to comply with UFAS request
- Unit has Quality Assurance/Quality Control Program
- All building materials are low-emitting or non-toxic with MSDS Sheets included, and all construction materials comply with 3280 308/309 HUD MHC & SST 24
- Unit will comply with Indoor Air Quality Testing Procedures
- Unit includes complete bathroom with shower or tub, toilet and sink
- Unit is equipped with egress windows
- Exterior doors have two independent locks with separate keys and capable of being opened from inside without a tool or key
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- Unit is designed to possess minimal wind speed resistance as prescribed under relevant codes and standards and documentation for design/certification is 160 MPH & Seismic 0.2 seconds spectral response acceleration of 300% g for soil class "E"
- Unit is capable of being delivered and installed by a third party contractor
- Unit will be ready for hook-up to municipal electric, sewage and water
- Unit is easily transported
- Unit can be easily disassembled
- Unit has a minimum two year warranty on structure

Chairman THOMPSON. Thank you very much.
We will now hear from Mr. Boasso for 5 minutes.

STATEMENT OF WALTER J. BOASSO, CHIEF EXECUTIVE OFFICER, HELP, LLC

Mr. BOASSO. Good afternoon, Mr. Chairman and distinguished Members. Thank you for the opportunity to be here today.

I come from a 30-year history in the intermodal industry, doing business basically all over the United States and, of course, foreign countries. I was elected to the Louisiana Senate in 2004. One year and 8 months after my introduction into politics, we had Hurricane Katrina.

The 122,000 people that I represented all lost everything or were affected by Hurricane Katrina. I was part of the first contingent

that made it into the city of New Orleans, 100 wildlife agents with 60 boats, where we began the rescue operations in the Lower Ninth Ward, making our way to St. Bernard Parish.

I have had first-hand witness the loss of life, the lack of food, medicine, water, ice, no communication system, no logistical coordination, no coordination from a State or Federal response for almost 8 days.

Through my personal experiences of having 13 feet of water in my house during Katrina and, 3 weeks later, 5 feet of water in my house for Rita, my company, Boasso America, went underwater and my almost 200 employees of Boasso America in St. Bernard Parish lost everything, as well.

So I have the experience of seeing more grief, upset, and death after the storm. If we track the lives of the people that died after the storm instead of during the storm, the numbers would be staggering, because these people lost everything they worked for and had nowhere to turn. People couldn't get back into their communities because of the housing and the logistics or the lack of logistics that occurred.

So basically, what does this mean? I am someone here today as a civic leader, a businessman, a family man, a veteran of two national disasters, and a former occupant of a FEMA trailer. I have to say what a challenge that was.

So as I looked as FEMA progressed in their housing options, I felt that we are missing a very key opportunity. What I am here today to present to you is a solution, a solution to interim housing.

This is where I began the establishment of HELP, Housing Emergency Logistics Program, because it is not just a matter of providing the housing unit. It is getting the unit there. It is taking care of the unit during the process of why it is there and then removing the unit and restoring and reusing for another disaster.

The last 30 years, I have been modifying containers for—industry, as well as—and using containers for different use.

What I propose to you today is looking at the module of the HELP unit. With the HELP unit, if you look at the national disaster housing strategy, is a range of use, deliverability, the timeliness, and the cost.

Well, what is great about this range of use is that we are able to use the current intermodal system that exists today. I will just give you the example where we talk about having the units in harm's way. I had thousands of containers, both in Jacksonville, Charleston, South Carolina, Houston, Texas, and in St. Bernard Parish during all those hurricanes. They were all there, and they all stayed there.

So we have a durable unit that can be reused again. In our industry, these units are amortized over 15 years, so therefore we have the longevity. The initial cost is much cheaper than the options that are put out there today.

But in putting that unit together, we are also going to incorporate all the failings of the activities that people need. An example: Once you got that trailer, you need an electrical pole. You needed a plumbing system. You needed a water hookup. All of this will be contained in that module itself.

So when we deliver that module, all you have to do is connect it, and it is taken care of. We don't have to worry about losing it during a subsequent storm. Furthermore, we could take it and reuse it many times, where we will see the advantage of saving American dollars during that process.

So as far as footprint, the indoor air quality, the production lead, we fit all of those requirements. But I think the most important thing is when it comes down to storage, the longevity of being able to reuse that unit again.

So for, once again, my plan is put into testimony here today, and I thank you for the opportunity to be here.

[The statement of Mr. Boasso follows:]

PREPARED STATEMENT OF WALTER J. BOASSO

JULY 8, 2009

Mr. Chairman, Ranking Member King and Members of the committee: My name is Walter J. Boasso and I am the president (CEO?) [sic] of HELP, Inc. and, more importantly, I am a former resident of a FEMA trailer. HELP stands for Housing Emergency Logistics Plan and is a direct outcome of what I experienced as one of the first officials on-site in New Orleans dealing with the aftermath of Hurricane Katrina and what me and my family experienced as displaced residents of New Orleans living in a trailer provided by FEMA after this disaster.

Until recently when I sold my company, I was the CEO/President of Boasso America Corporation. Boasso America is the largest tank container operation in the world, with over 500 employees. Through this role, I have over 30 years of experience and expertise with shipping containers and all of the alternative uses for these items. Our operations covered all of the major ports in the United States including Chicago, Detroit, Charleston, South Carolina, Jacksonville, Florida, Houston, and New Orleans.

In addition to my role as CEO and President of Boasso America, I was involved in government through my election to the Louisiana State Senate, serving from 2004 to 2008. My district covered a large section of the east coast of Louisiana and I represented 122,000 people—every one of which was affected in some way by Hurricanes Katrina and Rita.

Through my position as a State senator, I was part of the first contingent of officials coming in to New Orleans after Katrina's devastation. Mr. Chairman, I could spend hours with this committee recalling that event and the governmental response to that event. I could describe in detail and through plain and simple facts the loss of life I dealt with, the lack of food, the absence of medicine and safe water, no communications system, no logistical coordination of any kind. I could describe in detail the personal impact of this event on me and my family. My home had 13 feet of water during Hurricane Katrina and 5 feet of water during Hurricane Rita. My business's home office was underwater as well and all of my employees—all of the people who made up Boasso America—lost everything.

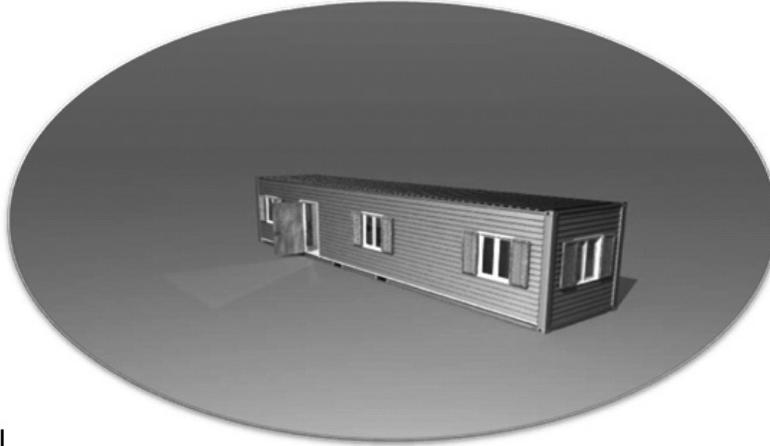
We lost everything because of a natural disaster that occurred and the simple fact that, after it occurred, there was no plan or effort from a governmental level to help people return to their homes or to their work or to have the basic necessities to survive. Quite simply, there was no coordinated State or Federal response of any kind for almost 8 days. Mr. Chairman, that's the tragedy of New Orleans and Hurricane Katrina. When the people of New Orleans and St. Bernard Parish and the other impacted areas of the Gulf needed it the most, the Government's emergency and disaster systems and services failed them. The death and destruction I saw and the responses to these disasters, or in reality the lack of response, led me to begin work on providing an alternative interim housing program or plan and thus was born HELP.

HELP stands for Housing Emergency Logistics Plan and our plan and company provides interim emergency and disaster housing solutions that are more effective, comfortable, environmentally acceptable, and cost-efficient than the interim housing solutions the Government has relied upon for too long. It also incorporates into the overall disaster housing response system a coordination with the Nation's intermodal logistics systems in order to get housing units where they're needed as quickly as possible and in the least costly manner possible.

Our model is very efficient and understandable. They are built upon the models of shipping containers—they are made of a heavy steel outer shell in accordance with international shipping container standards and re-styled to suit community housing types and needs. The interiors are built from sustainable materials with no hazardous chemicals involved, thus creating a green environment for the residents. They're handicapped accessible and, most importantly, the internal layouts, furniture and fittings see to provide comfort to those who have suffered the loss of their home in a more "normal" or "home" environment. Also, these units are designed to be hurricane and storm resistant, unlike FEMA trailers.

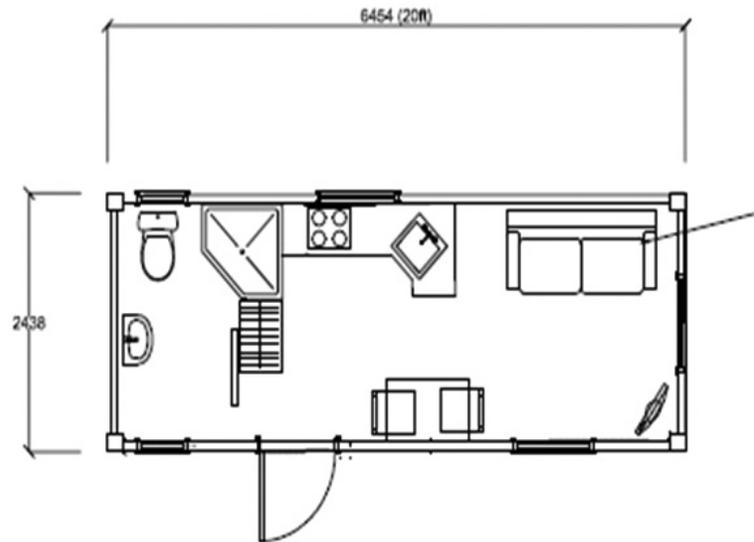
Because of the shipping container model they're based upon, the HELP interim housing units are designed and built for immediate dispatch for placement at the home site of families who have suffered a loss of their home. The units are not dependent upon one (and only one) form of transportation to get them where they're needed. The units can be moved on any conventional container truck chassis readily available throughout the country. They can also be deployed by rail or barge and are placed on-site using standard fork lift trucks.

As shown in the following diagrams, the units are very attractive and, yet, very flexible and versatile in their configurations. The following three diagrams present the outside of the unit and typical 20 and 40 feet in length units.

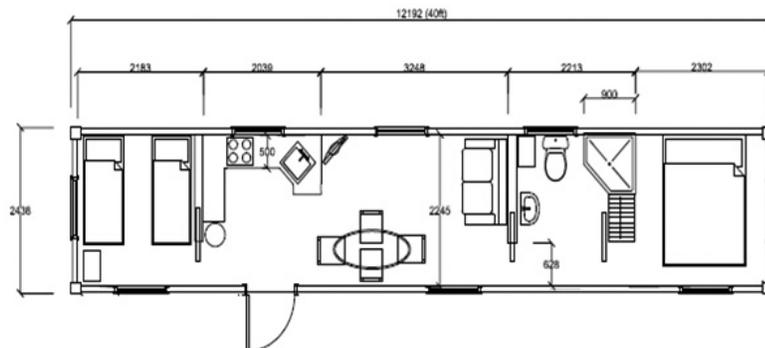


HELP DISASTER HOUSING UNIT

20 FOOT (IN LENGTH) UNIT FOR 2 OCCUPANTS

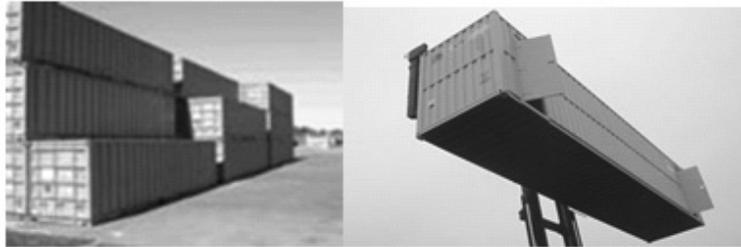


40 FOOT (12.192M) UNIT FOR UP TO 6 OCCUPANTS

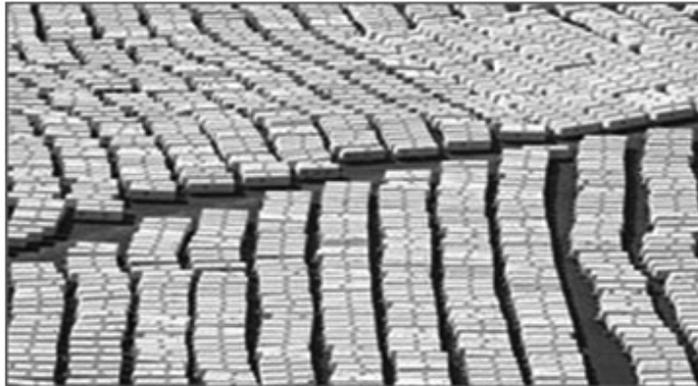


The most important aspect of the HELP model and its disaster housing unit is the storage and reuse factors. Because of the container model it's based upon, the HELP units are stackable and easily maintained while being stored. As with all shipping containers, the 20-foot and 40-foot HELP units can be stacked up to nine units high. There, over 2,000 HELP 20-foot units can be stored on 1 acre of land as opposed to the same acre only able to store 170 FEMA-style 22-foot trailers.

HELP Units stack up to 9 high

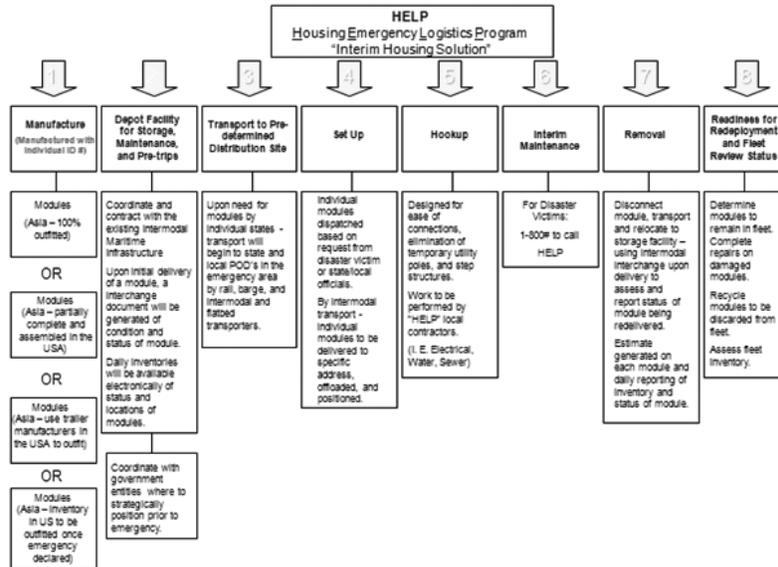


FEMA Trailers in Storage



The flexibility of the units is another important aspect. Only two types of HELP units are needed to accommodate between 2 and 6 persons per unit. Therefore, most families can be accommodated but, if larger units are needed, two or more units can be sited closer together, thus providing unlimited flexibility.

From an environmental perspective, HELP's units stand alone. The units are constructed from sustainable materials that have no hazardous chemicals. The insulation factor in the HELP unit is double that of a FEMA trailer, providing significant energy savings during its use. Air conditioning and ventilation systems are provided with the unit and are easily maintained during both use and storage. Each unit stores its own waste and this waste is either regularly pumped out to a handling vehicle or into the existing community sewage lines. And, as with all shipping containers, the units are recyclable.



July 8, 2009

As outlined in the chart above, the HELP unit model from a logistical standpoint and an implementation standpoint is very simple. The units are manufactured and fitted out. They are stored in pre-positioned or strategic locations. They are transported via any number of modes of transportation to where they are needed in the event of a disaster. They are ready to go when they are delivered and families can start utilizing them immediately. When a family can go back to their home, the units are removed, cleaned up and stored for the next time they're needed. Again, a very simple chain of events logistically.

In particular, as you can see from this chart, the HELP disaster housing unit provides very important elements that other disaster housing units utilized in the past do not and cannot meet. I want to expand on two very significant elements which I hope the Members of the committee view in the same light as I do. First is the element of storage and the second element is longevity. These two items provide, in my opinion, the criteria that have been missing from the disaster housing options provided by FEMA in the past.

As noted earlier, the HELP units are designed off of shipping containers. Having been in the shipping business for over 30 years, I understand the need for utilizing small spaces for storage as efficiently as possible. Because of the design and because of how they're manufactured, the HELP units can be stored in almost any location and a large number of them can be stored in a small space.

Because of their stackability, we can pre-position or store until needed almost 2,000 units in the same space that only holds around 180 traditional FEMA travel trailers. This storage efficiency frees up valuable space in order to pre-position or store other much-needed disaster response supplies and equipment.

Secondly, with simple maintenance during storage (items such as checking the heating and cooling systems, water and wastewater systems, etc.), the longevity of the unit is significantly higher than traditional FEMA disaster housing options. This single element of longevity ensures that disaster housing assistance is available whenever and wherever it's needed. With enough units on hand at any given location, in a pre-positioned storage facility, the units are ready to be delivered wherever necessary and set up, year after year. There's nothing to rot, nothing to fall apart, no axles to break.

All of the components of the HELP unit add up to one very important point—the HELP unit provides a cost-effective, efficient, long-lasting type of disaster housing that the Government and FEMA desperately need. In preparation for my presentation today, I reviewed FEMA's plans contained in the National Disaster Housing Strategy. This strategy laid out several criteria for disaster housing options. These criteria include:

1. *Range of Use.*—How adaptable it would be under various environmental, geographic, and cultural or conditions required by local governments;
2. *Livability.*—How well the units can accommodate or help provide for a household's daily living essentials as well as their physical and emotional need;
3. *Timeliness.*—How fast units could be made ready for occupancy;
4. *Cost.*—How cost-effective the unit would be in absolute terms and in terms of its value relative to additional requirements established as critical in meeting FEMA immediate housing needs and priorities that include:
 - a. *Footprint.*—Units should be small, capable of HUD certification and suitable for FEMA community sites or privately owned sites;
 - b. *UFAS.*—A sufficient number of units must be available for occupants who are disabled and the units must comply with Uniform Federal Accessibility Standards;
 - c. *Indoor Air Quality.*—Utilizing a holistic approach to indoor air quality control measures by eliminating or limiting use of products that contain pollutants, enclosing potentially harmful air pollutant sources in impermeable barriers, using filtration/ventilation to dilute or decrease airborne pollutants, requiring rigorous quality control measures during the manufacturing process, specifying control methods through contracting and procurement processes and other methods of control; and
 - d. *Production Lead-Time.*—Providers must be able to deliver a certain number immediately or within a short time frame to meet FEMA's operations and performance requirements.

Let me state again, Mr. Chairman and Members of the committee, that I reviewed these items only recently and I was surprised at the compatibility of the HELP units with these criteria. Our units meet every one of these criteria and I would hope, because of that fact, that FEMA would see the benefits in having the HELP unit as one of its disaster housing response options.

Mr. Chairman, Ranking Member King and Members of the committee, I want to thank you for this opportunity to come before you today and provide information and background on what I believe is truly a significant new tool for FEMA to use in providing disaster housing options for families that have lost their homes and need safe, clean, and efficient temporary housing and which can be provided to them almost immediately after a disaster strikes. I lived through Katrina and I've applied the lessons I learned, and lived through, in developing this concept. I want other families that go through a disaster of any kind to not have to go through what I went through and I believe HELP and its product can provide the type of housing that disaster victims need and deserve.

Again, I appreciate this opportunity to provide this information and I will be happy to answer any questions you might have at this time.

Chairman THOMPSON. I thank you for your testimony.

Without objection, a statement provided to the committee by Mr. Cross of SG Blocks will be inserted into the hearing record.

[The information follows:]

STATEMENT OF SG BLOCKS SUBMITTED FOR THE RECORD BY CHAIRMAN BENNIE G.
THOMPSON

Public Policy Issue Response.—The need for quick, reactive, durable, economical housing relief in disaster situations is a national priority. The country's ability to respond to virtually any size disaster that involves the need for emergency shelter has been tested on numerous occasions, only to be met with inconsistent results. A comprehensive approach has been elusive until now. SG Blocks offers an affordable, immediate, sustainable answer with the SG Blocks Disaster Relief Unit.

Multi-faceted Solution.—SG Blocks provides an integrated and multi-faceted solution for housing needs brought on by population displacement from disasters both at home and abroad. Published on January 16, 2009, FEMA's National Disaster Housing Strategy highlights an essential need for disaster housing to "leverage emerging technologies and new approaches in building design to provide an array of housing options." There is a stated emphasis on understanding and meeting individual household needs, while providing a full range of flexible and adaptable housing options. The SG Blocks approach provides both; employing a sophisticated, logistically driven management and deployment system with numerous benefits:

- Ability to flexibly build up inventory as required by FEMA.
- A service life of 25–75 years, depending on the application.
- Flexible, durable, and affordable storage capability for multiuse purposes.
- Stackable to maximize storage in a way traditional modular housing cannot.

- Design integration for expandable transitional shelter that can be converted to permanent housing.
- A safe, sustainable, energy-saving green product with an exceptionally low-carbon footprint.
- Highly transportable and demountable for rapid deployment, reconfiguration, or reuse.
- Built to meet or exceed HUD and other building codes.
- Fitted for persons with special needs, including the elderly and the disabled; this group is disproportionately impacted during disaster emergencies.

SG Blocks Disaster Relief Units offer inherently protected interior space. Selected units can be pre-configured and simultaneously deployed. They provide a safe and secure environment for transporting emergency water, food, blankets, and medical supplies, power-generating, and water treatment equipment. Once on-site and unloaded, the pre-configured units convert into shelter as standard SG Blocks Disaster Relief Units.

The system is proven through its use by the military. CHU's (Containerized Housing units) have previously been deployed through multiple applications. A large complex was built by SG Blocks for the 249th Engineering Battalion Command at Fort Bragg.

The SG Blocks system conforms to U.S. Government mandated COTS ("Commercial off the Shelf") initiatives for products and service. It meets or exceeds all COTS specifications including: Storage, deployment, re-deployment, inspection, maintenance, and repair capabilities. The interior of an SG Blocks Disaster Relief Unit uses commercially available off-the-shelf components throughout: Doors, windows, flooring, interior sheetrock, electrical, and plumbing approved for use and routinely installed in modular and factory built housing. Zero formaldehyde standards are applied to all interior components. At the heart of the system is the Value-Cycled™ SG Block; a cargo container that is efficiently modified and re-purposed from an international instrument of trade carriage to an international instrument of housing. SG Blocks Disaster Relief Units can be easily converted to permanent installation, as the fundamental building block (container) is designed to be grouped for easy expandability and connectivity after deployment. When the SG Block is used in multiple configurations, the company's proprietary engineering and linking methods create honeycomb design strength.

Addressing available housing options (pg 31 NDHS), FEMA states: "The range of available housing options sets the parameters for the type of assistance that can be provided and challenges planners to be creative in seeking innovative solutions. Disaster housing must include a sufficient range of options that are compatible with the community characteristics, including population density, climate, geography, and land availability. They must be safe, durable, physically accessible, and cost-effective. Viability may also hinge on timely availability and sufficient capacity to meet the size and diversity of a household, as well as cost effectiveness."

The SGB Disaster Relief Units address every one of those needs. The Units will contain all the basics required for sufficient housing. Kitchen, baths, living and sleeping space will be included along with standard appliances and home features. The building façade may be aesthetically adjusted to fit into any landscape, and as necessary, can be regionalized to suit any climate. Should the SGB Disaster Relief Unit ultimately become permanent, exterior modifications can easily be made; enabling the permanent home to seamlessly integrate into any environment. With extraordinary structural integrity, SGB Disaster Relief Units are more durable and weather-resistant than other shelters, conveying a sense of personal safety, strength, security, and well-being. This inherent stability aids in the recovery from psychological trauma during and after a disaster and the displacement that follows.

The Logistical Advantage.—There is a significant logistical advantage when using the SG Blocks system. The supply source is part of a global logistical shipping network. The existing manpower, equipment, and organization mobilize immediately for quick and efficient deployment. EDI data management software is already in place; and uniquely flexible equipment handling and transport options provide unmatched deployment capabilities. A rapid dispatch rate is estimated at 45 units per hour. SG Blocks Disaster Relief Units may be transported on intermodal chassis trailers, flatbeds, tilt-beds, step-decks, railroad, ocean barge, inland barge, or on container vessels. The mission changes but the execution mirrors the daily logistical operations that the depots routinely handle with containers. Industry-accepted inspectors are based at the deployment site and are available around the clock to receive, inspect, and certify SG Blocks Disaster Relief Units.

A significant space-saving advantage is inherent in the ability to stack the SG Blocks Disaster Relief Units. 90 units per acre are typical of non-stackable modular or trailer housing currently being deployed. In stark contrast, SG Blocks Disaster

Relief Units may be stacked vertically 8 high, creating a vastly enlarged site storage capacity of 1,040+ SGB Disaster Relief Units per acre. This translates into high-density site storage and maximized use of available space.

SINGLE UNIT SCALABLE SYSTEM

The Structure.—The SGB Disaster Relief Unit is a highly transportable, low-maintenance, long-lasting structure built from Value-Cycled “green” engineered containers, utilizing oxidation resistant COR-TEN heavy gauge steel. Designed to carry up to 60,000 lbs. on ships, the containers are converted for shelter by SG Blocks and re-engineered to meet and exceed FEMA specifications.

SG Blocks proposes to deploy the Disaster Relief Units and provide full logistical support and maintenance management.

Key Features:

- Options for 1, 2, and 3+ bedroom units with the ability to incorporate into transitional and more permanent housing.
- Rapidly transportable and highly deployable units; multiple modes of transportation to choose from to assure quick and dependable delivery to a designated site.
- Continual, abundant supply at multiple and strategically located U.S.- and internationally-based depots.
- Rapidly deployable, both domestically and internationally.
- Designed to meet all Federal fair housing requirements along with Federal and local accessibility requirements for disabled occupants; this includes ramping, grab bars, appropriate turning radii, corridor width, appropriate hardware, accessible showers and/or tubs. Depending upon end-users’ needs, a specific number of compliant units may be provided, or all units can be designed to be in conformance.
- Constructed of heavy-gauge, oxidation-resistant COR-TEN steel, the SG Block Disaster Relief Unit meets and exceeds published requirements of the U.S. Government for emergency housing. The system includes the disaster unit, full logistical control of deployment, re-stocking support, inventory control, and the capability of conversion into on-site permanent housing. The interiors incorporate robust paperless drywall proven suitable for transport as demonstrated in the modular housing industry. SG Blocks has selected steel cabinetry and furniture in addition to other sustainable interior components. Compliance with all interior air quality standards is assured. These units contain no formaldehyde glues or any building materials that have the potential to give off formaldehyde gas.

Flexible, Demountable, and Adaptable.—SGB has designed a livable and versatile unit with the needs of the occupants in mind. As families expand or contract, our system may be expanded or reduced to efficiently meet these changing needs.

Designed for scalability and exceeding Government requirements for 1, 2, & 3 bedroom units, SG Blocks Disaster Relief Units have additional applications as well. The units may be easily deployed as office space, relief worker live/work space, or as clinics, with geographic flexibility for all topography and weather variables. As a stand-alone or multi-unit structure, the uniformity and integration options of the SGB Disaster Units will result in substantial cost savings to the Government.

Chapter 3 of NDHS focuses on Interim Housing. Point 11 addresses its temporary nature. “Whenever possible, disaster victims should be moved directly to permanent housing. In creating interim housing plans, officials must balance the intensive effort to supply temporary housing with the need to immediately start developing plans for restoring permanent housing . . . During this period, the State should also be ready to resume responsibilities once Federal assistance ends. These fundamental expectations must be established at the beginning of the interim housing process and guide decisions throughout.” The professional and experienced staff of SG Blocks has worked seamlessly at the municipal planning levels for permits and approvals and can easily be integrated in the transition phase of temporary to permanent housing.

The use of SG Blocks Disaster Relief Units provides significant advantages over modular and travel trailer housing currently being deployed. While these incumbent structures are deployable, they do not share the logistical benefits and support provided by the SG Blocks system. Modular and travel trailer housing has proven to have a comparatively short service life; they are not built for long-term durability. The SG Blocks Disaster Relief Units are durable, rugged steel-framed buildings that last for 25–75 years; they are less susceptible to moisture damage and provide full compliance with wind and seismic design codes. Further, scalability and storage ca-

capacity of the SG Blocks unit is over 10x the level of the modular and travel trailer housing currently being deployed.

SG Blocks Disaster Relief Units far surpass available alternatives in meeting the disaster housing parameters set forth by FEMA. Inherent logistical control and geographic proximity both support rapid and efficient deployment. Multiple modes of transportation enhance rapid deployment options. SG Blocks Disaster Relief Units are stronger, safer, and greener. They are more durable, stackable, expandable, and affordable and can be converted to permanent housing. The SG Blocks approach is comprehensive; what makes the SG Blocks system so compelling resides in the sum of its parts.

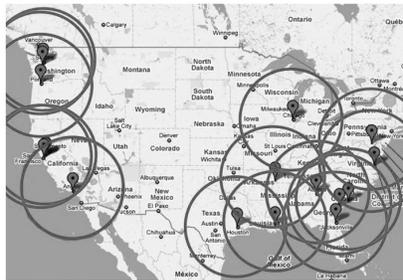
Conventional Container Storage with Multiple US Locales
The System encompasses the following locales for Storage and Dispatch.



Storage of Disaster Relief Units prior to and after disaster deployment is available at 17 depot locations domestically as well as at 118 facilities worldwide. Distribution would be strategically based on potential and timing of deployment.



Deployment



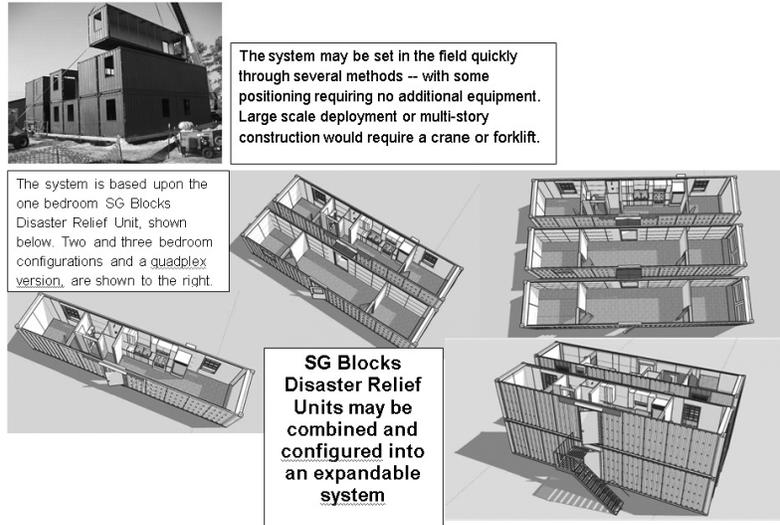
Map demonstrates 400 mile radius from depot locations

Proprietary and Confidential July 2009



Deployment may take place immediately upon notification of need; and units can be on site within 400 miles of depot locations in 8 hours or less and within 750 miles or within one trucking day. All transport methods currently work with the SG Blocks system, and no special escort required.





ABOUT SG BLOCKS . . .

SG Blocks LLC is the premier provider of code-engineered cargo shipping containers specifically Value-Cycled™ to meet the growing demand of safe and green construction. SG Blocks capitalizes on the structural principles associated with the hostile dynamic life a shipping container is exposed to aboard ship, modifying them into significant building components that usually exceed building code requirements. The company has been the leader in establishing container technology for building code permitted sustainable building. SG Blocks, LLC management team has disciplines in structural & civil engineering, building codification, real estate development, management, architecture and intermodal logistics.

Chairman THOMPSON. I will remind each Member that he or she will have 5 minutes to question the panel. I now recognize myself.

Let me also indicate that Mr. Fugate is still here. I would like to acknowledge his presence.

Ms. Gees, from the AIA standpoint, have you looked at this issue of temporary housing from a sustainability standpoint? Have you made recommendations as to what that type housing should consist of?

Ms. GEES. Well, from a sustainability standpoint, the most important thing is to have the maximum usage be a flexibility of usage, being able to use a temporary housing shelter in multiple situations, either as temporary or potential long-term. That is the most important thing, that you can get multiple use, that you do not have housing sitting there, waiting for that eventual emergency, but that you have use as much as possible.

We have committees that are studying this, are looking at this, so we can get back to you in more detail specifically about that.

But the other aspect, in response to your question, is that location of these units, looking at the work that we do with our communities, SDATs, the SDAT program—we have submitted some written testimony about that—but we have expert teams going into communities and looking at their overall infrastructure, their plan-

ning and mitigation. Also with our disaster assistance coordinators, we are doing the same thing.

What we are looking at ahead of time is where you would place units, where you have safe areas, how you can take existing areas of communities that are at risk and already design them so they are in other locations, that they are elsewhere. It is really that planning ahead of time that is very, very important and how then those shelters fit in to that view, to that vision.

Also, looking at public structures—and I will finish up this comment—looking at public structures that you are building, it used to be in the 1960s, in the past, we provided bomb shelters during the Cold War. I am sure everybody remembers that. Our public buildings had that dual usage.

That is something to consider potentially in the future as we look at public buildings, that they again have that full-time use in the event of emergency.

Chairman THOMPSON. Thank you. One of the comments that the first panel talked about was the ability to either mass produce, ramp up should an emergency occur. It was based on what I interpreted, that the existing trailer industry, either travel or mobile home industry, was a better fit.

I would just like for the record to get the three companies represented to see whether or not the ability to ramp up or mass produce would be an impediment to providing an alternative solution should a disaster occur for FEMA or any other entity.

Mr. Kubley, we will start with you.

Mr. KUBLEY. Thank you, Mr. Chairman.

That is really an excellent question, and I think it goes to the heart of what I am hearing at this table today. You know, when you go into the battlefield—and I have never been in the service, so I am speaking as a layman—when you get out into the battlefield and you call in for helicopter support or more ammunition, you have got to know that that helicopter was built a long time ago and that the ammunition is right behind the line that you are on.

If you wait for them to built before they bring it to you to help you, you are in serious trouble. That is exactly what these people are talking about here today, is preparing and planning and staging shelters before the problem happens.

Absolutely, we can ramp up to mass production capability that is needed. That really is our mission and goal here today, Mr. Chairman, is to offer that ability and that new product, that new innovative product out there that has never been available to FEMA or any other emergency service organization before.

We would suggest that the way to do it as we have proposed to FEMA, with my partners, AAR Global, which is a team that a lot of which just came from DynCorp that have hundreds of years of tactical military experience in responding to emergencies and setting up communities.

The way to do it, sir, is to have regional warehouses in strategic places like, for example, on the east side of the San Andreas Fault, so when the big one hits Los Angeles—not if, but when, because that is what all the experts are predicting—that when that San Andreas Fault gives way, you have the ability to move these in, in a very short order.

With Intershelter domes, you can fly them. You can truck them or whatever mode of transportation is available. The other way to do it, sir, is to store them in containers around the country in all 50 States so, in a matter of 24 hours, whether it is a tornado, a hurricane, or an earthquake, you can have a facility set up within 24 hours. With our buildings, you can do that.

Chairman THOMPSON. Thank you.

Mr. Rininger.

Mr. RININGER. Yes, thank you, Mr. Chairman.

I might agree with that totally. Inventory warehousing alternative is the name of the game. Emergency prepared means you must have inventory in stock, something to draw from.

So, if you don't mind, I will just read this paragraph that I skipped earlier. The transition capability that our U3 design offers enables going from quick response shelter status to intermediate temporary housing and permanent housing when possible. This capability will have a major effect on the entire effort across the board.

Okay, note the U3 design may be used in existing sites and alternate sites of the host community. Once again, units will qualify as a permanent housing and real property, thus maintaining a tax base.

Now, warehousing is—we have set up a model for you with 10 locations, one warehouse in each one of the FEMA regions, totaling 5,000 what we term a Flat Pack Modular, and 5,000 units in a Brajo Hurricane House called the U3.

The sheltering capacity of that is 60,000 people. The administrative costs of that is about \$5 million per year.

Chairman THOMPSON. I appreciate it. But I am really trying just to see if you have the capacity to do it, as well as the suggestion you offered is excellent. I think—I even heard it from the last panel.

Mr. Boasso.

Mr. BOASSO. Yes. I think Director Fugate said it very well earlier this morning, is that you never can be prepared 100 percent to have every single unit available for a Katrina/Rita/Ike event.

But what we are proposing to you, Mr. Chairman, is a national fleet. You do have to have units in waiting. Using the intermodal industry, we could be anywhere in the United States—in the whole United States—in 24 hours. So if there was a disaster that happened of the coast of California, you could position those units and put them by rail and by truck and have them delivered.

The same thing goes with any other State as far as one disaster or multiple disasters.

I think the other part that really rings home is that we heard today that they spent over \$100 million storing FEMA trailers. I can port 2,000 containers in the same footprint as 180 FEMA trailers. So, therefore, the costs of storage, it is going to probably be about less than one-third of what FEMA currently pays today.

But what it does, it gives you a rapid deployment fleet that you can bring in and move in, but also in a design that we have is by using the skin of a shipping container, is we have a modular design that could be manufactured at the current trailer manufacturers

today and where you insert this module into the outer shell and secure it to the outer shell itself.

So instead of building a trailer that is only going to last a year or 2 is that we could use those same people to assist us in ramping up production by just having them build the interior and inserting the module.

Chairman THOMPSON. Thank you for your comments.

One of the concerns you heard from the committee is the cost. We are real concerned as a committee that the present cost to respond is very high and the cost to maintain is very high.

I think the testimony also went to the fact that even some of the mobile homes that we bought that we never put in use, because they have been sitting there over a period of time, there is a question as to whether or not they will really be able to be pressed into service. But what I have heard from you is that you have a product that can be reused, stored.

Part of what I hope FEMA is doing, Mr. Fugate, is looking at the whole picture of what we are faced with and not focusing on just one particular approach. I think that is key to me.

The other is cost is a problem, as I said, but we also have to have a plan. If that plan takes in the product, but also how we deploy, whether it can be reused, where we will put it, hopefully we won't put it in harm's way, but it will be as close as we can or there is a method to get it there. All that, I think, is part of that plan that I hope we will see.

The other issue that is important to a lot of us on the committee is how FEMA approaches putting vulnerable populations who obviously are at risk. Ms. Richardson talked about a plan for the unemployed, but just vulnerable populations in general.

Mr. Morse, can you tell me what concerns you might have around that, as well as the whole fair housing issue, in situations like Katrina, what you experienced?

Mr. MORSE. Yes, Mr. Chairman.

I want to thank Mr. Fugate for staying to hear the remainder of the panel. That is very encouraging.

I am a native of Gulfport. I have been through Camille and Katrina. I have worked after Katrina on precisely the question you asked. How do you solve the housing problems of vulnerable people?

The experience that we saw was that, early on, the experience that we saw early on was that people just doubled up and tripled up and tried to make do. That just goes to show how strong people's impulse is when possible to stay where they already are.

So my single strongest recommendation is to encourage Congress and FEMA to put into place some mechanism to repair to the maximum extent possible maximizing the existing housing that is in place, even if it is a little bit damaged. If that requires legislative change to enable FEMA to be able to do rental repair teams, I strongly encourage that to occur. As I mentioned in my previous testimony, there was a big missed opportunity there.

I think the other problem that comes up—and it comes up particularly in this interim housing situation both for trailers or for cottages, and it would certainly come up with these other alternatives that the gentlemen here are talking about—is, there inevi-

tably becomes an impulse to try to convert the interim housing to a permanent housing solution.

When that particular model or style of housing stands out very strongly, it becomes a sharp target for local governments to resist under various pretexts. The FEMA cottage, for instance, Mr. Chairman, was brought in on axels. But once those were removed, they were indistinguishable from any stick-built house that you could see.

Now, I can imagine the howls of dismay that would arise if someone were to try to take any of these other very interesting alternatives and to make them to be permanent. They are probably not completely intended to be permanent. Some of them could be modified to be doing it.

But what it does is it makes—it paints a target on the back of low-income, which are predominantly minority populations in this Nation, and makes it very easy indirectly for local governments to increase the burdens of return for more vulnerable populations.

So I would encourage FEMA in every step of its training of its case managers and in every action that it takes to increase its own awareness of the fair housing law requirements, increase the right-to-know literature given to people the outset so that they can spot the problems, and for FEMA and HUD to come up with a coordinated solution and a memorandum of agreement, some kind of teamwork approach that will enable people to solve problems like that family in Gulfport who faced blatant racial discrimination in a FEMA trailer, and it took more than 3 years for a complaint, a citizen complaint to work its way through the workings of the fair housing department of HUD.

There has got to be a better, more expeditious answer for that, and I can't imagine anything more discouraging for somebody than to be discriminated against when they are starving.

Chairman THOMPSON. Absolutely.

Mr. MORSE. Where is the humanity in that?

Chairman THOMPSON. Well, and I think—I talked with Chairman Frank about that particular situation, and he is trying to get the agencies who were involved to come up with a streamlined approach.

I think the key takeaway here is flexibility. Every issue and proposal I have heard ought to be an option. What might work in one region of the country from a temporary housing standpoint may or may not work.

But what I have seen is this over-reliance on one model as the temporary model. I think what we have to do is broaden the view on what the temporary model is so that, if one of these tight units is acceptable in one area, it might be the way to go.

But I think right now, based on what information we have received at the committee, it is just one model, and that is it. I think we need to give the director of FEMA the flexibility to look at community standards and other standards to see what is acceptable and try to ameliorate any resistance that may or may not happen.

This notion of one-size-fit-all is probably not the best approach to take. That being said, one of the things that we are also concerned about—and some Members of the committee raised it—is whether or not these temporary units can be reused. If you can

reuse a unit a second or third time, then there is a notion that costs will be reduced over time.

Now, the question from me I guess for Ms. Gees and then to the industry representatives: Is that something that could be factored into the overall approach to looking at this as to reusability?

Yes.

Ms. GEES. Thank you, Mr. Chairman. Actually, we were just talking about that earlier, and there—I think there are a lot of ways to look at this. We almost have to turn this problem upside-down, but I give one example, just one of many.

We have a real need for caring for our elderly, ailing parents, and the elderly. There are a lot of we have seen doing work in our communities. A lot of communities are adapting accessory unit zoning bylaws to allow accessory units to be added to a single-family house to care for an ailing family member.

So imagine, for example, you have a community that is safe, that is out of harm's way of disaster, but you have a possibility of adding a mobile accessory unit that could be used for an ailing senior as they transition to more extended care or could be used for a family after a disaster that needs to be relocated on a temporary basis. That is one example of flexibility that is possible and that I think is really important to look at. There are many others.

Chairman THOMPSON. Thank you.

What about just the notion from the industry people of reusability, either for another disaster or some other form that the Government might have?

Mr. Kubley.

Mr. KUBLEY. Thank you very much.

First of all, I would like to express my appreciation for Ms. Gees' comments today. I think she has hit a lot of the really important things right on the head. As far as practicality, comfort, durability, versatility, and we agree. That is absolutely essential in whatever shelters they use.

The Intershelter Force 5 domes can be used for first responders, for communication centers, for MASCAL triage centers. One of the things that we heard over and over again today, Mr. Chairman, was the desire to have something that allows people to remain as a family unit near their neighbors, in their communities, and near their clergy, and the folks they know. They have already been through enough trauma.

With our units, they could drive down the street, kick down enough dome space for each family to use, and the family themselves can put up their own houses. They can remain as a family unit. They can stay with their friends and neighbors. They can supervise the rebuilding or repairing at their homes. They can protect what few belongings they have left on Earth, instead of being taken away and stuck in a Superdome or in some tent city in an army camp somewhere.

Being able to stay together as a family unit is crucial in the healing process. Once the disaster is over, once their houses are repaired, our units can break down in less than an hour. You power-wash them off. You disassemble them. You put them back in their crates, and you can warehouse them until the next hurricane for the next 10 hurricanes.

These can be reused over and over and over again, which, of course, dramatically cuts the cost of the unit. I think that is an important factor.

Chairman THOMPSON. Mr. Rininger.

Mr. RININGER. Thank you, Mr. Chairman. I agree totally. Our units can be used over—oh, excuse me.

Thank you, Mr. Chairman. Our units can be used over and over again, as well. They can also be changed in their initial configuration. While they start out as a quick response shelter and at that pricing level—and I think it is about \$19,000 grand, actually—they can also be expanded into intermediate and permanent housing, which helps your tax base or maintains your tax base as a local government.

They can also be changed in configuration. We have what we call H houses, T houses, L-shaped houses, where you take one, two or three units and add them together to make a larger square footage to meet the need. Larger families need larger square footages and so forth.

So, yes, reusability in any number of ways, certainly. We can do that. It is a must to have that flexibility that you mention.

Thank you.

Chairman THOMPSON. Mr. Boasso.

Mr. BOASSO. Mr. Chairman, in the container industry, the average expected life of a container is 15 years old. So, therefore, we should have no problems for 15 years.

Now, the cost of our unit is going to be much cheaper. We figure around a \$30,000 range for a family of six. For a couple, our 20-foot module will probably be around a \$20,000 range.

But one thing please consider with our units is that FEMA will not have to ever buy electrical poles again or do the stair construction that is needed because we will be able to take care of it all in the unit itself. It will have the air conditioning, the heat, the ventilation system, the telephones, the washer-dryer, the sewer connectivity.

So all of those pieces are so important for these people trying to re-establish their life. The part that we missed during Katrina, Rita and Ike will now be available in this unit itself.

One thing I kind of want to make clear is that there are several types. For the rental people, they have to have a different situation. But you have people that would just love to go back in front of their home, that they can get—start working on cleaning their home out and rebuilding it.

That is what we were up against because we couldn't get the FEMA trailers quick enough. So, therefore, you lost those family units. Then, in those FEMA trailers that we had to deal with, I had one family that had three of them because they couldn't fit their whole family in one unit.

So, therefore, the cost, the durability, and this is factual knowledge, as far as how long it lasts in the industry itself, and the way the financial markets look at it, so 15 years should be no problem.

Chairman THOMPSON. Thank you very much.

One of the reasons for having this hearing is the wide range of costs associated with this. We want to help our new FEMA director with coming up with that housing plan. If we can get a plan that

includes flexibility and some of the other things we have heard, I am convinced that we will be in a better position to respond to whatever the emergency might be.

But I do want to make sure that we have given as much foresight to ingenuity and flexibility. We had a number of staff members go up to Emmitsburg, and they were a little concerned that it was still headed in one direction, and that flexibility that we are talking about is not there. So we will be talking with our FEMA director about that flexibility, because we think it is really needed in this instance.

Ms. Clarke, I see you have joined us. We will give you the benefit of as much time as you need.

Ms. CLARKE. Thank you very much, Mr. Chairman. I won't take up a whole lot of time, and my questions will be submitted to the record.

But this is a very important issue. Our ability to have resilience in recovery after a natural or manmade disaster will speak to a whole lot of what our civil society has evolved into. Right now, from where I sit, we are not quite there yet.

So I wanted to just follow up on a question that the Chairman just asked, and I am going to ask this of Mr. Morse. Mr. Morse, private groups had to sue FEMA to make its housing accessible to people with disabilities and had to return to court numerous times after FEMA failed to comply.

The *Brou v. FEMA* lawsuit filed on behalf of Katrina evacuees who needed emergency housing that was accessible to people in wheelchairs or other mobility limitation illustrates FEMA's complete failure, in my assessment, to address the particular housing needs of people with disabilities.

Attorneys involved in the case have reported that, even after the settlement, it was necessary to go back to court repeatedly to get FEMA to fulfill the terms of the settlement agreement. It is not clear at all that the measures put in place as a result of the suit have resulted in institutional changes at FEMA that will prevent or at least minimize such problems in future disasters.

Let me ask: Do you know of any steps that FEMA has taken to make permanent changes to access to housing for people with disabilities in response to *Brou v. FEMA* lawsuit brought by private groups following Hurricane Katrina?

Mr. MORSE. Thank you. I was local counsel in the *Brou* case, and I was, you know, pretty closely involved in the initial part of that litigation and then also in the follow-up, once the settlement was achieved and FEMA agreed to order 10 percent of its temporary housing units to comply with the uniform Federal accessibility standards and put into place some other mechanisms to ensure people with disabilities had the necessary access.

We discovered that, at that final compliance stage, we were coming upon situations where access—and this is in 2007, I would think it would be—where steps that were part of a 2006 settlement were only at the very last minute getting done in 2007.

So, you know, it is just one other facet of what was a, you know, massively dysfunctional FEMA response under that leadership. I do believe and hope that we will see a lot greater responsibility out of the current director of FEMA.

I read the 2009 plan looking for very specific information about disability access, because it is so important, and I may have overlooked it, but I didn't see a specific, discrete set of recommendations that seem to step from *Brou*, so I would hope that either I have overlooked it or else, if I haven't, that that gets incorporated into further refinements of that 2009 plan.

It was also not just a problem with FEMA. The alternative housing pilot program that Mississippi carried out—and it was the first to roll its own out—had a small percentage of its units that were ADA-compliant. What we discovered was that over a third of the households in those cottage programs had people with disabilities.

So it is going to be an important characteristic of the population to be served in these settings.

There is one other thing. As I understand it, there is, in 2008, October 2008, the U.S. Access Board, Federal Advisory Committee released a report with some detailed recommendations on how to do better. So this may be one of these opportunities where some really good technical work is readily available for FEMA to plug into other plans that it is carrying out, and the details about that are on page 7 of my written testimony.

Thank you.

Ms. CLARKE. Thank you very much, Mr. Morse.

I would like to recommend, Mr. Chairman, that we look at the—whether, in fact, the plan does specifically indicate the steps that must be taken to address the persons with disabilities and enabling them to access temporary housing and shelter.

Just to say to the innovators at the panel that, as you, you know, roll out your new units, that, again, this is something that you may want to be cognizant of, that, you know, our population is very diverse. When disaster hits, it hits everyone equally. We need not look at our citizenry as monolithic. We will have to look at the nuances in order to make sure that we are meeting the needs of all Americans.

So I want to thank you for the work that you are doing, but I would encourage you to be as innovative as possible in the work that you do and recognize those nuances as we look to be prepared in the event of future disaster in our Nation.

Mr. Chairman, I want to thank you for holding this hearing, and I yield back the balance of my time.

Chairman THOMPSON. Thank you very much.

I guess the question for the companies: Is there any problem with your units being handicap-accessible or complying with the Americans with Disability requirements?

Mr. KUBLEY. Mr. Chairman, absolutely not. We are planning on responding and being able to be totally handicap-accessible.

Chairman THOMPSON. Mr. Rininger.

Mr. RININGER. Mr. Chairman, once again, absolutely not. We are handicap-accessible, absolutely.

Mr. BOASSO. Not a problem whatsoever. As being a veteran of those storms, we know the problems that need to be fixed.

Chairman THOMPSON. Thank you very much.

I want to thank our witnesses for their valuable testimony and the Members for their questions. Before concluding, I would like to remind our second panel of witnesses that the Members of the com-

mittee may have additional questions for you, and we will ask you to respond expeditiously in writing to those questions.

There being no further business, the committee stands adjourned.

[Whereupon, at 1:41 p.m., the committee was adjourned.]

APPENDIX

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Question 1. The National Disaster Housing Strategy states that FEMA will consider the use of permanent housing solutions in the wake of future catastrophes. However, FEMA's recent contracting activities suggest that FEMA is continuing its use of manufactured homes and travel trailers. In the aftermath of a catastrophic event in which a large amount of the housing stock is destroyed or severely damaged, what extended and long-term housing options are a part of the FEMA housing strategy?

Answer. FEMA will continue to use manufactured homes and other traditional forms of temporary housing units because they are readily available, livable, and enable FEMA to house disaster survivors within close proximity to their homes and communities. The majority of temporary housing units FEMA provides are placed on private sites, such as the disaster survivor's property. Many private sites require a unit with a smaller footprint, such as a park model or, when a State agrees and the need for temporary housing is expected to last for 6 months or less, a travel trailer. Manufactured homes, as discussed in the Strategy, can be used for prolonged interim housing needs and can be relatively easily converted to a permanent housing solution when appropriate.

FEMA will continue to work with its Federal partners to assist disaster survivors most in need of assistance to transition to a sustainable housing situation independent of Federal disaster assistance. FEMA may, in response to a catastrophic event, consider authorizing semi-permanent or permanent construction in coordination with HUD and the affected State, when all other forms of interim housing are unavailable, infeasible, or not cost-effective.

Question 2. According to GAO and DHS OIG studies, FEMA spends about \$30,000 per 280-square-foot travel trailer. According to their manufacturers, these travel trailers are intended for short-term use. Has FEMA explored sustainable housing options that may be available at a comparable price?

Answer. FEMA only utilizes temporary housing units if existing housing alternatives, such as rental resources, are unavailable. When temporary housing units are appropriate, FEMA will first employ manufactured housing units (often called "mobile homes") or park models. FEMA recognizes the limited usage of travel trailers beyond the short-term. Accordingly, FEMA will only authorize the use of travel trailers at the request of the State when the need for temporary housing is for 6 months or less. Disaster survivors who are likely to require temporary housing assistance beyond 6 months are referred to a more appropriate form of housing assistance.

FEMA continuously conducts market research in efforts to identify the most cost-effective forms of temporary housing. This on-going market research includes, but is not limited to, FEMA's Joint Housing Solutions Group initiative. FEMA is currently testing prototype units that have been installed at our National Emergency Training Center, to monitor and evaluate unit quality and durability as students occupy these units throughout the year. The JHSG will use the information gathered in this evaluation period to assess the suitability of each of unit for use in future disaster housing operations.

Question 3. FEMA is currently awarding manufactured housing contracts with terms that guarantee a minimum purchase of 100 units. While pre-positioning these contracts may be helpful in a catastrophic event, has FEMA considered similar pre-positioned contracts with alternative housing manufacturers?

Why has FEMA emphasized the role of traditional manufactured units?

To what extent has FEMA examined the potential benefits of existing non-traditional housing units?

Answer. FEMA's contracts for alternative housing are pre-positioned similar to the manufactured housing contracts. FEMA's minimum purchase for the alternative housing unit contracts is one unit per vendor, with the capacity to order an additional 999 units per vendor.

Traditional temporary housing units are generally able to be procured relatively quickly due to the existing production infrastructure supporting the private market. These forms of temporary housing units have been utilized successfully for temporary housing for many years. Alternative forms of temporary housing units, by comparison, have varying degrees of production capabilities, and have not been previously used for extended periods of occupancy in any substantial quantities. Some forms of alternative housing units pose unique delivery and installation challenges, whereas there is an existing private market for delivery and installation of traditional forms of temporary housing units.

FEMA is currently evaluating these aspects of alternative housing units, and other concerns, in our pilot assessment at NETC. FEMA is also in the process of soliciting a second round of alternative housing unit contracts, and intends to conduct a similar pilot for vendors who are awarded the second round contracts.

Question 4. It is my understanding that FEMA has exercised the option to purchase over two dozen units from a manufacturer of an alternative housing model currently being tested at the National Emergency Training Center (NETC) at Emmitsburg, MD. If so, please provide a written rationale for the decision to purchase prior to the conclusion of the pilot testing process. Additionally, please provide the final score and assessment for each unit included in the NETC pilot program. If the units chosen were not the highest scoring units, please provide the results of all units examined for inclusion in the pilot.

Answer. FEMA purchased 30 housing units from one of our alternative housing unit vendors, D&D, for use following Hurricane Ike. FEMA considered greater use of alternative housing unit supply contracts due to supply concerns but was able to meet the needs of the operation with traditional housing units. However, FEMA took the opportunity to test these units on a limited basis. The Task Order for the delivery and installation of the 30 temporary housing units was competed among each of the vendors awarded with alternative housing unit contracts. The evaluation criteria utilized for this competitive award was determined by the operational picture for the event. D&D's proposal was determined to best meet FEMA's requirements. FEMA's assessment of alternative housing units at NETC is still underway, and has not been completed. The assessment does not utilize a quantitative, numeric scoring system. Units are evaluated through a qualitative rating system based on speed of delivery and installation, safety, quality, and cost-effectiveness.

Question 5. In November 2007, GAO outlined numerous deficiencies involving FEMA's 2005 housing contract awards and oversight processes. This prompted FEMA to articulate a new contracting process that is designed to "engage local small, minority, and small disadvantaged businesses." What specific steps has FEMA taken to maximize the role of local, minority, and small disadvantaged businesses in the housing process?

Answer. Since November 2007 FEMA leadership and acquisition have made significant improvements in the manner in which they procure housing for their customers. Currently our national Individual Assistance—Technical Assistance Contracts (IA-TAC), are used for the initial set-up for temporary housing units unless there is sufficient time to do a local business set-aside as we did in Arkansas. We then conduct local area set-aside competitions, consistent with the Federal Acquisition Regulation (FAR), for the on-going maintenance and deactivation of all temporary housing units. These competitions are done at each Joint Field Office (JFO) or at the responsible FEMA Region.

FEMA recently issued a solicitation valued at nearly \$500,000,000 to purchase up to 67,000 park model and manufactured homes from small business set-aside procurement. This solicitation will close on August 7, 2009. FEMA intends to award up to three contracts for Park Models (PM) and up to three contracts for Manufactured Homes (MH), although the number of awards could change depending on the proposals received.

FEMA has awarded seven contracts for the purchase of alternative housing, of which six went to small businesses. This procurement was solicited as a Full and Open Competition, but the majority of the awardees are small businesses under the current North American Industry Classification System (NAICS) Code. One of the six small businesses was determined to be in a Hub-zone small business.

FEMA continues to negotiate subcontract opportunities in all its large contracts to ensure that the small business and local small business subcontracting goals are an integral part of the contract, and that the goals are aggressive. FEMA has strengthened its subcontracting goals by incorporating the results of the subcontract

plans with small businesses as a review and evaluation factors in the exercise of future option periods. FEMA and its managers at all levels are utilizing the Stafford Act to use local small businesses to the maximum extent possible. We understand the need and urgency of revitalizing the local economy as quickly as possible and will continue to seek innovative ways to comply with the Stafford Act, DHS goals, and the Federal Acquisition Regulation.

Question 6. To date, during the contract process it seems that the central economic consideration for FEMA has been the cost per housing unit. However, Katrina and Rita exhibited nontrivial expenses attributable to refurbishment, storage, and disposal of used FEMA housing units. In light of this, it seems that the cost-benefit calculus of FEMA's contract process should include these expenses.

To what extent does FEMA consider refurbishment, storage, and disposal expenses during the contract process?

What other factors weigh into FEMA's consideration of costs?

Do sustainability, flexibility, and the potential to re-use units impact FEMA's decision-making process?

Answer. FEMA considers the total lifecycle costs in the management of its disaster housing operations. FEMA has addressed these concerns by partnering with HUD and private industry groups to develop "ruggedized" specifications which exceed commercial market standards for durability during storage and multiple deliveries and installations.

FEMA requires vendors who are awarded supply contracts to provide storage instructions in order to minimize costs associated with unit damage or deterioration while in storage. FEMA has also investigated including vendor-managed storage of the temporary housing units in supply contracts, but did not receive sufficient interest from industry to incorporate that capability into the contracts.

FEMA utilizes a "best value" approach to temporary housing unit procurements, which means that cost is only one factor taken in to consideration. FEMA also considers the offeror's ability to meet or exceed FEMA's specifications, conform to FEMA's indoor air quality testing protocol, and their ability to produce and deliver housing units. The production and delivery capabilities are evaluated on volume as well as ramp-up time. FEMA also considers the offeror's ability to correct deficiencies and provide timely warranty services.

Sustainability, flexibility, and the potential to re-use units do impact FEMA's decisionmaking process. These factors are addressed during the requirements phase of the procurement for manufactured homes, park models, and travel trailers. Reusability, sustainability, and adaptability also are criteria that FEMA's Joint Housing Solutions Group utilizes in the assessment of potential alternative forms of temporary housing units and are incorporated in FEMA's requirements documents for alternative housing units.

Question 7. In February 2009, the Senate Homeland Security and Governmental Affairs Disaster Recovery Subcommittee provided details of a 9-month investigation on the Katrina housing response with analysis of what went wrong and a blueprint for reform moving forward. The report noted that in February 2009 FEMA had over 100,000 manufactured housing units "not ready for dispatch" in inventory at a cost of approximately \$100 million a year.

What does "not ready for dispatch" mean and how did these units get in that condition?

What has been done to reduce this inventory?

What changes in procurement have been put into place that reduce FEMA's storage and maintenance costs for this inventory?

Answer. "Not ready for dispatch" means the unit is not mission-capable for shipment to support a disaster mission. Units are determined Ready for Dispatch (RFD) based on routine maintenance requirements (i.e., replacing tires and axles, fixing water intrusion and roof leaks) while in storage, or immediately following road transport.

FEMA has developed a fiscally responsible inventory reduction plan to dispose of unsuitable temporary housing units that are located at FEMA staging sites throughout the United States. As of this date, FEMA has disposed of 7,355 temporary housing units since Hurricanes Katrina and Rita through sales and donations. The majority of units are being disposed of through the process outlined in the Federal Management Regulation (FMR), 41 CFR 102 (Personal Property) in a coordinated effort with the General Services Administration (GSA), FEMA's agent for disposal actions. The GSA ensures that the units offered through their Utilization and Donation program are reused for the public good—such as public health, education, and parks. In addition, 1,364 surplus unused housing units were also transferred to Tribal governments, as directed by the Post Katrina Emergency Management Reform Act.

FEMA plans to manage its procurement of units to keep the RFD inventory at a baseline level of 4,000 units; to be housed at three THU readiness sites. FEMA has an inventory management plan in place that allows the housing units to be fully utilized before their life-cycle is over, and allows FEMA to maintain a smaller inventory of temporary housing units in storage for disaster response. As units are deactivated, the first priority is to sell them to the current occupant as permanent housing. If the unit isn't sold at deactivation a determination is made whether it can be recovered to a THU site for refurbishment and returned to RFD status. If the unit cannot be returned to RFD status it is sold via the GSA sale process. If the unit can be recovered and made suitable again, it is refurbished and placed back in the RFD inventory for reissue. As the Katrina/Rita excess inventory is disposed of, the THU RFD inventory will consist only of the 4,000 units stored at the three readiness sites.

Question 8. What involvement, if any, has HUD had in the evaluation and implementation of alternative housing solutions other than manufactured housing?

Answer. HUD is a charter member of FEMA's Joint Housing Solutions Group and has been involved throughout FEMA's efforts to identify, evaluate, and implement alternative forms of temporary housing. HUD personnel accompany FEMA employees and contractors to conduct field assessments of alternative housing units, and have assisted FEMA with the procurement of alternative housing unit contracts by participating on the source selection board.

Question 9. The National Disaster Housing Strategy addresses the development of performance specifications and a procurement and pilot program for new alternative housing units. What performance specifications have been introduced that promote the use of alternative housing options?

Answer. FEMA's Joint Housing Solutions Group developed performance specifications establishing baseline requirements and functional criteria for the purpose of assisting FEMA with the procurement of alternative forms of temporary housing. These performance specifications were used in FEMA's alternative housing procurement and have been revisited for the upcoming second round of alternative housing units. FEMA's specifications and procurement process are intended to allow offerors as much room as possible to develop innovative solutions to FEMA's baseline requirements, rather than having to adhere to rigid and detailed specifications. However, alternative housing units must meet or exceed the same safety and air quality standards as FEMA's traditional forms of temporary housing units.

Question 10. The mass devastation caused by Katrina profiled the need for a comprehensive and collaborated disaster response, extending beyond the capability or capacity of FEMA. As the primary authority on disaster response, how does FEMA plan to engage local, State, Federal and private-sector entities to efficiently prepare for post-disaster housing needs?

Answer. The National Disaster Housing Strategy underscores that all organizations involved in disaster housing must conduct joint planning to address housing needs, engage appropriate stakeholders, identify a range of options, describe how those options would be implemented, and identify the necessary resources. As stated in the Strategy, the primary vehicles for engaging local, State, Federal, and private-sector entities in the delivery of post-disaster housing needs is through the National Disaster Housing Task Force, as well as individual State-led Disaster Housing Task Forces and FEMA's National Advisory Council.

State-led Disaster Housing Task Force.—States are encouraged to form a standing task force of disaster housing experts, whose objective is to monitor the status of the housing market in advance of a disaster and be prepared to make informed recommendations in the event of a disaster requiring a housing mission. The task force is intended to bring together State, Tribal, local, Federal, non-governmental, and private sector expertise to evaluate housing requirements, consider potential solutions, and propose recommendations, some of which may require national level concurrence or engagement. States are also encouraged to include disability organizations and advocacy groups on the Task Force to provide advice regarding housing requirements for those with special needs or limited English proficiency.

FEMA is working through its Regional Offices to assist States in establishing State-led task forces.

National Disaster Housing Task Force.—The National Disaster Housing Task Force will, during the response to a major incident that requires a significant housing effort, provide technical expertise and advice to the Joint Field Office and the State-led Disaster Housing Task Force. This assistance may include deploying liaisons or teams to affected States to help develop and tailor Federal disaster housing plans to meet the needs of the particular event. In this role, Federal representatives on the National Task Force will work with and support established FEMA field op-

erations and structures, as well as directly with State-led Disaster Housing Task Forces.

A draft implementation plan for the National Disaster Housing Task Force is currently posted for partner comment. Once finalized, this implementation plan will outline task force goals and milestones which will include the development of expanded resources for State partners to assist in the identification and delivery of appropriate housing resources.

Question 11. Has there been any collaboration with HUD on how to best transition from interim housing to permanent affordable structures? If so, please provide a narrative explaining the nature of the collaboration and provide copies of any documents that may have resulted from the collaborative effort.

Answer. The coordination of FEMA and HUD disaster recovery housing assistance is outlined in the National Disaster Housing Strategy. FEMA's and HUD's roles in the delivery of disaster housing will vary, depending on support requirements identified by the impacted State, as well as the scope of damage to local housing stock and rental resources. Under the Strategy, FEMA and HUD will partner to provide Federal interim housing assistance, each bringing its expertise and experience to bear. 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.

The disaster housing operational roles of FEMA and HUD are further articulated in FEMA's 2009 Disaster Housing Plan. The Disaster Housing Plan was released on April 21, 2009, and outlines new concepts in disaster housing, enhanced roles for Federal, State, and local partners, as well as expanded choices in disaster housing, and improved health and safety requirements. Specific roles for HUD include supporting the implementation of financial assistance for rent and their role in the construction of permanent and semi-permanent housing.

In addition, FEMA and HUD have partnered to implement the Disaster Housing Assistance Program (DHAP) in response to Hurricanes Katrina, Rita, Gustav, and Ike. FEMA and HUD are currently reviewing DHAP lessons learned to develop a standing Interagency Agreement that could be used to administer and implement DHAP on future disasters as disaster housing needs dictate. This standing authority would allow both FEMA and HUD to have plans in place to effectively coordinate DHAP implementation.

Question 12. In addition, have FEMA and HUD determined what Federal entity is responsible for recovery costs associated with the repair HUD housing units in the wake of a major disaster declaration?

Answer. FEMA could not previously provide permanent repair assistance to HUD Public Housing Authorities (PHAs) because of section 9(k) of the Housing and Economy Recovery Act of 1937 and a set-aside appropriation in the Public Housing Capital Fund for PHA repairs necessitated by a disaster. Section 9(k) of the Housing Act, was repealed, effective July 30, 2008, by the Housing and Economic Recovery Act of 2008. Congress also eliminated the set-aside in the fiscal year 2009 HUD appropriations legislation, which was passed as part of the Omnibus Appropriations Act on March 11, 2009, retroactive to October 1, 2008. PHAs are now eligible for permanent repair funding from FEMA under the Public Assistance Program. FEMA is currently updating the Public Assistance policy on assistance to PHAs to reflect the change in the law.

QUESTIONS FROM HONORABLE YVETTE D. CLARKE OF NEW YORK FOR W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Question 1a. Mr. Fugate, after Hurricane Katrina, FEMA did not provide any information to people who had been displaced, including people to whom it was providing housing assistance, about their fair housing rights, how to recognize discrimination, or what to do if they encountered it. Instead, private fair housing groups had to step in, without assistance from FEMA, to address this issue. In addition, in the immediate aftermath of Katrina, FEMA sponsored a Web site containing discriminatory ads that were illegal under the Fair Housing Act. It also has no system to address fair housing complaints. Currently, the National Disaster Housing Strategy does not mention any of these housing issues.

What has FEMA done to carry out its fair housing responsibilities?

How does FEMA ensure that its staff and contractors do not discriminate?

What does FEMA do if discrimination is reported?

How does FEMA intend to address issues of housing discrimination in the event of another disaster?

Answer. Section 308 of the Stafford Act protects individuals from discrimination on the basis of their race, color, religion, nationality, sex, age, or economic status in all disaster assistance programs. Section 309 of the Stafford Act applies these non-discrimination provisions to all private relief organizations participating in the response and recovery effort.

FEMA has addressed its responsibilities through:

- Incorporating language in all Memorandums of Understanding, Interagency Agreements, and contracts with other Federal agencies, States, organizations, and contractors who are assisting FEMA with housing disaster survivors.
- Informing disaster survivors of their rights both in oral and written communications.
- Mandatory annual Title VI and Title VII anti-discrimination training. Deployed Equal Rights Officers conduct this training at the JFO for DAEs; and FEMA has on-line training for employees and supervisors.
- While this training is not specific to housing, it does raise the awareness of the staff to the issues of discrimination and FEMA's commitment to non-discrimination. Consideration will be given to:
 - including some housing discrimination information in the mandatory training;
 - including written anti-discrimination information from HUD in the JFO and DRC locations; and
 - providing a link to HUD's housing discrimination office on FEMA Web site.
- Deployed Equal Rights Officers participate on the JFO disaster housing group during disasters to provide input about non-discrimination in FEMA housing efforts.
- Housing Inspection Contractors provide sensitivity and conduct training for inspectors. Additionally, FEMA's Inspection Services works closely with Equal Rights Officers in the Joint Field Offices and HQ on any related discriminatory complaint filed against an inspector.

FEMA also informs disaster survivors of their rights both in oral and written communications. Page 2 of "Help After a Disaster" (FEMA publication 545) includes a section on "Your Civil Rights and Disaster Assistance," where FEMA informs applicants of their rights:

"The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) is the law that authorizes Federal assistance when the President declares a State to be a disaster area. Section 308 of the Stafford Act protects individuals from discrimination on the basis of their race, color, religion, nationality, sex, age, or economic status in all disaster assistance programs. Section 309 of the Stafford Act applies these non-discrimination provisions to all private relief organizations participating in the response and recovery effort.

In addition, Title VI of the Civil Rights Act of 1964 also protects individuals from discrimination on the basis of their race, color, or national origin in programs that receive Federal financial assistance. Section 504 of the Rehabilitation Act of 1973 is a Federal law that protects individuals with disabilities from discrimination in all programs receiving funds from the Federal Government or operated by the Federal Government. Section 508 of that law prohibits discrimination against persons with disabilities in regard to federally operated technology systems."

Question 1b. How does FEMA ensure that its staff and contractors do not discriminate?

Answer. Inspection Services takes each complaint seriously and tracks an inspectors' complaint history. FEMA works closely with the contractors to address every complaint, discriminatory or not, and based on the outcome of the investigation FEMA works with the contractor to determine continual inspector employment.

Question 1c. What does FEMA do if discrimination is reported?

Answer. When Title VI or Title VII discrimination is reported to the Office of Equal Rights or to the deployed Equal Rights Officers those cases are processed through established FEMA complaint processes. Since, by law, HUD has the responsibility for processing cases of housing discrimination; survivors alleging housing discrimination are referred to HUD.

NPSC employees and call center contractors receive training on the procedures for reporting Civil Rights complaints that are reported to them by applicants. Guidance on reporting Civil Rights complaints is also posted on the Individual Assistance intranet sites. <http://ia.fema.net/contents/bpas/benefits/documentation/civilrightshelplineguidance.pdf>.

The procedure for NPSC employees and contractors is to report all alleged Civil Rights violations, regardless of the agency or business involved, directly to FEMA's Office of Equal Rights. NPSC employees are also provided with a phone number to give applicants who insist on speaking with an Equal Rights Officer directly.

Question 1d. How does FEMA intend to address issues of housing discrimination in the event of another disaster?

Answer. In addition to staff training, FEMA's Office of Equal Rights will seek to work collaboratively with HUD's Office of Fair Housing and Equal Opportunity to ensure that information regarding housing discrimination is made available to disaster survivors and develop a protocol for coordinating the processing of housing discrimination complaints. Also, language regarding non-discrimination in housing will be considered for inclusion in appropriate documents, contracts and agreements related to housing.

Question 2. Mr. Fugate, in 2007, GAO outlined numerous deficiencies involving FEMA's 2005 housing contract awards and oversight processes. This prompted FEMA to articulate a new contracting process that is designed to "engage local small, minority and small disadvantaged businesses." What specific steps has FEMA taken to maximize the role of local, minority, and small disadvantaged businesses?

Answer. Since November 2007 FEMA leadership and acquisition have made significant improvements in the manner in which they procure housing for their customers. Currently our national Individual Assistance—Technical Assistance Contracts (IA-TAC), are used to do initial set up for temporary housing units unless there is sufficient time to do a local business set-aside as we did in Arkansas. We then conduct local area set-aside competitions, consistent with the Federal Acquisition Regulation (FAR), for the on-going maintenance and deactivation of all temporary housing units. These competitions are done at each Joint Field Office (JFO) or at the responsible FEMA Region.

FEMA recently issued a solicitation valued at nearly \$500,000,000 to purchase up to 67,000 park model and manufactured homes from small business set-aside procurement. This solicitation will close on August 7, 2009. FEMA intends to award up to three contracts for Park Models (PM) and up to three contracts for Manufactured Homes (MH), although the number of awards could change depending on the proposals received.

FEMA has awarded seven contracts for the purchase of alternative housing, of which six went to small businesses. This procurement was solicited as a Full and Open Competition, but the majority of the awardees are small businesses under the current North American Industry Classification System (NAICS) Code. One of the six small businesses was determined to be in a Hub-zone small business.

FEMA continues to negotiate subcontract opportunities in all its large contracts to ensure that the small business and local small business subcontracting goals are an integral part of the contract, and that the goals are aggressive. FEMA has strengthened its subcontracting goals by incorporating the results of the subcontract plans with small businesses as a review and evaluation factor in the exercise of future option periods. FEMA and its managers at all levels are utilizing the Stafford Act to use local small businesses to the maximum extent possible. We understand the need and urgency of revitalizing the local economy as quickly as possible and will continue to seek innovative ways to comply with the Stafford Act, DHS goals, and the Federal Acquisition Regulation.

Question 3. Mr. Fugate, private groups had to sue FEMA to make its housing accessible to people with disabilities—and had to return to court numerous times after FEMA failed to comply. The *Brou v. FEMA* lawsuit, filed on behalf of Katrina evacuees who needed emergency housing that was accessible to people in wheelchairs or with other mobility limitations, illustrates FEMA's complete failure to address the particular housing needs of people with disabilities. Attorneys involved in the case have reported that, even after the settlement, it was necessary to go back to court repeatedly to get FEMA to fulfill the terms of the settlement agreement. It is not clear at all that the measures put in place as the result of that suit have resulted in institutional changes at FEMA that will prevent, or at least minimize, such problems in a future disaster. What steps has FEMA taken to make permanent changes to access to housing for people with disabilities in response to the *Brou v. FEMA* lawsuit brought by private groups following Hurricane Katrina?

Answer. FEMA has made institutional changes to ensure temporary housing assistance is available for disaster survivors with mobility and sensory limitations, as well as other accessibility needs. Specific actions include the following:

- FEMA has established a strong partnership with the U.S. Access Board on a number of accessibility issues related to disaster housing, and has developed manufactured home and park model specifications which comply with the Uniform Federal Accessibility Standards (UFAS). Some of FEMA's travel trailer and alternative housing vendors have also developed UFAS-compliant designs for their units.

- Established a policy to provide the necessary guidance for identifying eligible disaster survivors with accessibility needs, the accommodations required to meet their needs, and the steps necessary to ensure FEMA retains the resources necessary to meet those needs.
- Incorporating new policies and procedures, and information on the UFAS standards have also been incorporated into FEMA's training program for disaster housing managers in the field.

QUESTION FROM HONORABLE DINA TITUS OF NEVADA FOR W. CRAIG FUGATE, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Question. As you continue these efforts, I am interested in learning more regarding your efforts to prepare for disasters in places like Las Vegas. Unlike many cities in the Gulf Coast Region, Las Vegas is not located near many other population centers. In the event of a serious emergency, the relatively remote location of the city could provide substantial logistical challenges. These challenges would be magnified in attempts to provide satisfactory temporary housing. These challenges are not unique to Las Vegas, but would be faced by any population center that is of great distance from other population centers. How is FEMA preparing for this type of situation?

Answer. FEMA would use the same prioritized approach set forth in the 2009 Disaster Housing Plan for a disaster in a remote population center, such as Las Vegas, as we would use in other areas of the country. FEMA always strives to house as many people as possible within close proximity of the affected area, beginning with the use of existing housing stock in the area. FEMA, its contractors, and Federal partners have a robust logistics capability between them to support first responders and relief personnel in order to prioritize disaster survivors for the existing accommodations. After exhausting available resources, FEMA would consider the use of manufactured and alternative interim housing, followed by employing innovative forms of interim housing, and utilizing permanent construction as an option of last resort.

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR RICHARD L. SKINNER, INSPECTOR GENERAL, DEPARTMENT OF HOMELAND SECURITY

JULY 8, 2009

Question 1. When cost-effective, should FEMA consider the use of permanent housing for disaster victims when the recovery period is going to be much longer than the standard 18-month period envisioned by the Stafford Act?

Answer. FEMA provides disaster victims with temporary forms of housing including hotel/motel rooms, rental assistance, and travel trailers/mobile homes. Under the provisions of the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended (Pub. L. 93-288) (Stafford Act), this assistance is limited to a period of 18 months after the disaster declaration, unless extended by the President.

In most cases, the provisions of the Stafford Act allow for adequate assistance to disaster victims. Displaced residents often only require short-term assistance until repairs to their own houses can be made or alternate rental units can be identified. Following a catastrophic disaster, however, longer-term assistance may be required. In these cases, Federal officials need the ability to weigh the costs of long-term temporary housing against the provision of permanent housing.

FEMA has traditionally interpreted the Stafford Act as prohibiting permanent or semi-permanent forms of housing assistance to disaster victims, except in insular areas outside the continental United States. The Stafford Act provides an exception to this prohibition that has not generally been utilized by FEMA. Specifically, the Stafford Act allows the provision of permanent or semi-permanent housing assistance when: (A) No alternative housing resources are available; and (B) the types of temporary housing assistance [described in the provision] are unavailable, infeasible, or not cost-effective.

Arguably, after a catastrophic incident, it might be more cost-effective to provide permanent rather than temporary forms of housing. Further, if providing assistance for permanent housing allows more residents to resettle in their communities and resume their lives quicker, the entire economy and well-being of the community or region may recover faster.

While FEMA should maintain the authority and responsibility for sheltering disaster victims, consideration should be given to transferring responsibility for longer-term housing assistance to the U.S. Department of Housing and Urban Develop-

ment (HUD), or another appropriate Federal agency, whether the assistance is in the form of temporary or permanent housing.

Question 2a. Your testimony points out that rent has gone up 46% in New Orleans after Katrina. This obviously has a negative impact on residents' ability to return to the city.

Should FEMA's plans, currently being developed under the Housing Strategy, include details as to how FEMA will support the restoration of pre-existing housing stock?

Answer. Hurricane Katrina destroyed a tremendous amount of rental housing stock in the New Orleans area. While some of the housing stock has been rebuilt, the amount of rental housing available today cannot meet the demand of residents who would like to move back to the city. This demand drives up rental prices. One way to combat this type of rent increase is to help landlords repair their damaged rental stock, thereby increasing the number of rental properties available.

Section 689i of the *Post-Katrina Emergency Management Reform Act of 2006* (Pub. L. 109-295, Title VI—National Emergency Management, of the Department of Homeland Security Appropriations Act of 2007) directed the FEMA Administrator to establish and conduct a pilot program to make better use of existing rental housing, in order to provide timely and cost-effective temporary housing assistance. FEMA did establish the Rental Repair Pilot Program and implemented the program in response to disasters in Iowa and Texas in 2008. Authority for this pilot program expired in December 2008.

As FEMA continues to develop plans under the National Housing Strategy, it should work with its Federal, State, and local partners to plan for the quick restoration of housing stocks, including rental units, after a disaster.

Question 2b. Could direct housing assistance, such as providing housing units directly to families for permanent use, facilitate return to an area following a disaster?

Answer. Providing direct housing assistance, including housing units for permanent use, could facilitate residents' return to an area following a disaster. I would caution, however, that this type of assistance should only be considered in the case of a catastrophic disaster. For a less serious disaster, the provision of temporary housing assistance is adequate. A decision to provide permanent forms of housing should only be made when it is in the best interests of taxpayers to do so, such as when the costs of temporary forms of housing assistance outweigh the costs of permanent forms of housing. Further, a decision to provide permanent forms of housing should be made by FEMA and HUD, in cooperation with Federal, State, and local partners.

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR GERALD H. JONES, MEMBER, NATIONAL INSTITUTE OF BUILDING SCIENCES

Question 1a. GAO reported in August 2007 that FEMA's implementation of the Alternative Housing Pilot Program failed to state the importance of rating criteria that the agency would use in evaluating grant applications. The absence of these factors may have impacted FEMA's ability to solicit and fund more innovative and creative disaster housing solutions.

Has FEMA engaged NIBS in the development of rating criteria?

Answer. Response was not provided at the time of publication.

Question 1b. How were these criteria used to determine which housing units would be selected?

Answer. Response was not provided at the time of publication.

Question 1c. Has NIBS been continuously engaged with FEMA during this process? Is NIBS currently working with FEMA?

Answer. Response was not provided at the time of publication.

Question 1d. Has NIBS worked with FEMA to conduct an assessment of various community social factors and local sensitivities that should be considered in the wake of catastrophes? If so, please provide a copy of the assessment. If not, why has this assessment not been conducted? Can you please explain the importance of conducting such an assessment?

Answer. Response was not provided at the time of publication.