

**EMERGENCY LOGISTICS MANAGEMENT: TRANS-  
FORMING THE DELIVERY OF DISASTER RELIEF  
FOR THE 21ST CENTURY**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON EMERGENCY  
COMMUNICATIONS,  
PREPAREDNESS, AND RESPONSE

OF THE

COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES

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## **EMERGENCY LOGISTICS MANAGEMENT: TRANSFORMING THE DELIVERY OF DIS- ASTER RELIEF FOR THE 21ST CENTURY**

**Wednesday, September 29, 2010**

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

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 311, Cannon House Office Building, Hon. Laura Richardson [Chairwoman of the subcommittee] presiding.

Present: Representatives Richardson, Cuellar, Pascrell, Thompson, Rogers, and Cao.

Ms. RICHARDSON. The Subcommittee on Emergency Communications, Preparedness, and Response will come to order. The subcommittee is meeting today to receive testimony on "Emergency Logistics Management: Transforming the Delivery of Disaster Relief For the 21st Century."

I will now recognize myself for an opening statement.

Good morning. I would like to welcome all of our witnesses today and thank you for your public service. Today we will be discussing FEMA's efforts to transition to a 21st century logistics system that would incorporate modern efficiencies without sacrificing effective service.

We will also learn about how charities and other NGO partners with FEMA distribute donated goods and services.

Hurricane Katrina exposed the serious flaws in the FEMA's logistics systems, but as the 2006 Senate report on Katrina concluded, FEMA's logistics failures during Katrina's crisis was not a surprise. The systemic failures that occurred roughly 5 years ago resulted from antiquated logistics systems, poor planning for transportation, staffing shortages, and the lack of a tracking system.

After Hurricane Katrina, Congress provided a clear mandate for a new logistics system in the Post-Katrina Act.

Essentially, we look to develop an efficient, transparent and flexible logistics system for procurement and delivery of goods and services and for real-time visibility of items at each point throughout the logistics system. We are here today to determine what type of progress FEMA has made and in this meeting what mandates have occurred and should occur.

In 2005, FEMA began the process of transforming its logistics management by implementing a new IT system called the Total

Asset Visibility Program. This system, now called the Logistics Supply Chain Management System, is intended to deliver better performance and accountability by providing end-to-end transit visibility of critical assets and commodities.

With the projected costs of \$321 million, however, we must make sure the system delivers what FEMA really needs and what the public requires.

This committee shares the concerns raised by the DHS Office of Inspector about the system. We look forward to hearing from Mr. Jadacki about the OIG's findings.

Likewise, we also look forward to hearing from Mr. Smith about the system and his vision for the logistics directorate.

Exactly 1 year ago today, September 29, 2009, a massive tsunami devastated the islands of American Samoa. In a matter of minutes, people on that island lost everything, homes, belongings and loved ones. Nearly 200 people died; 2,000 were left homeless; and another 6,000 American Samoans went without power.

As the Representative of the 37th Congressional District, my constituents were directly affected by this tragedy. As home to approximately 25 percent of the entire American Samoan population living in the United States, my district is home to the largest concentration of Samoans in America. In response to the disaster in Samoa, I traveled to American Samoa and Samoa in October 2009 to observe the extent of the devastation and to deliver relief supplies contributed by my constituents.

I also worked with Representative Eni Faleomavaega to coordinate efforts in sending relief supplies.

Fortunately, we saw an outpouring of support for those in need. In my district alone, roughly 60 local organizations collected 180,000 pounds of essential items to send to victims of the tragedy. With the help of Congressman Faleomavaega and Secretary Clinton, a cargo plane airlifted about 90,000 pounds of supplies, roughly half of the collected amount, to the devastated region.

While the end result was positive, the red tape that the good people of my community and, I hate to say, myself, as an elected official, that we had to endure was astonishing and disturbing. When tragedy strikes, people want to help. It is just that simple. We must have better avenues to facilitate the generosity of the American people.

I am looking forward to hearing from Mr. Irwin about the efforts of the National voluntary organizations active in disasters to deliver donated goods to people in need. As our Federal Government looks to further rely upon charities across the country for disaster relief, we must ensure that the countless volunteers and all the donated supplies are viewed as a critical part of the solution and not considered a liability.

In closing, as we talk about the delivery of the essential supplies to those in need by FEMA, I would be remiss for the public who might be watching if I didn't talk about our own responsibility as individuals to prepare for disasters. For example, individuals across the country can be more prepared for the next disaster by making a family emergency plan, assembling an emergency supply kit, and learning about possible threats in their own area.

While National Preparedness Month 2010 is coming to a close with the end of September, our efforts to be prepared for disasters should never cease. I encourage everyone to visit FEMA's ready.gov website to learn more about the steps you can take to prepare yourself and your family, your business, and our community.

With that, I thank the witnesses for being here, and I look forward to your testimony.

The Chairwoman now recognizes the Ranking Member of the subcommittee, the gentleman from Alabama, Mr. Rogers, for his opening statement.

Mr. ROGERS. Thank you, Madam Chairwoman.

Thank you for having this hearing, and I want to thank our witnesses for taking the time to prepare for this and to be here. It is very much appreciated by us and helpful to us. Now this hearing will provide an opportunity to examine the effectiveness and efficiency of logistics management systems currently in place during disaster response.

In July 2010, the Department of Homeland Security's Office of Inspector General issued a report on logistics management and offered recommendations for how the Federal Emergency Management Agency can improve its logistics capability. The IG noted a number of improvements in this area, including increased staffing levels, training, better coordination, and outreach activities.

At the same time, the IG highlighted that on-going staffing and budget challenges have prevented the same type of improvements from being made at State and local levels in many cases. It is important for us to look for ways to improve logistics management at all levels by offering guidance and grant funding to State and locals in order to accomplish these goals. I look forward to hearing from Mr. Smith and Mr. Jadacki on the progress being made with respect to the logistics transformation expected to be completed in the next several years. I am also interested in discussing any remaining challenges to advancing the Single-Point Ordering system recommended by the IG as well as the status of in-transit visibility programs underway at FEMA. Finally, I look forward to hearing from Ms. Zimmerman, from FEMA's office of response and recovery; Mr. Irwin, from the National Voluntary Organizations Active in Disaster, on the organization's on-going efforts in donation management and delivery of these donated goods and services to disaster victims.

Logistics is a critical piece of both preparedness for and response to disasters. We must ensure that logistics management directorate within FEMA is making progress and has staffing resources and partnerships it needs to store, transport, and deliver supplies in the most efficient manner possible.

Once again, I want to thank the witnesses, and I look forward to your testimony.

Ms. RICHARDSON. The Chairwoman now recognizes the Chairman of the Homeland Security committee, who has had a long commitment to this issue, the gentleman from Mississippi, Mr. Thompson, for an opening statement.

Mr. THOMPSON. Thank you very much, Chairwoman Richardson, for calling this important hearing to discuss FEMA's logistics management. The distribution and management of goods and services

during disasters is critically important to meeting the needs of disaster victims.

Two years ago, this subcommittee held a rare joint hearing with the Senate Homeland Security and Government Affairs Committee to examine the logistics management challenges identified after Hurricane Katrina. Today, we are here to see if FEMA has made good on its promises to take corrective action.

As the Chairwoman described, there were many obstacles hindering FEMA's response during Katrina, including the lack of a robust and modern logistics IT system. FEMA's new Logistics Supply Chain Management System, previously called a Total Asset Visibility System, is supposed to guide the agency's delivery of disaster relief well into the 21st century. At an estimated price tag of over one quarter of a billion dollars, \$321 million, to be exact, it most certainly should with that price tag.

Astonishingly, however, nearly one-third of the cost, \$110 million, is designated for operation and maintenance over 5 years. With O&M costs so high, I question whether we are building a system that is expected to fail.

This committee will be conducting vigorous oversight on this system because we cannot afford to have delays and cost overruns like other large IT projects at DHS.

As with most homeland security issues, however, technology alone will not solve every issue. In my home State of Mississippi, for example, we witnessed mass distribution of pre-staging problems during Katrina which was more a result of more poor strategic planning and management.

Thankfully, the new logistics directorate is larger than ever with over 124 full-time positions and a dozen more transitioning from part-time posts. We welcome this added expertise. But with this large a cadre comes greater expectations.

Surely we will agree that we can do a better job of procuring, storing, and disposing of FEMA's temporary housing units and trailers. As you know, contaminated Katrina trailers appeared again along the Gulf Coast during the oil spill clean-up efforts. These missteps demonstrate that we must rethink the way we manage FEMA trailers.

Like other disasters, the oil spill clean-up efforts utilized countless volunteers and relied heavily on the generosity of the American people. Today, FEMA utilizes the National Donations Management Network for channeling donations to those in need which is a portal to an on-line Aidmatrix Networks. This web-based application is used by charities and States across the country to match individual donations with disaster needs. I look forward to hearing from our witnesses on how the Aidmatrix Network is progressing and how FEMA logistics and charitable organizations work together during disasters.

Madam Chairwoman, I would also like to say, at the point when we did have Katrina, there was only one operating agreement in force, and that was with the Red Cross. This committee was provided a number of organizations listed that had been negotiated with, but once we checked, most of them had not executed agreements nor had there been any training. So I would look forward to getting some of that question and answer, too.

I yield back the balance of my time.

Ms. RICHARDSON. Thank you, Mr. Chairman.

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

I now welcome our panel of witnesses.

Our first witness, Mr. Matt Jadacki, Assistant Inspector General for the Office of Emergency Management Oversight, under the Office of the Inspector General at the Department of Homeland Security, is now with us today.

Prior to joining DHS in 2005, Mr. Jadacki was the chief financial officer and chief administrative officer of the National Weather Service, a component of the National Oceanic and Atmospheric Administration.

Our second witness, Mr. Eric Smith, joined FEMA in 2007 as the assistant administrator for the Logistics Management Directorate. Mr. Smith came to FEMA from his last military Active Duty assignment as the senior executive assistant to the director of the Defense Logistics Agency. He retired as a colonel after 24 years in the Army and has a background in multifunctional logistics management, planning, and operations.

Accompanying Mr. Smith for the purpose of questioning is Ms. Elizabeth Zimmerman, deputy associate administrator for response and recovery. This office is responsible for the coordination and integration of FEMA's response, recovery, and logistics programs and operations. Ms. Zimmerman brings decades of State-level emergency management experience, most previously serving as the assistant director of recovery for the State of Arizona.

Our final witness is Mr. Stephen Irwin, director of agency services at Convoy of Hope in Springfield, Missouri. Mr. Irwin also serves as the chair of the Donations Management Committee for the National Voluntary Organizations Active in Disaster, National VOAD. In this role, he works with the National organizations in coordinating donations that are disbursed during the active disasters across the United States.

We are pleased to have all of you present and greatly appreciate your testimony today. Without objection, the witnesses' full statements will be inserted into the record.

Before I defer to Mr. Jadacki, I would just urge you to please keep to the time. We might, we are looking at when votes might occur, and there could be a series of 30 votes. So the sooner we can hopefully stay on track, we might be able to get you out before it is evening time. So your help with this would be greatly appreciated.

I now ask each witness to summarize his or her statement for 5 minutes, beginning with Mr. Jadacki.

**STATEMENT OF MATT JADACKI, ASSISTANT INSPECTOR GENERAL, EMERGENCY MANAGEMENT OVERSIGHT, OFFICE OF INSPECTOR GENERAL (OIG), DEPARTMENT OF HOMELAND SECURITY**

Mr. JADACKI. Thank you. Good morning, Chairwoman Richardson, Ranking Member Rogers and Members of the subcommittee. My name is Matt Jadacki. I am the Assistant Inspector General for

the Department of Homeland Security, Office of Emergency Management Oversight. Thank you again for the opportunity to discuss our report, "Federal Emergency Management Agency's Logistics Management Process for Responding to Catastrophic Disasters."

Logistics deal with the procurement, supply, and maintenance of equipment and the provision of facilities, the movement, evacuation, and support and supply of personnel and services in related matters. In carrying out its role as National Logistics Coordinator, FEMA's Logistics Management Directorate is responsible for coordinating with public- and private-sector partners to provide a truly integrated approach to disaster logistics.

Our report was the first comprehensive review of FEMA's Logistic Management Directorate since it was elevated from a branch within the former response division to the directorate level. Our assessment of seven key functional areas reveal that FEMA's logistics have made substantial progress but continues to face challenges as it enhances its capabilities.

I will briefly discuss each of the seven areas, including staffing, planning, coordinating, sourcing, tracking deliveries, communications, and evaluating performance.

FEMA relies on the staffing combination of permanent full-time employees, temporary employees to respond to incidents. Since 2007, FEMA has nearly tripled its full-time logistics staff to 150 personnel, moved positions to the field and increased its temporary workforce. Staff have been trained in multiple areas, and a credentialing plan has been established which will standardize training, experience, and skill requirements for logistics personnel serving in disaster-related positions.

FEMA plans and coordinates exercises to enhance readiness; conducts after-action reviews with States; and implements corrective measures. Regional offices determine likely disaster scenarios within the regions and serve as the primary conduit between FEMA and State and local emergency responders.

Because of staffing and budget restraints, State and local governments have not kept pace with Federal progress. FEMA needs to explore ways to identify State and local shortcomings and help those jurisdictions enhance their capabilities.

FEMA relies on strong collaboration with other Federal agencies, nongovernmental organizations, and State and local governments and the private sector to establish an integrated disaster support supply chain. FEMA's regional offices are responsible for coordinating with State, local, and Tribal governments, as well as channeling information between State and local responders and FEMA headquarters. Through its regional offices, FEMA is working with the States to communicate and coordinate through the implementation of its logistics capability tool.

FEMA has four main sourcing methods for acquiring disaster-related commodities: Warehousing, interagency agreements, mission assignments, and contracts. Initial response resources are prepositioned in areas with high risks of hurricanes and earthquakes. Interagency agreements assist in the supply of water and meals. To expedite the delivery of Federal assistance, FEMA has developed hundreds of prescribed mission assignments with 30 Federal partners to provide critical services. Contracts are used to

provide services, such as ambulance and bus evacuation, electrical generator maintenance, and temporary housing support.

The existing flawed decentralization sourcing process is being replaced by a Single-Point Ordering system.

FEMA is implementing the Logistics Supply Chain Management System, which is scheduled to be operational in 2012. It is unclear to us whether controls are in place to enhance, to ensure the system will meet the needs of FEMA and its partners to provide in-transit visibility for commodities. The Logistics Management Directorate needs to work closely with the chief information officer to determine if the planned system has the ability to support the logistics operation.

In response to communication issues that plague the response of the 2005 hurricanes, FEMA holds weekly teleconferences with regions and Federal agencies and partners and periodic summits featuring presentations by the Corps of Engineers and the Defense Logistics Agency and other Federal organizations.

To evaluate performance, FEMA conducts after-action reviews, monitors corrective actions, and incorporates lessons learned into policies, training, and standard procedures.

To summarize, FEMA's logistics has made great strides to improve its logistics capabilities by increasing staff levels, training and developing personnel, enhancing coordination among Federal, State, and local governments and nongovernmental organizations and the private sector, developing plans and exercises to improve readiness, utilizing interagency agreements and contracts for needed commodities, conducting meetings and teleconferences with logistic partners, and reviewing and evaluating performance.

Given the recent initiatives, FEMA is now better prepared than at any previous time dealing with the catastrophic disaster.

However, more needs to be done. We recommended that the FEMA administrator evaluate whether the new system being developed will support logistics operations as planned, work with State partners to identify and overcome State and local logistics deficiencies, and implement the Single-Point Ordering concept.

Madam Chairwoman, this concludes my prepared remarks. I welcome any questions that you or the Members may have. Thank you.

[The statement of Mr. Jadacki follows:]

PREPARED STATEMENT OF MATT JADACKI

SEPTEMBER 29, 2010

Good afternoon, Madam Chairwoman and Members of the subcommittee. My name is Matt Jadacki and I am the Assistant Inspector General for the Department of Homeland Security (DHS), Office of Inspector General (OIG), Office of Emergency Management Oversight (EMO). Thank you for the opportunity to discuss our report: *Federal Emergency Management Agency's (FEMA) Logistics Management Process for Responding to Catastrophic Disasters*.<sup>1</sup>

During the response to Hurricane Katrina, FEMA provided record levels of support to survivors and emergency responders. Life-saving and life-sustaining commodities and equipment were delivered to the affected areas; personnel increased significantly in a short period of time to support response efforts and provide assistance; and assistance was provided quickly in record amounts, sometimes through

<sup>1</sup>*FEMA's Logistics Management Process for Responding to Catastrophic Disasters* (OIG-10-101; July 2010).

innovative means. Our 2006 report, *A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina*,<sup>2</sup> identified that the lack of an asset ordering process, inexperienced and untrained personnel, unreliable communications, and insufficient internal management controls demonstrated a continued need for improvement in how FEMA supports its response activities and delivery of assistance. FEMA must strike a balance between maintaining a reasonable level of preparedness and determining the prudent use of tax dollars to purchase, warehouse, and rotate commodities; purchase and maintain equipment and IT systems; and train and equip emergency teams in anticipation of major disasters or emergencies regardless of cause, size, or complexity. As a result, FEMA's ability to track and source needed resources is key to fulfilling its mission.

#### ASSESSMENT OF FEMA LOGISTICS MANAGEMENT DIRECTORATE (LMD)

We conducted an in-depth assessment to determine the status of LMD's strategic plans, accomplishments, partnerships, performance, and existing challenges, and determine LMD's progress in preparing for the next catastrophic disaster. Logistics deals with the procurement, supply, and maintenance of equipment and the provision of facilities; the movement, evacuation, and supply/support of personnel and services; and related matters. This is the first comprehensive review of FEMA's LMD since it was elevated from a branch within the former Response Division to the directorate level. We reviewed the following key functional areas:

- Staffing, Training, and Credentialing;
- Planning;
- Coordinating;
- Sourcing;
- Tracking and Timing Deliveries;
- Communications;
- Evaluating Performance.

Our assessment revealed that FEMA Logistics has made substantial progress but continues to face challenges as it enhances capabilities. In carrying out its role as the National Logistics Coordinator, LMD is responsible for coordinating with public and private sector partners to provide a truly integrated approach to disaster logistics. Consequently, we presented FEMA with two recommendations aimed at improving FEMA's preparedness for catastrophic incidents. FEMA concurred with the recommendations and is developing a corrective action plan to address our concerns.

#### STAFFING, TRAINING, AND CREDENTIALING

FEMA relies on a staffing combination of permanent full-time employees, temporary employees, and contractors to respond to incidents. Since FEMA reorganized in 2007, it nearly tripled the number of permanent full-time logistics staff from 54 to 150, and reprogrammed 15 headquarters positions to the field, where there was a greater need. In addition, FEMA has increased its disaster temporary workforce, including hundreds of Cadre of On-call Response Employees (CORE).

FEMA LMD has partly addressed staffing shortfalls through its training strategy. Staff rotations were arranged in order to train employees in multiple areas, and additional systems training was implemented. FEMA also launched the Credentialing Plan, which aims to standardize the training, experience, and skill requirements for logistics personnel serving in disaster-related positions. The plan provides current and prospective workforce members with a clear understanding of the specific skill sets and experiences required and concise guidelines for each position. Training began at the end of 2009, with a goal of having 85 percent of all disaster assistance employees fully certified by the end of 2010.

#### PLANNING

In conjunction with FEMA headquarters and regions, LMD develops plans and coordinates exercises aimed at identifying limitations and enhancing readiness. Using lessons learned during exercises, LMD works with FEMA regional offices and State responders to conduct after-action reviews and implement corrective measures. The regional offices also determine likely disaster scenarios within their respective regions, taking into account the infrastructure, resources, and preparedness of the State, local, and Tribal governments to respond to incidents. The regional offices are the primary conduit through which information flows between FEMA and emergency responders at the State and local levels. In 2008, FEMA established Regional

<sup>2</sup>*A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina* (OIG-06-32; March 2006).

Planning Teams to assist its regional offices in supporting their State, local, and Tribal partners.

Planning activities are closely coordinated with other FEMA directorates that set planning milestones, establish working groups, and conduct training exercises. FEMA also coordinates plans with its Federal logistics partners: The General Services Administration, the Defense Logistics Agency, and the U.S. Army Corps of Engineers.

Despite progress at the Federal level, corresponding improvements in many of the State and local governments have lagged behind due to staffing and budget restrictions. FEMA is concerned that budget constraints in the current economic climate will hinder the ability of State and local governments to participate in future planning and exercises. FEMA is aware that these deficiencies detract from the concept of community integration. FEMA needs to explore alternative ways to identify State and local shortcomings and to help those jurisdictions to enhance their capabilities.

#### COORDINATING

As the National Logistics Coordinator, FEMA relies on strong collaboration with other Federal agencies, nongovernmental organizations, State and local governments, and the private sector to establish integrated disaster support supply chains. To improve coordination throughout the logistics process, FEMA conducted the first National Logistics Coordination Forum in March 2008, attended by representatives from all supply chain partners. A subset of this forum, the Distribution Management Strategy Working Group, was established to analyze and develop a comprehensive distribution and supply chain management strategy. In April 2009, FEMA issued guidance for integrating the operations and logistics functions at the incident, regional, and headquarters levels.

FEMA regional offices are responsible for coordinating with State, local, and Tribal governments as well as channeling information between State and local responders and FEMA headquarters. The regional offices are also responsible for determining likely disaster scenarios in their geographic areas and assessing their State and local counterparts' preparedness.

Through its regional offices, FEMA continues to work with the States, encouraging communication and coordination through implementation of their Logistics Capability Tool. FEMA has also been actively encouraging States to self assess their logistics functions.

#### SOURCING

FEMA relies on four different sourcing methods to acquire commodities needed to respond to a disaster: (1) Warehoused goods; (2) interagency agreements; (3) mission assignments; and (4) contracts.

Warehoused goods are controlled by FEMA and are immediately available when incidents occur. However, most warehoused goods have a limited shelf life and may have to be discarded if not used within that shelf life. Warehoused goods include Initial Response Resources, which are intended to sustain life and prevent further property damage. Goods in this category consist of items such as water, meals, cots, tarps, and blankets.

To ensure that Initial Response Resources are available where needed, they are strategically stored through FEMA's Pre-positioned Disaster Supplies Program. Initial Response Resources are pre-positioned at areas with high hurricane and earthquake risk, as well as at various locations ready for transport.

FEMA uses interagency agreements to access contracts held by other Federal agencies. For example, FEMA has interagency agreements with the Defense Logistics Agency and GSA for a number of items, including water and emergency meals.

Mission assignments are work orders issued by FEMA to other Federal agencies that direct the completion of a specific task and are intended to meet urgent, immediate, and short-term needs. They allow FEMA to quickly task Federal partners to provide critical resources, services, or expertise. To expedite the delivery of Federal assistance, FEMA has developed hundreds of pre-scripted mission assignments with 30 Federal agencies. FEMA also uses contracts, which can be activated following an incident to provide services such as ambulance and bus evacuation, facilities support, electrical generator maintenance, and temporary housing support.

Our 2009 report, *FEMA's Sourcing for Disaster Response Goods and Services*,<sup>3</sup> examined FEMA's sourcing. We concluded that the existing decentralized process suffered from inefficiencies, including poorly integrated information systems, and was susceptible to duplication and waste. FEMA agreed with our findings and is working

<sup>3</sup> *FEMA's Sourcing for Disaster Response Goods and Services* (OIG-09-96; August 2009).

with its partners to develop processes to make the planned Single-Point Ordering system a reality. Like some of the other initiatives, this system is not expected to be fully implemented for several years.

#### TRACKING AND TIMING DELIVERIES WITH THE LOGISTICS SUPPLY CHAIN MANAGEMENT SYSTEM

As part of the agency's restructuring, FEMA set out to transition to a "21st century" logistics system that would incorporate modern efficiencies, allowing FEMA to store and ship fewer supplies, yet have greater assurance that they will arrive when and where needed.

As a first step, in 2005, FEMA began implementing the Total Asset Visibility (TAV) program, which was designed to provide asset and in-transit visibility as well as electronic order management for all primary commodities.

The initial attempt to implement this program cost FEMA \$117 million over 4 years. FEMA transitioned the program into the Logistics Supply Chain Management System, or Phase II, which is designed to address earlier shortcomings such as information transfer, systems interaction, data entry, and data accuracy issues while providing data access to Federal, State, Tribal, and local logistics partners. Phase II is expected to cost \$93.8 million and be operational by 2012. FEMA estimates that the continued operation and maintenance will cost \$109.9 million, through 2017.

Given that the initial project had to be directed into a second phase, it is unclear whether sufficient quality controls and assurances are in place to evaluate whether the system is being developed according to specifications, and whether it will deliver what the agency needs. We raised similar concerns about other information technology systems in a 2008 report titled, *Logistics Information Systems Need to Be Strengthened at the Federal Emergency Management Agency*<sup>4</sup> and a 2006 report titled, *FEMA's Progress in Addressing Information Technology Management Weaknesses*.<sup>5</sup>

FEMA faces challenges regarding its inability to communicate directly with the information systems of its Federal partners. Because of the importance placed on the yet-to-be completed Logistics Supply Chain Management System and because it is expected to cost nearly a quarter billion dollars over the 7-year development stage, it is important that LMD consult with the FEMA Chief Information Officer to determine whether the proposed Phase II has the ability to support logistics operations, whether it is progressing on schedule and whether an independent evaluation of the system should be conducted.

#### COMMUNICATIONS

Recognizing that communication was the single largest challenge during the 2005 hurricanes, the LMD has taken a number of positive steps. To facilitate communication, it holds weekly teleconferences between headquarters and regional staff, as well as other Federal agencies involved in logistics. Several regional managers expressed satisfaction with recent communications initiatives, reporting good interactions between headquarters and the field, improved communications, active regional involvement, and finally having "a voice at the headquarters level."

LMD also hosts periodic "summit" meetings featuring presentations by FEMA and other Federal partners, including GSA, the Defense Logistics Agency, and the U.S. Army Corps of Engineers. These meetings are a platform to discuss on-going initiatives, solicit ideas, and discuss lessons learned. Recent discussions have focused on: (1) Other Federal agencies' roles to leverage buying power for improved response and lower costs; (2) providing emergency resources; and (3) deploying facilities for storing and distributing emergency commodities.

#### EVALUATING PERFORMANCE

Following each exercise or actual incident, LMD conducts after-action reviews to discuss with supply chain partners any challenges encountered, where corrective actions are needed, and what best practices should be applied moving forward. Corrective actions are monitored, and when successful, incorporated into procedures, policies, and training.

<sup>4</sup>*Logistics Information Systems Need To Be Strengthened at the Federal Emergency Management Agency*, (OIG-08-60; May 2008).

<sup>5</sup>*FEMA's Progress in Addressing Information Technology Management Weaknesses*, (OIG-07-017; December 2006).

Through face-to-face meetings, FEMA works with regional logistics staff to identify areas needing attention, including the States' capabilities. Plans are then designed and implemented to address areas of need.

We have attended recent after-action reviews and read the resulting reports. We believe that LMD continues to build on experiences and is positioned for continued improvement.

#### CONCLUSION

To summarize, FEMA Logistics has made great strides to improve its logistics capabilities by: (1) Increasing staff levels; (2) training and developing personnel; (3) enhancing coordination among Federal, State, and local governments, nongovernmental organizations, and the private sector; (4) developing plans and exercises to improve readiness; (5) utilizing interagency agreements and contracts for needed commodities; (6) conducting meetings and teleconferences with logistics partners; and (7) reviewing and evaluating performance. Given the recent initiatives, FEMA is better prepared now than at any previous time for dealing with a catastrophic disaster.

To continue this progress, we recommended that the FEMA Administrator: (1) Evaluate whether the system being developed is on track to support logistics operations, (2) work with State partners to identify and overcome State and local logistical deficiencies, and (3) implement the single-point ordering concept prescribed by the National Incident Management System, coordinating all sourcing through the Logistics Section.

Madam Chairwoman, this concludes my prepared remarks. I welcome any questions that you or the Members may have. Thank you.

Ms. RICHARDSON. Thank you for your testimony.

I now recognize Mr. Smith to summarize his statement for 5 minutes.

#### **STATEMENT OF ERIC SMITH, ASSISTANT ADMINISTRATOR, LOGISTICS MANAGEMENT DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY; ACCOMPANIED BY ELIZABETH A. ZIMMERMAN, DEPUTY ASSOCIATE ADMINISTRATOR, OFFICE OF RESPONSE AND RECOVERY, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY**

Mr. SMITH. Good morning, Madam Chairwoman Richardson, Ranking Member Rogers and distinguished Members of the subcommittee.

My name is Eric Smith, assistant administrator for logistics at FEMA. I am a retired Army logistics officer with over 24 years of experience as a multi-function logistician specializing in logistics management, planning, and operations.

Ms. Elizabeth Zimmerman, deputy associate administrator, Office of Response and Recovery, joins me today to address any questions related to donations management.

We are honored to appear before you today on behalf of FEMA.

As you know, today marks the 1-year anniversary of the earthquake and tsunami in American Samoa. The devastation that occurred there serves as a reminder of the enormity of our task as well as the imperative that we get it right.

The purpose of our testimony today is to convey two points—first the significant progress we have made since Hurricane Katrina is a direct result of the strong relationships we have established with FEMA regions, States, and our interagency partners; and second, we cannot and will not be complacent in establishing an effective supply chain management system.

During Hurricane Katrina, I served as the operations center director at the Defense Logistics Agency and witnessed FEMA's reactive supply chain operations firsthand. The shortfall in FEMA's planning and sustainment capability resulted in misplaced shipments, spoiled food, and other wasted resources needed to save and sustain lives.

In 2006, Congress passed the Post-Katrina Emergency Management Reform Act requiring FEMA to develop an efficient, transparent, and flexible logistics system for the procurement and delivery of goods and services. In 2007, FEMA responded by elevating logistics from a branch level operation to a full-spectrum logistics organization by creating the Logistics Management Directorate.

Since 2007, we have implemented a number of initiatives to include tripling the number of permanent full-time logistics staff, improving our capability to manage the entire supply chain process, and issuing policy, procedure, and guidance documents so that all parties are on the same page.

We also began to foster partnerships at the Federal, State, and local levels that proved to be instrumental to the effectiveness of our logistics operations.

FEMA is fully engaged with our Federal Government partners. We are co-leads with the General Services Administration for the National Response Framework's Emergency Support Function 7, Logistics Management and Resource Support. FEMA also serves as the National Logistics Coordinator helping to foster a unique interagency supply chain partnership between FEMA, GSA, United States Northern Command, the Defense Logistics Agency, United States Army Corps of Engineers, and the National Guard Bureau.

We leverage the expertise and capability of our Federal partners to improve and sustain our supply chain operations. This level of interagency coordination allows us to be good stewards of Federal dollars by eliminating readiness costs and ensuring that we pay for services only at the time of request.

We also help restore effective economies by identifying local vendors and buying from disaster-impacted communities as much as possible. Knowledge of private sector capability allows us to partner with, rather than compete against, local businesses.

Most importantly, we have seen positive results because of our improved planning efforts and the ability to tap into the existing capabilities of our interagency partners.

In 2008, our concepts were put to test through a variety of disaster response scenarios, such as the Midwest floods, Hurricanes Dolly, Gustav, and Ike, and the California wildfires. That year FEMA obligated over \$1 billion in logistic support and services.

Because of the changes we have made, a July 2010 Department of Homeland Security Inspector General report stated that FEMA has made great strides to improve its logistics capability, and given recent initiatives, FEMA is better prepared now than at any time previous for dealing with catastrophic disasters.

We are certainly proud of the progress we have made since Hurricane Katrina, but we always strive to do better. We agree with the recommendations made by the Inspector General to further improve FEMA logistics, and we are acting deliberately to implement them. We continue to make upgrades to our automated capability

by implementing the Logistics Supply Chain Management System. We are also working with State partners to identify local logistics challenges and solutions by facilitating logistics capability assessment tool workshops, which provide an automated means for States to self-assess their logistics maturity.

Congress's continued commitment to FEMA's mission is vital to improving our logistics capability. Moving forward, we will continue to emphasize planning. We will enhance our interagency partnerships. We will improve our supply chain management efficiency.

Thank you, again, for the opportunity to testify before you today. Ms. Zimmerman and I are happy to answer any questions you may have.

[The statement of Mr. Smith follows:]

#### PREPARED STATEMENT OF ERIC SMITH

##### I. INTRODUCTION

Good morning Chairwoman Richardson, Ranking Member Rogers, and distinguished Members of the subcommittee. My name is Eric Smith, and I am the Federal Emergency Management Agency's (FEMA) Assistant Administrator for the Logistics Management Directorate. I am also a retired Army Officer with over 24 years of experience in the areas of logistics management, planning, and operations. It is an honor to appear before you today on behalf of FEMA.

We appreciate this subcommittee's attention to the issue of logistics, because the treatment of this issue has a powerful impact on our agency's ability to conduct effective response and recovery efforts. Comprehensive planning is central to the successful response to an emergency or disaster. In the Logistics Management Directorate, we are responsible for ensuring the appropriate and timely provision of initial response resources.

The devastation of Hurricanes Katrina and Rita overwhelmed the capacity of Federal, State, and local governments to respond and recover. The severe devastation and lack of adequate communication led to serious logistical failures, including misplaced shipments, spoiled food, and wasted life-sustaining resources.

Through FEMA and Congress' shared commitment to ensure that such breakdowns do not occur in future disasters, FEMA has made many improvements since Hurricanes Katrina and Rita to improve FEMA's logistics program, including the implementation of a logistics provision in the Post-Katrina Emergency Management Reform Act (PKEMRA) of 2006. As a July 2010 OIG report (OIG-10-101) states, FEMA "has made great strides to improve its logistics capability." The report highlighted improvements in increasing staff levels; training and development of personnel; enhanced coordination among Federal, State, and local governments, NGOs and the private sector; development of plans and exercises to improve readiness; utilization of interagency agreements and advanced contracts for commodities; hosting meetings with logistics partners where we share and discuss best practices, lessons learned and new initiatives; and our process of reviewing and evaluating performance immediately following an incident. FEMA now does all of these things on a regular basis. As a result, the July 2010 OIG concluded that "given these recent initiatives, FEMA is better prepared now than at any previous time for dealing with a catastrophic disaster."<sup>1</sup>

We are proud of these improvements and the acknowledgement in the OIG Report, but we recognize that there is more work to do. We must constantly evaluate whether our logistics support, services and operations are up to the task of facilitating a robust response to any disaster or emergency. We will continue to make the improvements necessary for a thorough and speedy response.

##### II. MISSION OF THE LOGISTICS MANAGEMENT DIRECTORATE

Prior to Hurricanes Katrina and Rita, logistics within FEMA was a branch-level operation and logistics functions such as planning and delivery of disaster commodities occurred only in the aftermath of a disaster or emergency.

<sup>1</sup>Department of Homeland Security Office of Inspector General, "FEMA's Logistics Management Process for Responding to Catastrophic Disasters," OIG-10-101 (July 2010).

In 2006, Congress passed PKEMRA, requiring, among other things, that FEMA “develop an efficient, transparent, and flexible logistics system for procurement and delivery of goods and services necessary for an effective and timely response to natural disasters, acts of terrorism, and other man-made disasters and for real-time visibility of items at each point throughout the logistics system.” Recognizing the need to improve logistics capabilities, FEMA elevated logistics from a branch-level operation to a full directorate with the creation of the Logistics Management Directorate (LM). Earlier this year, FEMA took an additional step to ensure that logistics is organizationally aligned with and fully integrated into response and recovery operations.

LM is FEMA’s major program office responsible for the policy, guidance, standards, execution, and governance of logistics support, services, and operations. Its mission is to provide an efficient, transparent, and flexible logistics capability for the procurement and delivery of goods and services to ensure an effective and timely response to disasters. Also, pursuant to the National Response Framework, FEMA’s LM serves as co-lead for Emergency Support Function 7 (Logistics Management and Resource Support) along with the General Services Administration (GSA). As the National Logistics Coordinator, LM has also helped to foster a strong and unique interagency partnership between FEMA, GSA, U.S. Northern Command (NORTHCOM), the Defense Logistics Agency and the U.S. Army Corps of Engineers, to develop a National support concept based on collaboration, coordination, communications, and transparency.

As an organization, LM is organized around four core competencies: Logistics Plans & Exercises develops and implements cohesive and synchronized logistics plans and exercises to achieve both short- and long-term readiness requirements; Logistics Operations manages and executes the coordination, communication, tracking, and reporting for all hazards operations and serves as the central reporting element for the National Response Coordination Center on all logistics actions and operational activities; Distribution Management coordinates the agency’s warehouse facilities and transportation systems used to receive, store, maintain, issue, distribute and track supplies, services, material and equipment; and Property Management provides industry standard quality assurance, customer assistance and technical reviews of property accountability, inventory services to distribution centers and staging areas, and oversight of disposal and donations of agency disaster funded supplies and equipment.

### III. HOW FEMA ACHIEVES ITS LOGISTICS MISSION

The progress we have made over the past several years in enhancing our logistics capability is the result of a great deal of work and focus on FEMA’s part. I would like to share a few of the ways in which we have worked to achieve our logistics mission.

#### *Personnel*

An effective logistics operation depends on a trained and talented workforce. Since 2007, FEMA has almost tripled the number of permanent full-time logistics staff and has reprogrammed fifteen headquarters positions to the field in order to enhance the regional logistics response capability, which improves the quality of our overall response.

Our ability to maximize the use of our personnel depends not only on ensuring that positions are filled, but also that employees receive training that enables them to perform the task at hand. We are working to ensure that our staff has the proper training and is equipped to handle any contingency. As an example, LM hosted Boot Camp 2009, a National training symposium that included more than 150 logistics disaster reservists and staff from all 10 FEMA Regions for pre-disaster synchronization and training.

#### *Planning and Sourcing*

Comprehensive planning is also a necessary aspect of implementing a successful logistics operation. In order to ensure that FEMA has reliable systems and methods, LM plans and coordinates exercises aimed at enhancing readiness and identifying limitations.

FEMA Logistics has placed a renewed focus on supporting the mission of our regional logistics staff—the primary link for executing the logistics mission and facilitating information flow between FEMA and State and local logisticians. Through the establishment of the HQ logistics Regional Planning Assistance Teams, we assist regional logistics staff in supporting State, local, and Tribal partners with planning, training, and exercises. Additionally, LM works with FEMA HQ and regional staff to conduct after-action reviews and implement timely corrective actions.

FEMA closely coordinates planning activities with regional, State, local, and Tribal authorities, as well as our Federal partners, including GSA, the Defense Logistics Agency and the U.S. Army Corps of Engineers. We work together to set planning milestones, establish working groups and conduct training exercises.

Sourcing refers to the ways in which FEMA acquires and delivers resources to affected individuals and locations in the event of a disaster or emergency. FEMA relies on four sourcing methods to acquire commodities needed to respond to a disaster: Warehoused goods, interagency agreements, mission assignments, and contracts.

Warehoused goods are controlled by FEMA and are immediately available when incidents occur. They include initial response resources, which are intended to sustain life and prevent further property damage. Examples of these include water, meals, tarps, cots, blue roof sheeting, and blankets. They are pre-staged during a notice event in accordance with pre-coordinated State and region support concept plans. I have brought a sample of our 2010 Hurricane Season Concept of Resource Support Briefing for your review. As a real-world example, in preparation for Hurricane Earl 4 weeks ago, FEMA shipped roughly 400,000 liters of water, 300,000 emergency meals and 54 generators to an Incident Support Base location at Fort Bragg Army Base, North Carolina. We also shipped approximately 213,000 emergency meals and 162,000 liters of water, 40 generators, and 12,500 tarps to an Incident Support Base at Westover Reserve Air Force Base, Massachusetts.

FEMA uses interagency agreements to access resources managed by other Federal agencies. For example, FEMA has interagency agreements with the Defense Logistics Agency and GSA for a number of critical resources, including water, emergency meals, cots, blankets, and fuel.

Mission Assignments are work orders issued by FEMA to other Federal agencies that direct the completion of a specific task and are intended to meet urgent, immediate, and short-term needs. They allow FEMA to quickly task Federal partners to provide critical resources, services, or expertise. FEMA has developed hundreds of pre-scripted mission assignments with 30 Federal agencies. Accordingly, FEMA Logistics can issue mission assignments to the U.S. Army Corps of Engineers pursuant to Emergency Support Function 3 for its Planning and Response Team support, and the Defense Logistics Agency for its Deployable Distribution Center Teams to assist with incident response requirements.

Finally, FEMA uses contracts, which can be activated following an incident, to provide services such as ambulance and bus evacuation, facilities support, electrical generator maintenance and temporary housing support.

#### *Tracking*

FEMA tracks supplies going to individuals and communities in need to ensure that supplies are shipped efficiently and in a timely manner. As part of the larger restructuring of FEMA, we set out to update our logistics supply chain management capability by updating our technology to more efficiently manage, store, and ship equipment and supplies with greater assurance that they will arrive when and where they are needed.

FEMA is implementing the Logistics Supply Chain Management System (LSCMS), formerly known as the Total Asset Visibility Program, which will provide asset and in-transit visibility as well as electronic order management for all primary commodities. LSCMS embraces more than just total asset visibility, encompassing the entire supply chain management process. Currently, all ten FEMA regions have LSCMS program capability to electronically track orders, shipments in transit and shipments received in near real-time. The aspect of the program that manages warehouse inventory is currently available in two of FEMA's nine distribution centers. Four of the remaining seven distribution centers should have this same capability by the end of the calendar year, and the last three in 2012.

#### *Coordination and Communication*

During the initial aftermath of Hurricanes Katrina and Rita, one of our biggest failures was an inability to successfully communicate and coordinate tasks among all of the parties involved. However, when working on a tight time frame with partners at the Federal, regional, State, local, and Tribal levels, not to mention the private sector, faith-based groups, non-profits, and individual disaster survivors, making sure that everyone is on the same page is absolutely essential. As a result, we have worked hard and put systems in place to ensure that we can coordinate and communicate in a manner that allows us to accomplish our objectives during disasters.

LM now conducts weekly teleconferences with headquarters and regional logistics staff, as well as other interagency partners. During real-world contingencies, we

conduct daily logistics operations calls with the same broad partner community. We also reach out to the faith-based and non-profit communities through our role as Coordinator of Emergency Support Function 6—Mass Care.

LM and GSA co-host an annual Emergency Support Function 7 summit meeting to discuss lessons learned, new logistics concepts and initiatives, best practices, and focus areas for the upcoming response cycle. Summit participants include all of the Emergency Support Function 7 partners, including the U.S. Army Corps of Engineers, the Defense Logistics Agency, U.S. NORTHCOM, the Department of Agriculture, the U.S. National Guard, Emergency Support Function 6—Mass Care partners and others.

In 2007, Congress directed FEMA to develop and conduct a Demonstration Program with regional and local governments “to improve readiness, increase response capacity, and maximize the management and impact of homeland security resources.” Drawing on input from several FEMA regions along with several States, FEMA developed a collaborative maturity model for use by the States and territories to voluntarily self-assess current disaster logistics planning and response capabilities, identify areas for targeted improvement, and develop a roadmap to mitigate or eliminate weaknesses and enhance strengths.

Finally, in 2009, LM issued several guidance documents in order to ensure that all parties are on the same page, including: The Logistics Operations Manual, the Temporary Housing Unit Concept of Operations, and the Logistics Management Center Standard Operating Procedures. These guidance documents help to ensure complete transparency through proper communication and coordination between Operations and Logistics at all levels during preparedness, response, and recovery operations.

#### *Private Sector Collaboration*

FEMA recognizes the important role of the private sector in emergency management. Engaging these partners during an emergency allows us to quickly and effectively provide resources to communities affected by disaster, and we are committed to continuing and strengthening this successful collaboration.

FEMA is currently working with the private sector to ascertain the operating status of retail locations during disasters, which will give our leadership a good sense of the on-the-ground reality of an incident. Using a web-based Logistics Visibility Tool (LogVIZ), FEMA is able to import from our private sector partners the locations and operating statuses of retail and wholesale stores, distribution centers, and warehouses. This data helps us make informed decisions during response and recovery operations and can also assist FEMA Acquisition in identifying local vendor sources to meet disaster resource requirements. This concept is also consistent with FEMA doctrine to help restore local economies by buying from the impacted community as much as possible. LogVIZ is a real-time tool, providing live updates to relevant data so that operational personnel constantly have access to the latest situational information, and it allows us to partner with, rather than compete against, local businesses. We also use Interagency Agreements to leverage existing contracts between other Federal partners and private sector entities to gain contracting efficiencies.

Finally, FEMA hosts and attends biweekly “Vendor Day” meetings to invite private sector companies to share information on products and services that may improve FEMA’s ability to carry out its mission. Last month, LM was awarded the fiscal year 2009 DHS Competition and Acquisition Excellence Award for Innovation and Best Practices in recognition of the success of the Vendor Presentation Meeting Program that established a formal forum for vendors to highlight their products, services, and capabilities. This program improved acquisition operations by promoting competition and increasing transparency and market knowledge.

#### IV. LOOKING AHEAD

Over the past several years, FEMA has undertaken many initiatives to improve our logistics capability. We value the recommendations provided by the July 2010 OIG Report to further improve FEMA logistics and we are acting swiftly to implement them.

We are constantly looking for ways to improve our sourcing, information systems, and coordination with State, local, and Federal partners. Having already discussed the steps we have taken in recent years, I would like to share with you some of the steps we will take in order to continue to improve upon our logistics capability.

#### *Logistics Supply Chain Management*

In its report, the OIG recommended that FEMA evaluate whether the LSCMS program that is under development is on track to support logistics operations.

FEMA agrees with this recommendation and is taking proactive steps in that regard. The LSCMS Program supports FEMA's mission of responding to all hazards expediently and efficiently by managing the Nation's end-to-end supply chain of critical disaster assets and commodities.

This year, FEMA will continue making progress with LSCMS Phase 2, the implementation of industry-standard Warehouse Management systems at FEMA distribution centers and the utilization of hand-held devices to automate receipt and shipment information at field sites. LSCMS Phase 2 implementation plans are in place as well for both 2011 and 2012.

#### *Coordination and Communication*

The OIG Report recommended that FEMA work with State partners to identify and overcome State and local logistical deficiencies, which we are doing with the implementation of the Logistics Capability Assessment Tool (LCAT). The LCAT allows States to automatically self-assess their logistics maturity in five key areas: Logistics planning, operations, organization, property management, and distribution management. We have also created an internal guidance document that assists the States with the emergency supplies grant approval process as they determine their needs through LCAT self-assessment.

#### *National Distribution Centers*

LM will systematically upgrade our National Distribution Centers, which are at the core of FEMA's supply chain transformation effort and are essential to FEMA's fundamental life-sustaining and saving assets. The improved warehousing strategy will provide the capacity and flexibility to respond effectively and efficiently to the full set of disaster scenarios.

#### *State Logistics Planning and Preparedness*

Beginning in fiscal year 2009, critical emergency supplies, such as shelf stable food products, water, and basic medical supplies, became allowable expenses under the Homeland Security Grant Program, State Homeland Security Program (SHSP), allowing States to apply for SHSP funding to address these needs.

Prior to allocating grant funding, each State must have FEMA's approval of a viable inventory management plan, an effective distribution strategy, sustainment costs for such an effort, and logistics expertise to avoid situations where funds are wasted because supplies are rendered ineffective due to lack of planning.

The inventory management plan and distribution strategy are evaluated and monitored by the Grants Programs Directorate (GPD) with the assistance of LM. GPD will coordinate with LM and the respective FEMA Region to evaluate each State application and provide program oversight and technical assistance as it relates to the purchase of critical emergency supplies under SHSP. GPD and LM have established guidelines and requirements for the purchase of these supplies under the SHSP and will monitor the development and status of the State's inventory management plan and distribution strategy.

LM is also working with FEMA Preparedness to publish a Comprehensive Planning Guide (CPG 201) Logistics Preparedness and Planning manual to further enhance State logistics planning and preparedness.

#### *Single Point Order Tracking*

Finally, pursuant to FEMA's Operations and Logistics Integration Guidance issued in August 2009, and the OIG Sourcing audit (OIG-09-96), FEMA has developed a single-point order-tracking business process to facilitate management and tracking of all resource orders. During disaster response and recovery operations, all orders will be tracked via one central point from the order to the delivery to the end user.

## V. CONCLUSION

There are few things more critical to our response to and recovery from a disaster than having and executing an effective logistics plan to provide critical resources support. FEMA has made great strides to improve its logistics capability since Hurricanes Katrina and Rita. As the OIG has recognized, the improvements made by FEMA HQ and Region personnel and our interagency logistics partners have been essential to making these improvements.

We will continue to approach our work of preparing for, protecting against, responding to, recovering from, and mitigating all hazards with vigilance. We must constantly work to improve our systems and our execution. The OIG made valuable and important observations and recommendations for improving our logistics efforts.

We agree with those recommendations, and are already taking actions to implement them. We look forward to keeping the subcommittee apprised of our efforts.

Thank you again for the opportunity to testify before you today, and for your continued interest in FEMA logistics. I am prepared to answer any questions the subcommittee may have.

Ms. RICHARDSON. Thank you for your testimony. I now recognize Mr. Irwin to summarize his statement for 5 minutes.

**STATEMENT OF STEPHEN A. IRWIN, CHAIR, DONATIONS MANAGEMENT COMMITTEE, NATIONAL VOLUNTARY ORGANIZATIONS ACTIVE IN DISASTER (NATIONAL VOAD), DIRECTOR, AGENCY SERVICES, CONVOY OF HOPE**

Mr. IRWIN. Chairwoman Richardson and distinguished Members of the committee, thank you for the opportunity to speak today.

Convoy of Hope is a 501(c)(3) nonprofit organization founded in 1994. Based in Springfield, Missouri, our mission is to feed the world through children's feeding initiatives, community outreaches, partner resourcing, and disaster response.

Each day, we feed tens of thousands of children in countries like El Salvador, Haiti, Honduras, Kenya, Nicaragua, and the Philippines. For many of these children, the meal they receive from us is the only meal they receive.

We also mobilize, train, and resource churches, businesses, and other organizations to help meet their communities' needs through our community outreaches, where free food and services—including health and dental screenings—are provided.

In the past 16 years, we have distributed over \$200 million worth of food, water, and supplies in more than 100 countries. Each year corporations donate tens of millions of dollars worth of gifts in kind to Convoy of Hope.

Considered an initial responder organization in disaster relief, we are known for quickly and efficiently providing emergency supplies, such as water, ice, and food, to survivors of disasters. With a fleet of tractor trailers, a 300,000-square-foot world distribution center in Springfield, Missouri, a high-tech mobile command center, a network of partners and time-tested distribution models, we have earned recognition for getting the job done.

Following Hurricane Katrina, we helped more than 6 million people in 74 communities in the Gulf, where we distributed 35 million pounds of fresh drinking water, food, and supplies. In addition, nearly 3,000 families saw their homes rebuilt or restored.

A strong network of partnerships with local churches, agencies, organizations, and individuals in affected areas proved invaluable to facilitating our response. By utilizing local volunteers, we are able to promote a level of goodwill that helps communities return to their pre-disaster condition.

This was demonstrated last year in Indonesia, the Philippines, Samoa, and American Samoa after typhoons and tsunamis struck the islands.

We also saw the benefits of our partnership network play out earlier this year when we responded to the earthquake in Haiti. Our expediency in Haiti was due in part to our established feeding initiatives. We also had a recently restocked warehouse, personnel on the ground, strong partnerships with like-minded organizations, and vehicles and communication systems to meet immediate needs.

Because of these factors, we were able to distribute over 4 million pounds of supplies, 4,300 water filtration systems, and 47,000 hygiene kits; to date, we have provided more than 15 million meals; and we have served over 1 million people.

As a member of and now the chair of the National VOAD Donations Management Committee, I have trained and Convoy of Hope has used the National Donations Management Network in many of the disasters we have responded to.

It is a useful tool in moving commodities to the end user. However, it is not the only tool, nor is it to replace the current systems of partnership and communication currently used in logistics planning of NGOs and faith-based organizations as they respond to disasters.

Recently, Convoy of Hope was asked to participate in the development of the Multi-Agency Feeding Plan Template. The template provides suggested guidance and procedures for a jurisdiction to consider in the development of a multi-agency feeding plan and a coordinating group, the Feeding Task Force, that supports feeding assistance in advance of, during, and after a disaster throughout the impact areas of a State.

The template stresses coordination among the various organizations and agencies participating in feeding operations, including Federal, State, Tribal, and local government entities, nongovernmental organizations, National and State Voluntary Organizations Active in Disasters, and other voluntary organizations.

On August 20, 2008, FEMA headquarters finalized a standard operating procedure titled "Processing, Distribution, and Disposal of Donated and Federally Purchased Goods Controlled By FEMA." This procedure authorizes and sets forth procedures on how FEMA will support non-profit organizations with donated and Federally purchased goods. First introduced in September 2008 following Hurricane Gustav, FEMA provided goods to 33 nonprofit organizations in seven States, including 221 truckloads of water, 117 truckloads of meals, and 10 truckloads of ice. After Hurricane Ike in November 2008, FEMA provided goods to 34 National and State nonprofit organizations, including 228 truckloads of water and 6 truckloads of snack meals.

This program can continue to be developed to help National VOAD agencies respond without depleting precious donated resources. Such partnership amongst all stakeholders will ultimately address the unmet needs in logistical planning and remove obstacles associated with inefficiency, wasted dollars, duplication of services and lack of progress, bringing communities back to their quality of life before the disaster.

Chairwoman Richardson and distinguished Members of the committee, thank you again for your time. I welcome any questions you might have.

[The statement of Mr. Irwin follows:]

PREPARED STATEMENT OF STEPHEN A. IRWIN

SEPTEMBER 29, 2010

Mr. Chairman, Chairwoman Richardson, and distinguished Members of the committee, thank you for the opportunity to speak today regarding Emergency Logistics Management: Transforming the Delivery of Disaster Relief for the 21st Century.

Convoy of Hope is a 501(c)(3) nonprofit organization founded in 1994. Based in Springfield, Missouri, our mission is to feed the world through children's feeding initiatives, community outreaches, partner resourcing, and disaster response.

Each day, we feed tens of thousands of children in countries like El Salvador, Haiti, Honduras, Kenya, Nicaragua, and the Philippines. For many of these children, the meal they receive from us is the only meal they receive.

We also mobilize, train, and resource churches, businesses, and other organizations to help meet their communities' needs through our community outreaches where free food and services—including health and dental screenings—are provided.

In the past 16 years we have distributed over \$200 million worth of food, water, and supplies in more than 100 countries. Each year corporations donate tens of millions of dollars' worth of "gifts in kind" to Convoy of Hope.

Considered an "initial responder" organization in disaster relief, we're known for quickly and efficiently providing emergency supplies—such as water, ice, and food—to survivors of disasters. With a fleet of tractor-trailers, a 300,000-square-foot world distribution center in Springfield, Missouri, a high-tech Mobile Command Center, a network of partners, and time-tested distribution models, we have earned recognition for getting the job done.

Following Hurricane Katrina, we helped more than 6 million people in 74 communities in the Gulf where we distributed 35 million pounds of fresh drinking water, food, and supplies. In addition, nearly 3,000 families saw their homes rebuilt or restored.

A strong network of partnerships with local churches, agencies, organizations, and individuals in affected areas proved invaluable to facilitating our response. By utilizing local volunteers, we are able to promote a level of goodwill that helps communities return to their pre-disaster condition.

This was demonstrated last year in Indonesia, the Philippines, Samoa, and America Samoa after typhoons and tsunamis struck the islands. We also saw the benefits of our partnership network play out earlier this year when we responded to the earthquake in Haiti.

Our expediency in Haiti was due in part to our established feeding initiatives. We also had a recently restocked warehouse, personnel on the ground, strong partnerships with like-minded organizations, and vehicles and communication systems to meet immediate needs. Because of these factors we:

- Distributed over 4 million pounds of supplies, 4,300 water filtration systems, and 47,000 hygiene kits;
- To date provided more than 15 million meals;
- Served over 1 million people.

As a member of, and now the chair of, the NVOAD Donations Management committee, I have trained and Convoy of Hope has used the National Donations Management Network—formally known as Aidmatrix—in many of the disasters we have responded to.

It is a useful tool in moving commodities to the end user. However, it is not the only tool, nor is it to replace the current systems of partnership and communication currently used in logistics planning of NGOs and Faith-Based organizations as they respond to disasters.

Recently, Convoy of Hope was asked to participate in the development of the Multi-Agency Feeding Plan Template. The template provides suggested guidance and procedures for a jurisdiction to consider in the development of a multi-agency feeding plan and a coordinating group (the Feeding Task Force) that supports feeding assistance in advance of, during, and after a disaster throughout the impact area(s) of the State.

The template stresses coordination among the various organizations/agencies participating in feeding operations, including Federal, State, Tribal, and local government entities, non-governmental organizations, National and State Voluntary Organizations Active in Disaster (VOADs) member organizations, and other voluntary organizations.

On August 20, 2008, FEMA Headquarters finalized a standard operating procedure titled, "Processing, Distribution, and Disposal of Donated and Federally Purchased Goods Controlled by FEMA." This procedure authorizes and sets forth procedures on how FEMA will support nonprofit organizations with donated and Federally purchased goods. First introduced in September 2008 following Hurricane Gustav, FEMA provided goods to 33 nonprofit organizations in seven States, including 221 truckloads of water, 117 truckloads of meals, and 10 truckloads of ice. After Hurricane Ike in November 2008, FEMA provided goods to 34 National and State non-profit organizations, including 228 truckloads of water and 6 truckloads of snack meals.

This program can continue to be developed to help NVOAD agencies respond without depleting precious donated resources. Such partnership amongst all stakeholders will ultimately address the unmet needs in logistical planning and remove obstacles associated with inefficiency, wasted dollars, duplication of services, and lack of progress, bringing communities back to their quality of life before the disaster.

Mr. Chairman, Chairwoman Richardson, and distinguished Members of the committee, thank you again for your time. I would welcome any questions you might have.

Ms. RICHARDSON. I thank all the witnesses for your testimony.

I will remind each Member that he or she will have only 5 minutes in the first line of questions to ask this panel. We are going to keep to that time frame very strictly because, as I said, we are trying to beat the deadline before the votes are called, so we won't have to keep our witnesses here for 2 or 3 hours waiting on us.

I will now recognize myself for questions.

Mr. Jadacki and Mr. Smith, both of you in your testimonies, you reference working with State and local governments and Tribal governments. Can you tell me what specifically has been done with Tribal governments?

Mr. SMITH. Yes, ma'am. In 2007, through Congressional legislation, we were authorized to provide the Tribal government temporary housing, excess temporary housing we had. We allocated 1,500 units of the mobile homes that we had in storage to the Tribal governments.

In addition to that, we plan through our regions on a continued basis for supply and support needs of the States and Tribal governments. So those two methods are the ones that we used to work with the Tribal government.

Ms. RICHARDSON. So you are saying to me, if I were to go to one of the regions and ask some of the Tribal governments, are they a part of the regional teams, that they would answer in the affirmative?

Mr. SMITH. I would think through the State, the regions work with the State, and I believe that the way the process works, that the Tribal governments are in coordination with the States. So I think they look at it as a holistic capability through the State.

Ms. RICHARDSON. But have you verified out of your office that, in fact, the Tribal governments have been engaged and are prepared and are a part?

Mr. SMITH. Not directly.

Ms. RICHARDSON. Would you do that, sir?

Mr. SMITH. I will.

Ms. RICHARDSON. Thank you.

My next question that I wanted to get to is, Mr. Jadacki, in your testimony you said that substantial progress has been made, but there are still many remaining challenges. I am a little concerned in light of the funding that has already been spent that you didn't seem to have a full assurance that Congress would achieve their mandate.

Am I accurately summarizing your testimony?

Mr. JADACKI. The point of my testimony was that the, although they have increased the staff size by tripling it to about 150 staff, they have a system that they are developing right now. They need to sustain that process. That is what our concern is. There is a

pretty tight time line they have on the system itself, we watch, we are keeping a close eye on that. DHS had some problems in the past with other major procurements. Deepwater, for example, I think there were some hearings with this committee or other committees on that with the Coast Guard SBInet, some of those types of things. But given the price tag is about a quarter of a billion dollars, we have concerns about delivery and making sure it works as planned.

So we do plan to keep a tight look on that. But that is one of our major concerns right now. The fact that they have made substantial progress and that the budgetary resources are still available, so they can maintain it in the future.

Ms. RICHARDSON. Mr. Smith, do you agree with Mr. Jadacki's assessment?

Mr. SMITH. Yes, I do. The system is a robust system, and it takes time to put it in. But we are well within our time frame to have the system fully operational, capable.

We are going from a system, again, as you noted earlier, was pretty antiquated to one that is now going to be industry standard. So the combination of the training that is required and all the technical issues associated with that we have, our time frame is to have this system fully operational by mid-2012, and we are well within that time frame.

Ms. RICHARDSON. I am sure others will have questions to validate that.

The last question I am going to ask, and I will keep you in mind that I have a 1 minute and 30 seconds, as you well know, my district is in southern California. As I said, it is prone to earthquakes. I have a very large Samoan population. What I witnessed was a little disturbing in terms of the delivery and coordinating with voluntary organizations. What can be done differently to improve FEMA's delivery of disaster relief if another tsunami hits American Samoa?

Let me briefly tell you some of the problems I witnessed. No. 1, I found that the Governor was more concerned about a bill that he had owed this Government, the Federal Government, and so he was concerned about additional costs that would be incurred, rather than, in my opinion and in my assessment of what I saw, of making sure that we got what was needed there.

No. 2, there was not a clear understanding of what airlift capabilities were allowed at that particular airport, so we had to switch planes in midstream because they didn't have the right device to be able to unload on the original plane that we had.

No. 3, finally, there seemed to have been some thought with FEMA that, at some point, you don't want to give them too much because you want the businesses to be able to survive, because that is also a part of the rebuilding. The problem with that is if a person has lost their home, if people are dead, they have no shoes, no clothing, no nothing, to say that, well, we think, you know, we want the businesses to survive, where are they going to get the money to purchase these items?

So I just witnessed, in my personal opinion, the delivery was not positive.

So what are your thoughts, and what is going to be done to improve that for the future?

Mr. SMITH. I think fundamentally it all centers around planning, and it is something that we are paying particular attention to, particularly as we are looking at the next catastrophic disaster. Everyone with very good intentions wants to offer assistance. But at the time of the incident, it gets to be a little bit difficult if everyone, without working within a system that has been established, particularly on a preplanning effort, to bring in that assistance it gets to be a little bit unwieldy.

So we are working with the region, and the Region 9 out of California has taken on this task, but to make sure that we bring all the parties to the table that have a role or want to have a role in providing assistance to the disaster victims, make sure we plan upfront; we make our mark, and we do a better job, be more efficient in what we are trying to do, if all realize what the requirements are up front and what those requirements are in accordance with the needs that are established on the ground.

Ms. RICHARDSON. You didn't really specifically answer my question, but my time is expired, so I am now going to defer to the Ranking Member, but I will come back because you didn't answer my question.

Mr. Rogers, you are recognized for 5 minutes.

Mr. ROGERS. Thank you.

This will be for Mr. Smith or Ms. Zimmerman, whichever one. How many staff positions are dedicated to logistics management within FEMA?

Mr. SMITH. We have authorized 208 positions, and currently, we have roughly 120 on hand today.

Mr. ROGERS. What is the reason for that gap?

Mr. SMITH. In the on-going hiring process, previously the majority of the personnel we had assigned to logistics were temporary employees with our CORE employees, a Cadre Of Ready Employees. We are in the process of converting those temporary employees to full-time positions. Right now that represents about 80-plus positions that we are in the process of going through the hiring process. I anticipate that process to be completed within the next few months.

Mr. ROGERS. So of those 208 that are authorized, there are actually people in those positions; they are just in temporary status until they can be converted?

Mr. SMITH. That is correct. The 208 references the permanent, but the temporary are filling those positions.

Mr. ROGERS. My next question is, what do you need? You got 208 authorized. Assume they are all filled. What do you need to do your job?

Mr. SMITH. The 208 is what I need. We requested that the CORE employees—actually, their term of employment ends at the end of this fiscal year. As a part of that process, we ask that we continue to maintain that level of employment and convert those folks from temporary jobs to permanent jobs. So those 86 that get us to 208 is what we need.

Mr. ROGERS. But my understanding, Mr. Jadacki, is you believe they need more people. Is that not what your report reflected?

Mr. JADACKI. I think, and I don't know where the 208 came from. I probably did some internal assessment on that. I am concerned about the fact that there is going to be turnover, that there is going to be budget constraints and those types of things. So you are going to get people on board as people are leaving, you are never going to get to that 208. It has been a chronic problem with FEMA right now. If 208 is the right number to provide the robust logistics capacity, it is going to be difficult to get there for all the reasons he explained, the competitive process, the clearance and those types of things, and then you have a lot of people turning over, too.

Mr. ROGERS. Well, that is a chronic problem we have throughout DHS. I am just very frustrated about it.

But one of my concerns, Mr. Smith, is—and this has been a problem across the Department—is oftentimes folks like you are up here and saying you got what you need when we know good and well you don't have what you need. You are concerned about your superiors getting angry and taking out retribution for you telling us what you need. Because we can't give it to you if you don't tell us, particularly on the record.

So I don't know how to get past that problem. That is one of my frustrations when I read from the IG report that you all need more staffing, and then you say, 208 is going to take care of it, and I got 208 people; some of them are in a different title of employment.

So just know we want to help you, but you have to communicate to us what your needs are.

Shift gears just a minute and talk about grant funding to help State and locals with their logistics need. Any one of you, what do you want to see improved in our grant structure that will help scratch that itch?

Mr. SMITH. Right now, there are two means that I am aware of that will allow the States to use grant funding to improve their logistics needs. One is through the State Homeland Security Program and the other is through the Regional Catastrophic Planning Grant.

The issue that the States have is prioritization. Within those grants, they have to establish what they think are priorities for the States to allocate the money. Oftentimes, logistics fall below that priority line. So that is the issue we are seeing. It is not one at FEMA—

Mr. ROGERS. So you would want to see some of the grant funds dedicated to logistics?

Mr. SMITH. Actually, what I would like to see in the future is a program that, a logistics technical assistance program, that is specifically for the logistics. Right now States are competing with numerous different programs for State funding. But if we have one dedicated strictly to logistics, I think that would be of assistance.

Mr. ROGERS. I think that is a fine suggestion.

Thank you. I yield back.

Ms. RICHARDSON. The Chairwoman now recognizes the Chairman of the whole Committee of Homeland Security, again, the gentleman from Mississippi, Mr. Thompson, for 5 minutes.

Mr. THOMPSON. Thank you very much, Madam Chairwoman.

Mr. Jadacki, can you tell me your review of FEMA's logistics supply management system? Do you think FEMA can do it?

Mr. JADACKI. Well, we have concerns about it that were reported. We have a number of areas, the sustained funding and staffing we just talked about. We need to get customer buy-in, because it is not only a FEMA system, but it is going to be used by the Federal partners and probably, to some extent, the States, so you need to get buy-in from that, too. So it becomes a very, very complex system that we are dealing with. Again, given some of the history of some of the major projects in DHS, we remain very concerned about it.

We have a number of contractors that are implementing it. You have a project integrator. I believe that the staff that FEMA has overseeing it are capable of doing that. But again, given the price tag, we still remain very concerned about that.

Mr. THOMPSON. Price tag too high? Too low?

Mr. JADACKI. Well, I won't say if it is too high or too low, but it is given a quarter of billion dollars; it is a significant amount of resources, a major project within DHS.

Mr. THOMPSON. Okay.

Well, I guess—now, Mr. Smith are you the person being charged with implementing this?

Mr. SMITH. Yes, Mr. Chairman.

Mr. THOMPSON. You heard Mr. Jadacki's comments. What do you have to say about it?

Mr. SMITH. I would offer that we are performing our logistics functions. I think the technical piece of it we are trying to enhance the logistics capability is just one tool that we are looking using to do our job.

As I stated earlier, the banner year for support for us was in 2008 when we provided over \$1 billion worth of resource support along alone in logistics in support of several major incidences. We have put the processes in place. We have the partnerships in place to allow us to do our job. The question now is: Can we put a system in place that will enhance our capability? We are in fact doing that.

Mr. THOMPSON. So the answer is yes?

Mr. SMITH. Yes, Mr. Chairman.

Mr. THOMPSON. Now, can you provide the committee with all of the contracts that go toward creating this logistics supply chain management system?

Mr. SMITH. Yes, Mr. Chairman.

Mr. THOMPSON. In addition, I want you to tell me whether, in that explanation, whether those are big businesses, small businesses, women-owned, minority businesses? One of the problems we have identified is, within DHS, there is this notion of bundling of contracts, so that medium- and small-sized companies get cut out for the convenience of DHS. But our experience is many of those small- and medium-sized companies do a good job. I would like to see that.

Ms. Zimmerman, with this Aidmatrix contract, who owns the system?

Ms. ZIMMERMAN. Aidmatrix, who is a private non-profit foundation, was given the grant to develop the National Donations Management Network. The system itself is owned and the data is owned by Aidmatrix Foundation. However, FEMA has the Government purpose licenses in order for us to be able to use all the data

within it and to have unlimited use to the National Donations Management Network.

Mr. THOMPSON. How much do we pay to use the system?

Ms. ZIMMERMAN. To date, we have given grant money of just over \$3.4 million, to Aidmatrix.

Mr. THOMPSON. So we are renting or leasing this system?

Ms. ZIMMERMAN. Sir, we are working together on it.

Mr. THOMPSON. All right. I understand you are working together. But we, being FEMA, is the only customer for this system?

Ms. ZIMMERMAN. No, it is for the States. We have 43 States that have signed up and are using the National Donations Management Network. It has been used in over 20 disasters to date.

Mr. THOMPSON. Has an analysis of the system been made thus far?

Ms. ZIMMERMAN. As far as an analysis, we constantly are working with our partners in emergency management, the States, the voluntary agencies, to make any changes to the system as it has come up, and we have made changes through Aidmatrix.

Mr. THOMPSON. Madam Chairwoman, I would like for us to have some analysis of what events this system has been used in because we still get stories of things expiring in warehouses because nobody is using it.

Now, as I understand it, this system, in addition to moving donated goods, should not let that happen.

Is that part of what we use the system for?

Ms. ZIMMERMAN. The system was used, our partners in the National VOAD and the other voluntary agencies, when they get donations, they handle those individually. But however, if there is someone who would like to donate, so it is unsolicited donations and the unaffiliated volunteers can all be tracked through the system of the National Donations Management Network. So as people input services and sources that they would like to donate, those go into the system and then the States can each go in and pull off what it is they would like to use.

Mr. THOMPSON. Who approves the pull-off?

Ms. ZIMMERMAN. The States. The States are able to go in and use it to manage their donations management within the State.

Mr. THOMPSON. But we are paying for it?

Ms. ZIMMERMAN. We have provided the grant money to establish the system for the States, yes.

Mr. THOMPSON. Maybe I would ask that, Madam Chairwoman, that the staff at least be given a briefing on that. I am a little concerned. You have got all these people tied into it and nobody overseeing it. Is that, am I mischaracterizing the system?

Ms. ZIMMERMAN. FEMA has access to it also, so in disasters we all work together.

Mr. THOMPSON. That sounds good. But in disasters, generally, it is everybody for himself. Somebody has to mind the product, has to control the product.

Ms. ZIMMERMAN. The resources that are going into the product, yes, and that is handled at the State level. Each State has their own portal within the system.

Mr. THOMPSON. Okay. Well. I think, in trying to make the system functional, if you have a five-State emergency, and all five States are in there trying to access it, is it first come, first serve?

Ms. ZIMMERMAN. They all have their own portals.

Mr. THOMPSON. But they are looking at the same product, am I correct?

Mr. SMITH. Yes, if you don't mind, Mr. Chairman, I can add something to that.

The way the system works is, when a disaster happens, the States go in and establish and open up their portal, and then they list on their portal what type of donations they want to receive to help them out. So when donations are input to the system, they are directed towards a specific State to a specific need. So it is not a one system where things are hung out there, and everybody is picking on it. It is specifically for the State of Mississippi or California or Iowa or whatever may be.

Mr. THOMPSON. Thank you.

I yield back, Madam Chairwoman.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Mr. Smith and Ms. Zimmerman, did you understand the line of questions and what was the information the Chairman was asking? Did you understand what his request was of what he would like to receive?

Ms. ZIMMERMAN. Yes, we like to receive an analysis of the system and how it has worked.

Ms. RICHARDSON. Go ahead, Mr. Chairman.

Mr. THOMPSON. I want to see the management. If you have the charities involved and you have the States involved, someone has to be the traffic cop. I am concerned that in the event of a Katrina-like event or something like that, who is in charge? I am not clear yet as to who is in charge.

Ms. RICHARDSON. Are you now clear of what the request is for the information?

Ms. ZIMMERMAN. Yes.

Ms. RICHARDSON. You agree to submit the information to the committee for the record.

Ms. ZIMMERMAN. Yes, we do.

Ms. RICHARDSON. Thank you.

The Chairwoman now recognizes other Members for questions that may wish to ask witnesses. In accordance with our committee rules and practice, I will recognize Members who were present at the start of the hearing based on seniority on the subcommittee, alternating between Majority and Minority Members. Those Members coming in later will be recognized in the order of their arrival.

The Chairwoman now recognizes the gentleman from Louisiana, Mr. Cao.

Mr. CAO. Thank you, Madam Chairwoman.

First, I want to again thank FEMA for assisting my people during Hurricane Katrina. But you understand the frustration that we have with FEMA after Hurricane Katrina, especially in the New Orleans area.

I have a couple of questions, but, Mr. Smith, do you know how much FEMA paid for a peanut butter and jelly sandwich during Katrina?

Mr. SMITH. No, Congressman.

Mr. CAO. I believe it was like \$8 for a peanut butter and jelly sandwich.

Do you know how much FEMA paid for a FEMA trailer?

Mr. SMITH. No, I do not, Congressman.

Mr. CAO. I think it was in excess of \$200,000 per FEMA trailer.

The question I have is: What has FEMA learned from Katrina and how can you leverage the buying power of other Federal agencies in order to be more efficient in your response and in order to lower the cost of goods and services?

Mr. SMITH. Congressman, if you allow me, I think we are doing just that. Those incidents that you referred to were prior to the transformation effort that we undertook with FEMA Logistics. In accordance with the Post-Katrina Emergency Reform Act, we were asked to look at that type of issue and how it impacted the effectiveness of our FEMA Logistics program.

Since that time, we have instituted a single, integrated program where FEMA Logistics, the chair I sit in, is responsible for integrating a full National capability for incident response. In this case, we use our primary innovation partners at DLA, GSA, Corps of Engineers, and all. We leverage their capability with their hat. We use their expertise.

We are now in a management role instead of more of an execution role. So we preplan with them according to the State, in this case, Louisiana, what would Louisiana expect the Federal Government to provide in a disaster and we work with our States, our partners, who have the capability to help us deliver that service.

I would say that, since Katrina, you would not find instances where those types of occurrences that you mentioned here have happened since 2005.

Mr. CAO. I also saw that a lot of the \$8 peanut butter and jelly sandwiches were thrown away. People did not eat them.

I remember during rebuilding after Katrina there were food trucks from the American Red Cross and other non-profit agencies that were driving around the city to provide food for people while they were rebuilding their home, and I got in line on several to get food from several of those food trucks myself. My question to you is: How can we better partner with those non-profits, possibly with other restaurants, to provide food that people would eat rather than simply receive something and then throw it away?

Mr. SMITH. That is a great question. That is a relevant question, and we had meetings on that this past week on how we can better integrate with the National volunteer organizations and the capability they provide to a disaster response.

Right now, that is a decentralized process. We are working now through our mass care directorate in FEMA, along with our National voluntary partners, to include the Red Cross, to again work together in a preplanning process to understand each other's capabilities and then line those up with the requirements that the State has so we can have a more integrated response process and provide more efficient services.

That is an issue. It is an on-going issue. We are diligently working to try to close that gap.

Mr. CAO. Thank you. I yield back.

Ms. RICHARDSON. The Chairwoman now recognizes the gentleman from New Jersey, Mr. Pascrell.

Mr. PASCRELL. Thank you, Madam Chairwoman. I yield to the Chairman.

Mr. THOMPSON. Thank you very much.

In the interest of making sure that my comments are clearly understood, Mr. Irwin, if we commission a review of the Aidmatrix system, taking in the public stakeholders and the private stakeholders to see whether Aidmatrix is the best model for what we are trying to get, would VOAD oppose that? If your membership was asked, would they tell the truth?

Mr. IRWIN. Yes, I believe they would.

In my testimony, I mentioned I have used it and have been trained on it since 2006. I was part of a beta group down in Dallas to pick it apart, if you will, before the rollout. There were some concerns, as any software would have, and that is the reason we had the beta group gather. It was a number of agencies, including Government and State representatives, to look at it and see would it function properly and would it do what we wanted it to do.

The intention of the system is to take care of the unsolicited donation that just shows up on the street, like many truckloads of food and clothes during Katrina that ended up being piled away, being unused. The reason for that was that there was no end user. It was a farmer or a businessman that, through the compassion of their heart, they wanted to bring things to bear for those people impacted by that disaster. What we want to do is to make sure, through any system that is used, that we avoid those types of things happening again.

Whether or not the Aidmatrix, which is called the National Donations Management Network, will actually keep that coming, we still want to know if that will work or not. I don't think we are having the same kind in the disasters that we have responded and used it. In 20 disasters, we have not had the same kind of waste as we saw in Katrina.

So, yes, it is working on one level. There is more development that needs to be done. I think the VOAD agencies would be honest and fair with their description and evaluation of the system going forward.

Mr. THOMPSON. Thank you. I yield back to the gentleman from New Jersey.

Mr. PASCRELL. Thank you, Mr. Chairman. Thank you, Madam Chairwoman.

Before I ask a couple of questions of Mr. Smith, Madam Chairwoman, I wanted to bring to your attention, it struck me as I listened to our fellow Members, Mr. Rogers talked about the accountability of personnel numbers. I think that is critical.

We have seen the problem in many divisions of Homeland Security dealing with continuity and experience. If people have anxiety about whether their job is going to exist 6 months from now or 2 months from now, we can't expect top performance from those folks. These people are working under a lot of pressure. So there has to be some stability in the hiring and firing in Homeland Security across the line. I think that is important. I think these problems are chronic. Personnel problems are chronic.

Mr. Cao asked about the food. He wasn't using this for emphasis, but his point was well taken. You have an \$8 peanut butter and jelly sandwich—first of all, forget about what it tastes like. But \$8, what was in it, a gold nugget or something? I don't know. We found what was underneath the trailers.

We need accountability here. The Chairman talked about the accountability within contracts. Somehow we never get to the point of who owns the company that we fired. Somehow.

So with that in mind, and I think you share the same opinions, Assistant Administrator Smith, you know the Eighth District in New Jersey is centered in the Passaic River Basin and suffered tremendous problems, the worst flooding, earlier this year in March. President Obama made an expedited declaration of Federal disaster on April 2 which allowed the victims to make claims for Federal aid.

I want to express appreciation—and I mean that sincerely—to your FEMA people. I was with them just about every day when I wasn't here. They did a fantastic job. They responded very quickly. They worked effectively, and they worked with the community. They didn't look down on members of the community. This is a community that has been hit by flooding so many times in the past 50 years that it isn't funny.

I want to commend FEMA, the team of Region 2, for all of their hard work. While there will always be difficulties in managing disasters such as that, I believe most people have been impressed with how FEMA has handled the aftermath of these storms.

My main concern when it comes to emergency logistics management is how well FEMA coordinates with State and local authorities. I wanted to ask, what has FEMA done to work with State and local partners to identify and overcome logistical deficiencies, given the current economic climate?

Mr. SMITH. Congressman, in compliance with a Congressional mandate in 2007 to develop a tool that can help States to not only identify local logistics challenges but also come up with solutions, we developed a tool we call the logistics capability assessment tool. What this tool does is help the States do a self-assessment in five critical areas that are related to logistics; and that is logistics planning, logistics operations, organization, property management, and distribution management.

Through the regions, we set up a schedule. We go sit with them, and we ask them to bring in their entire network within the State or local community that helps them during a disaster, from the private sector, contractors, everybody that is involved. We conduct a 2-day workshop where we go through each one of these areas with the State in various manners to have them do an honest assessment on where they are and their level of maturity for logistics capability.

After that is done—and this is an automated program and we punch a button, and it gives them a matrix view of where they stand in each one of these categories—then it is up to the State to decide whether they are where they need to be in each one of these areas or if they need improvements. If they need improvement, we help them through the means we have, technical assistance, which I mentioned to Ranking Member Rogers earlier, to create a tech-

nical assistance program so we can then give them more and better assistance to help them.

Mr. PASCRELL. So logistics is working with every State, and it is safe to say—or it is not—that the folks that come to this training system are going to be the same people you work with, God forbid, if a tragedy or disaster occurs; is that correct?

Mr. SMITH. That is correct, Congressman.

Mr. PASCRELL. So they know ahead of time and you know ahead of time and so we don't waste downtime.

If I may ask one more quick question, the administrator established a program, I think this is what it was called, preposition standardized emergency equipment, in at least 11 locations throughout the country to ensure what we would consider critical assessments were made available to local, State, and Tribal governments. Has the directorate been involved in the program? What is the status of the Congressional mandate? We mandated that the FEMA coordinator establish that program. If they haven't lived up to the Congressional mandate, I want to know why.

Mr. SMITH. Congressman, the program that you mentioned is called the Preposition Equipment Program, PEP. That program resides under our response directorate. What I can do is have, through our legislative liaison office, have that directorate provide a response to your question.

Mr. PASCRELL. So you don't know whether they have lived up to the mandate or not?

Mr. SMITH. I can't answer that, but we can get an answer for you.

Mr. PASCRELL. Because that is a pretty important program. Prepositioning resources is critical. I would say to the Chairwoman, I would like to know what the answer to that question is, if I may.

Thank you.

Ms. RICHARDSON. It appears, based upon the time that we have, there can be a second round of questions if Members are interested. I have a few questions, if there are no objections.

Mr. Smith, I would like to come back to more specifically what my question was. I asked you specifically what has been done to learn from what occurred, for example, in American Samoa to ensure that we don't have those same situations. Your response to me was, well, you know, we have had meetings; people have come together. That is not what I am asking. I am very confident that there has been a military assessment, pros and cons: What are some of the things we need to do?

My specific questions were very detailed and I think these questions have to be answered and need to be answered all across with anyone we work with. Otherwise, we will have the same problems again.

Have the airports been evaluated? This was a problem in American Samoa, and it was a problem in Haiti. It is a repeated problem. As we work to move logistics, it is important when there is a disaster, it is important to know the status of the airport, if certain runways are unavailable, what airlift capabilities do they have. Has there been an assessment of all of the airports?

It is a very simple question. What are the planes and their capabilities and what is their availability?

When we were in this situation of American Samoa, we were told that we would need to truck up to San Francisco the supplies, and then a plane leaves once a week or something like that. You already know that with logistics, so there should be a plan that is available for every single location that should say: When are the planes going? What are the planes? Do the planes have the capability to off-load the equipment? All of these things are questions. There is no reason why we should be waiting until a disaster actually happens to know what we can do.

What are the previous debt obligations with various people, whether it is American Samoa or other particular States that we are working with, and what happens if the debt is getting in the way in terms of the actual decisions? What is the community's distribution?

I ran into with American Samoa that initially FEMA began to distribute items in the village and what happened was they were going to the leader. The leader of the village would bring in their family, and the family would pick and choose what they wanted, and then they would stick outside what was left for everybody else. Because that was such a problem, then FEMA switched midstream and began having people come directly to a site to pick up the items and that way they could ensure that all of the people in a particular village were receiving things, as opposed to the village leader.

There were just problems after problems after problems. My question is: What specifically has been done with those items that I have mentioned on more than one occasion to prepare for other locations?

Mr. SMITH. Thank you, Madam Chairwoman. I better understand your question now.

There are numerous functional responsibilities resident in the question that you have. But the bottom line is that this effort is being led by our Region 9 out in Oakland, California. They are developing a region catastrophic response plan. What I would ask is that we touch base with Region 9 to get the status of the lessons learned, as you mentioned, and where they are in addressing those issues, and then what is the breadth of the plan that they are putting together under the catastrophic plan scenario to address these issues for the next American Samoa. I would ask you to allow us to get back to you through our region on what that plan is.

Ms. RICHARDSON. Okay, but I would also stress it is not just about Region 9. That is where it happened, but this could be something that could happen anywhere.

Mr. Irwin, coming from a more volunteer organization, I was expecting a different response from you; and I was a surprised when you mentioned the problem of coats and that kind of stuff being accumulated and then not being properly used or listed in the system.

Let me speak very frankly to you, sir. There is a big difference between what Government agencies might say that people need versus my constituents who were on the phone with their relatives who were saying, we are not getting the sheets, we are not getting the pots and pans, we are not getting the tennis shoes and the water. I rarely use this word, but I think it is really shortsighted

to think that we are going to have some sort of system that is suddenly going to prohibit regular Americans, given a disaster, to not want to, for the farmer, as you said, to not want to drop off the box of coats and blankets and so on. Because there is a clear disconnect between what FEMA might be saying we need to receive and what the State and local governments might be saying we need and then for people who are on the phone with their loved ones in Mississippi or Louisiana or American Samoa.

So I was very surprised with you being a part of a volunteer organization that you would even imply, in my opinion what you said, and maybe you want to rephrase it, the role of how volunteers would be engaged. Because I think they should be an equal partner and there needs to be a plan for how these people are being utilized, and I think it is a huge mistake to only rely upon the Red Cross. There are some people who trust and have great confidence in their process, and there are others who do not. So we have to have these other mechanisms. Would you like to respond to my comment?

Mr. IRWIN. Yes. I'm sorry if I was unclear. I did not mean to say that we do not want those donations. During Katrina, our Convoy of Hope, many times the truckload showed up at our points of distribution and did not know where it was coming from or why it was there and who organized it, and we made use of it very well.

I think the system's intent is to be able to do that. We don't want to stop the compassionate hearts of the American people from giving. It doesn't matter how big or small, we want to be able to direct those so it is used properly and that it does meet the needs where the need is. I think the system needs to be robust to do that, and I think we are working on that in partnership with FEMA and with Aidmatrix, but there is more work that needs to be done. Like I said, it is not the only tool that we use to meet the needs of everyone.

If I sounded like I didn't want to take those donations, we do want those. Every organization is looking for more.

Ms. RICHARDSON. Okay. I am going to close and defer to the Chairman.

I found exactly the opposite. I was on the phone. I am not just talking about what someone said to me. I witnessed this myself where we were working with FEMA. We said, "We had X amount of items." We first asked the Governor what items were needed. The people pulled together and volunteered the items; and then we had FEMA who said, "No, we don't need these." Then the people were hearing the complete opposite from their family members.

So I would urge you as a representative of this group is that clearly there is more work that needs to be done to understand generally what FEMA may think people need—water, soap, whatever it is—and then understanding that there has to be a system in place that for the real world of what the people who are experiencing and the background rural communities, as they are communicating what they need, how we utilize those goods and get them to them. I think you are an integral role that needs to help to make that connection.

Mr. IRWIN. I agree. We definitely want to work stronger. National VOAD and member agencies, that is their heart, is to take

care of the need wherever it may be. That is what they do every day, day in and day out. They are trained to do it, and they are the best at it, and I am glad to be a part of it. Any work, any partnership that we can do along with FEMA and with Government organizations, State, wherever it may be, we want to meet the needs of everybody.

Ms. RICHARDSON. I now recognize the Chairman for as much time as he may need.

Mr. THOMPSON. Thank you very much, Madam Chairwoman.

Ms. Zimmerman, what is FEMA's plan going forward with Aidmatrix, this program? Are you planning to put it out for competitive bid at some point, or do you know at this point?

Ms. ZIMMERMAN. Yes. At this point, we are doing the assessment of the products of the National Donations Management Network. The contracts that we currently have, the agreements with Aidmatrix Foundation, will expire in July 2011. As we are working with our partners that are currently using the tool, we are getting that assessment to see if it is something we need to go forward with. If it is something, we will go out for request for proposal for additional vendors, for people to do, sometime after the first of the year.

Mr. THOMPSON. January, 2011?

Ms. ZIMMERMAN. Correct.

Mr. THOMPSON. Thank you.

The experience with DHS overall is that, generally, once we enter into a contract, we generally stay with individuals, that that review is sometimes cursory; and we are in the process of looking at a number of contracts that have cost significant money with minimal benefit in terms of product. So I would suggest to you that if we are spending a lot of time looking at this system then I would hope that it would allow an opportunity for the public sector to come back and competitively bid it. That is just my experience on the committee.

Mr. Smith, you talked about trailers a little bit. Since I am partially involved in the trailer situation, given my Katrina experience, I need you to explain to me that FEMA has taken the position by storing units in Hope, Arkansas, and Selma, Alabama, you can deliver trailers within 36 hours anywhere in the country?

Mr. SMITH. Mr. Chairman, the 36-hour delivery time frame concerns those areas east of the Rockies. Through the Midwest floods and all of the incidents that we have had in the past, that has been our metric. The sites that we have established now going forward, being Cumberland, Maryland, and Selma, and we do have one in Hope, but as we continue to sell those units in Hope, we will eventually close that site. So our metrics tell us, based on our previous incidents, that we can deliver from those two locations, from Selma or Cumberland, Maryland, to anywhere east of the Rockies.

Mr. THOMPSON. Okay. What about the people west of the Rockies?

Mr. SMITH. That is a different issue that we are addressing. Our concept right now is to buy local. Because, particularly in California, there are different standards for manufactured homes, manufactured housing, that are not the same for east of the Rockies. So with the previous level of usage, it is not economically feasible

for us to keep that type of inventory on hand. There is a robust market out there west of the Rockies that meet those standards, and our goal is to buy those off the lot when the time comes.

Mr. THOMPSON. If you could—because our system overbought during Katrina—can you provide the committee with FEMA’s strategy for how many units they will keep on hand, what is the maintenance and operation plan for those units while they are on hand, and what is the life expectancy of a vacant unit? And whether or not there are any health checks on units that are stored.

You know, we had the whole issue behind some of those units and if you are storing them in Selma, Alabama, there are significant issues with heat and humidity. So I would suggest that we have some way of saying whether or not those units should be provided to the public or not. I think we actually put some language in law to that effect. But I would love to see where that happens to be.

The fact that some of the units that had been condemned ended up back in our system during the oil spill causes me great concern. I would hope that whatever is required to close that loop so that items that have been identified will be destroyed so we can’t come back and potentially create some other liability, either on the part of the Government or just some health issue with the company.

Lastly, Mr. Smith, can you tell me why the on-end costs with respect to this supply chain management system as identified by the Inspector General is so high?

Mr. SMITH. Yes, Mr. Chairman.

On-end costs, as mentioned, is really when we get to sustainment. We have end-placed all of the new modules and systems that we are putting in place in the system. Right now, there are only two modules in place. When it is all done, there will be five. There are costs associated with maintaining all five of the systems once they are in place.

Then you have the life cycle, what we call refresh or license renewal for all of the systems that we have in place. We started, as previously mentioned, putting this system in place in 2004. It is time for the manufacturer to refresh that system, to upgrade it. There is a cost associated with that.

Then there is also a cost with migrating the data system from a FEMA data system to a consolidated DHS data center.

So all of those costs are resident in that cost that spikes during that period. But, after that, after the refresh and some of the items that are one-time costs associated with that, that cost will go down or level off.

By the way, in working with our CIO, with the program cost, the overall program cost that we have, the benchmark for O&M costs can normally run to 48 percent of the total cost. The cost that is associated with the system that we have now is running around 30 percent. So it is significantly lower than what the benchmark or standard cost is for a system this large.

Mr. THOMPSON. I don’t want to get into he said, they said, Mr. Jadacki. You heard the comment about O&M costs, and you kind of highlighted that in some of your comments.

Mr. JADACKI. We think there are significant costs for a number of reasons. One of the problems it has taken the system so long to

develop, it was like a one-time deal, and it took a couple of years. You certainly have to look at the refresh activities for several years down the line. The fact that they started this thing in 2004, and now we are 6 or 7 years later, a lot of the components get antiquated. A lot of the servers get antiquated. There are upgrade costs. Yes, they are building the system, but just given the fact that it has taken so long to build, you are going to get higher costs.

Now, I'm not an IT auditor, so I don't know about the 48 percent versus the 30 percent, but I do know from my experience working as a CFO at FEMA, that there are maintenance costs. So I don't know. But the fact is, as the system is brought on-line, things are becoming obsolete and antiquated, so it is like a constant catch-up game.

Mr. THOMPSON. So how far are we behind on the system?

Mr. JADACKI. I think the system is pretty much on time. There have been a couple delays, but it is a pretty tight schedule that they have. We have had some discussion with FEMA on don't wait until the very end when the system is implemented to do your validation and verification. I think FEMA has taken that to heart and they are actually doing the IV&Vs as the modules are developed, which is a good thing.

The other item, too, they are working closely with their chief information officer. We have found some contracts in FEMA, for example, the National Flood Insurance Program, where it is being done outside of that organization, and a lot of critical points were not undertaken because of that. So the fact that they are working closely with them, again, it is a big ticket item. It is a big dollar amount. We have concerns that the thing is on track and on schedule. Again, given the price tag, we will keep a close eye on it. But I think that they are doing a better job than I have seen in some of the other major procurements in DHS and in FEMA.

Mr. THOMPSON. Thank you. I yield back, Madam Chairwoman.

Ms. RICHARDSON. Thank you, Mr. Chairman.

I have three last questions and then we can wrap up.

Mr. Jadacki, would you say that Mr. Smith and FEMA in this process is on track to meet the Congressional mandate?

Mr. JADACKI. Yes, I think they are on track.

Again, I have worked for FEMA since—I started in 1991 when there was literally no logistics management system at all, and I have seen it evolve to where it is today. I think there is a big need to get a system in place and, again, working with the Federal partners as well as the private sector. So I think FEMA is on track to do it.

Again, I am very concerned about the time line, but, given all of the components that go into this system and all of the integration with the other Federal agencies and the private sector, it is kind of understandable. So I think they are doing a good job.

Ms. RICHARDSON. Are there any other performance metrics that you would recommend that we consider or encourage?

Mr. JADACKI. I would keep track and get periodic updates on just where we are on the modules as they are being developed.

I would also talk to some of the stakeholders. Because, again, FEMA is a logistics coordinator, but it involves all of the Federal partners in a National response framework. I think they are doing

a good job getting out to the States and locals because they are going to be the recipients of the logistics supplies that are coming through the chain and make sure they are on track, too.

If we have another disaster when we are ordering 50 truckloads of ice and somebody else is getting 50 truckloads of ice and somebody else is and, as a result, we are spending millions of dollars and just wasting it, that is a big problem. I think once we field test these things, as the Congressman from New Jersey mentioned, he thought that they did a very good job of coordinating in New Jersey. It remains to be seen if there is a truly catastrophic event where all of these plans and procedures and preparations with the Federal, State, local, and volunteer organizations, that is going to be the big test.

Ms. RICHARDSON. Okay.

Mr. Smith and Ms. Zimmerman, I find it curious that the Donations Management and Logistics Management are run out of two different directorates in FEMA, even after Hurricane Katrina demonstrated how much the two were intertwined and how the problems could occur when there is not adequate coordination between the two offices. What efforts have your two offices taken to better coordinate your actions as well as coordinate with States, NGOs, and the private sector?

Mr. SMITH. We do work together, Madam Chairwoman. We have established a standard operating procedure that outlines the process and procedures for Donations Management. The lead for Donations Management resides in the recovery directorate within our Office of Response and Recovery, but Logistics has a big piece of that because I am the incident property manager. I am responsible for tracking the property that is associated with the incident.

So if there is a decision to be made to excess this property or to donate it, then it is my job to make sure that the books, the accounting process, to make sure that those items are transferred from Federal records, taken away from our records, are done properly. So we do work on a continuous basis together. We also provide them technical assistance on the Federal management regulations as it relates to handling, managing, and disposing of Federal property.

Ms. RICHARDSON. Okay.

Finally, Mr. Irwin, can you supply to the committee the partnerships, the volunteer organizations by region and by State that you are aware of that VOAD is engaged with? Specifically if you can provide us information to the degree of how faith-based organizations are included in that.

Finally, my question would be what process is VOAD using to communicate those various partners in advance within these various counties and States so that way we can get ahead of the game and people know who they would engage with instead of, you know, Joe Blow Church suddenly begins to collect a bunch of things where they could interact with another group that might already be coordinating some sort of effort.

To be honest with you, for me, as a Member of Congress, I have not seen a list. I am not familiar with who is doing that in my area, and I'm sure others would say the same.

Mr. IRWIN. I would be happy to work with the leadership of National VOAD to provide that for you.

Ms. RICHARDSON. Just to summarize, I wrote down three asks, not including the ones that I just provided. In summary, No. 1, Mr. Smith, you agree to provide how Tribal governments are solicited, involved, and maintained in our system and not only just what the State is doing but what you are doing to validate that that fact is happening.

No. 2, Ms. Zimmerman and Mr. Smith, you agree to provide the Chairman and this committee more information on Aidmatrix in terms of how that system is being utilized. He went into great detail on this specific ask.

The Chairman also asked a question about the trailers: How many have we determined potentially are needed so we can avoid purchasing more than what is required? What is the life expectancy of vacant units? Verifying that there aren't any health issues for what is remaining out there that we are selling.

Mr. Pascrell asked a question, and I apologize, I didn't write down specifically what his question was. Then the two questions I asked. Are there any objections to providing those?

Mr. SMITH. No objections.

Ms. RICHARDSON. All right. Seeing that and that there are no further questions by the committee, I thank the witnesses for your valuable testimony. I am glad you finished before our marathon voting begins.

Members of the subcommittee may have additional questions for you, and we ask you that you respond in an expeditious way in writing to those questions.

Hearing no further business, this hearing is adjourned.

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

## APPENDIX

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QUESTIONS FROM CHAIRWOMAN LAURA RICHARDSON OF CALIFORNIA FOR ERIC SMITH

*Question 1.* What specific steps has FEMA taken to enhance the logistics capabilities of Tribal governments?

Answer. FEMA's newly revised Tribal Policy was signed by the administrator on 29 June, 2010, and is intended to guide all personnel responsible for engaging in consultation and coordination with Federally recognized Tribal nations. The policy calls for FEMA to examine ways in which it can strengthen the nation-to-nation relationship with American Indian and Alaska Native Tribal governments, a goal to which FEMA has committed itself through the policy. This revised policy includes the development of an implementation plan to be utilized in assisting Tribal governments with their emergency management needs in all major FEMA program areas.

FEMA is in the process of drafting an implementation plan that will set forth objectives to be achieved by addressing action areas including planning, resource management, coordination and monitoring, and training and exercising.

FEMA is also in the process of hiring Tribal liaisons in each of the Regions, who will also work on private sector issues, to provide communications, planning, and implementation support to Tribal nations.

*Question 2.* Has there been an assessment of all airports to identify their ability to support FEMA's logistics operations? For example, have airports been evaluated to know which runways are available, and what are the airlift and offloading capabilities?

Answer. The FEMA Region IX Office has tied facility assessments into on-going coordinated Federal/State/private sector catastrophic planning efforts. To date, the Region IX Office has compiled information that is included in the concept of operations plans to support Guam, Hawaii, Northern California, and Nevada. On-going efforts include Southern California where we have assessed the capability of 26 separate Federal/State and private sector facilities which includes the capabilities of local air fields, sea ports, and private sector locations. It is important to note that the Department of Defense (DOD) and Department of Transportation (DOT) currently make available very detailed airport facility assessments for our planning purposes. During a response operation, FEMA coordinates with DOD and DOT regarding airlift and offloading capabilities.

*Question 3.* Does FEMA track the previous debt obligations of States and territories accrued under the Stafford Act? What is the process to provide aid if a State or territory raises concerns over previous debt that may inhibit or delay decisions to request Federal assistance under the Stafford Act?

Answer. Under the Stafford Act, the State assumes the responsibility for all costs when its Governor signs the FEMA/State Agreement. FEMA's Headquarters' Debt Establishment Unit tracks billed State debts. FEMA's Chief Financial Officer does not deny future assistance due to outstanding or delinquent debts.

For programs such as the Other Needs Assistance Program, FEMA issues monthly bills to a State. For other forms of assistance, such as a Mission Assignment cost share, audit findings, and grant closeouts, FEMA sends a State bill when it is requested from FEMA Headquarters, Regions, and/or program offices. Each bill is monitored on a monthly basis for payment activity and any outstanding amount owed is billed monthly. Should the State not fulfill its debt obligation, FEMA sends it a reminder letter on its balance due or funds may be offset to satisfy its debts. The Office of Chief Financial Officer is working on a process to submit delinquent State debts to the Department of Treasury for offset.

*Question 4.* What are the lessons learned from FEMA's response to the 2009 tsunami that struck American Samoa and how will they be incorporated into the Catastrophic Response Plan for Region IX?

Answer. Following the 2009 earthquake/tsunami that struck American Samoa, FEMA examined its response to that disaster as well as its response to Typhoon

Melor, which simultaneously threatened Guam and the Commonwealth of the Northern Mariana Islands. A few of the significant lessons learned were:

1. Additional incident management training is needed at all levels of government. In response to this lesson, FEMA initiated training on the National Incident Management System, the Incident Command System (ICS) and FEMA operations to governmental staff in American Samoa and other Federal agency staff in Oakland.
2. There is a need to rapidly deploy Staging Area Teams to Hickam AFB in Hawaii and other impacted jurisdictions (e.g., Pago Pago Airport in American Samoa, B Won Pat Airport in Guam). As a result of this need, FEMA's current logistics protocol calls for the rapid deployment of a Staging Area Team to Hickam AFB for similar responses outside of the continental United States.
3. There is a need for standardized and fully communicated time phased resource deployment lists within the interagency, intergovernmental community.
4. There is a need for specialized resources to respond to disasters in the Pacific Area. As a result of the 2009 Tsunami, FEMA has added specialized tents such as Celina tents and Sprung Structures to its resource list, to be used as needed. Also, FEMA is developing Standard Operating Procedures and guidelines to streamline and expedite the use of its Permanent Housing Construction program. Unlike in jurisdictions in continental United States, in Pacific Area jurisdictions, we cannot effectively transport hard-walled structures, such as travel trailers, mobile homes, or modular classroom units. The Pacific Area jurisdictions are surrounded by water. Resources cannot be delivered via ground transportation methods used in the continental United States. Therefore, we utilize soft-sided structures such as Celina tents and Sprung Structure tent units. The Celina tents are small and placed on an individual family's property. They are used in lieu of hotel/motel resources to house individual families. By contrast, Sprung Structures are larger and are designed to provide a semi-permanent classroom facility in place of using heavy modular trailer structures.

Incorporating the results of lessons learned, the FEMA Region IX office has multiple catastrophic plans for California, Nevada, Hawaii, and Guam. The Region IX office plans to develop a catastrophic plan for Arizona later in fiscal year 2011. Each of these catastrophic plans describes the unique background conditions and threats for each jurisdiction, as well as the rules of engagement between the State/territory and the Federal Government. Each plan specifies the use of an ICS Unified Command organization for the Senior Leader Unified Coordination Group (UCG) construct as outlined in the National Response Framework. This construct was used successfully in American Samoa to establish and implement joint Territorial/Federal objectives, strategies, and tasks.

For fiscal year 2011, FEMA's headquarters has proposed that each regional office develop a single over-arching Concept Plan (CONPLAN), addressing predictable requirements or commonality among all operations (e.g., medical, mass care, logistics). The Region IX office will address the resource movement challenges experienced during the tsunami response through the Region IX CONPLAN.

QUESTIONS FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR ERIC SMITH  
REGARDING TEMPORARY HOUSING UNITS (THU)

*Question 1.* Please provide the committee with FEMA's strategy for how many THUs will be kept on hand?

What is the maintenance and operation plan for stored units?

What is the life expectancy of a vacant unit?

Are there any health checks on units to ensure that they do not injure or harm the public once they are distributed?

Answer. FEMA's current target baseline inventory is designed to ensure that sufficient temporary housing units are available for immediate response while other procurement and production activities ramp up to meet the full requirements of the event. FEMA's current target baseline inventory of 4,000 units includes traditional and Uniform Federal Accessibility Standards (UFAS) manufactured homes, park models, and travel trailers. FEMA maintains manufacturing contracts which may be utilized to produce additional units. FEMA's 4,000 unit target inventory composition is as follows:

UFAS Manufactured Homes: 125;  
Manufactured Homes: 1,125;  
UFAS Park Models: 225;  
Park Models: 2,025;

Travel Trailers: 500;  
Total: 4,000.

Upon receipt, units are logged into the property accountability system of record and prepared for long-term storage. This includes blocking and leveling units and ensuring all building apertures are weather-tight. Each unit is inspected once every 90 days. The inspection looks for any sign of storage-related damage (water leaks, wind damage, material failures, etc). Units are logged into the Assurance Monitoring Operational Status (AMOS) system which tracks inspection dates, formaldehyde levels, and readiness status for each individual unit. This system identifies units by location and can be used to enhance inventory rotation and utilization. For units requiring maintenance, FEMA uses a combination of factory service and FEMA personnel, depending on the extent of work required, number of units requiring work and the age of the units.

FEMA does not have a reliable life expectancy standard for storage of vacant units. FEMA takes measures, as discussed above, to reduce storage-related damage as much as possible and to quickly identify and address storage-related damage as soon as possible to reduce the expense of having to repair subsequent damage, and to ensure that only safe, high-quality units are provided to disaster survivors.

Manufactured homes are built to United States Department of Housing and Urban Development (HUD) standards in HUD-certified plants, while park models are built to American National Standards Institute (ANSI) standards and travel trailers are built to National Fire Protection Association (NFPA) standards.

Currently, all units produced for FEMA are subject to additional FEMA construction specifications. In addition, FEMA requires that all vendors contract with an industry approved Indoor Air Quality (IAQ) firm to test all units and all procured units meet strict IAQ manufacturing specifications currently established for formaldehyde levels of less than 0.016 parts per million (16 ppb). FEMA verifies compliance with this specification by requiring vendors to provide certified air quality test results for each unit prior to FEMA acceptance. FEMA also retains a separate contractor to perform independent quality assurance tests to ensure the validity of the air quality of tests performed by vendor subcontractors.

At the time a unit is dispatched, the certification sticker is verified to be in the unit with the visible IAQ values to ensure that the formaldehyde level is at or below the level acceptable by the State to which the unit is being deployed. To further insure the safety of units, as part of FEMA's 90-day inspection cycle, each unit is checked for moisture intrusion that could promote the growth of mold. If mold is found, appropriate remediation actions are taken.

*Question 2.* Has FEMA evaluated the performance of Aidmatrix and the National Donations Management Network (NDMN)? If so, what have the assessments of the Aidmatrix cooperative agreement revealed about the performance of the National Donations Management Network (NDMN)?

Who acts as the overall executive administrator of the NDMN during a disaster affecting several States, in order to mitigate confusion and decrease waste of unused resources?

Answer. Based upon the system requirements as established by FEMA in the original Cooperative Agreement award in 2006, Aidmatrix has successfully completed the production of all of the components that currently make up the NDMN. The components and their respective release or roll-out dates were as follows:

Donated Goods module—June 2007;  
Financial Contributions module—December 2007;  
Warehouse module—June 2008;  
Volunteer module—June 2008.

The various NDMN components have been implemented in approximately 20 disaster operations since mid-2007 when the NDMN first became operational. Feedback from the users has been generally positive. Suggestions for constructive changes and enhancements have been welcomed from the beginning, with a focused effort on reviewing and implementing enhancements on a bi-annual basis.

The value of donated resources actually received through the NDMN to date is approximately \$4 million. Money donations are encouraged by the system, but are not tracked. Referrals for money donations are made directly to listed non-profit organizations.

In addition, FEMA implemented key programmatic steps to exercise NDMN, share lessons learned, and monitor the overall performance of NDMN. These steps include the following:

- FEMA conducts monthly stakeholder calls with regular participation of approximately 100 stakeholders.

- Weekly FEMA-led program coordination calls with Aidmatrix, and National Voluntary Organizations Active in Disaster (VOAD) leadership; and FEMA Regional Voluntary Agency Liaisons (VALs).
- Special issue-focused calls with Regional VALs, NEMA Preparedness Committee, National VOAD, as needed.
- Monthly NDMN training webinars for stakeholders with built-in feedback mechanisms.
- Monthly FEMA-led Regional exercises engaging States' emergency management and voluntary agencies that include built-in feedback mechanisms, verbal and written.
- Special post-disaster lessons-learned debriefings focused entirely on the performance of NDMN.

The FEMA Program Office has in place several internal controls to review the performance of Aidmatrix:

- Bi-annual face-to-face program review meetings at the Aidmatrix office or in Washington.
- Regular COTR review of monthly invoices.
- Quarterly status reports.

To date, there have been no significant performance concerns in terms of the design or implementation of the NDMN. There have been conflicts between Aidmatrix and some of the large non-profit organizations over branding and solicitation of donors. FEMA is working closely with all partners to address their concerns and improve the NDMN.

At Chairman Thompson's request, the OIG conducted a review of the NDMN in 2009, in which it indicated that recent performance of the NDMN appeared to be working smoothly and that it would continue to monitor the NDMN as part of its on-going disaster oversight.

FEMA serves as the overall National Program Manager for NDMN.

Although NDMN is largely a State-centric system, in high-visibility events when affected States may be overwhelmed with offers and short of staff, FEMA in coordination with the National VOAD can provide National-level coordination in direct support of the affected States. It should be noted that even when States are overwhelmed steps are taken to support the affected States by bringing in other FEMA-trained State Donations Coordinators, through the Emergency Management Assistance Compact. If needed, FEMA can also deploy FEMA Donations Specialists, as well as Aidmatrix technical assistance.

In a catastrophic situation, when the National portal of NDMN may be activated, FEMA and National VOAD jointly manage the National portal. The joint FEMA-National VOAD role is to:

- Adjudicate large offers of donations received on the National NDMN portal by telephone and match them up with the identified needs of the State or National VOAD members.
- Increase communications by holding daily conference calls with the affected State donations coordinator/s and their Donations Coordination Teams, including several voluntary agencies.
- Monitor the effected State NDMN portal for postings and provide technical support to the regions and the affected States.

QUESTION FROM HONORABLE BILL PASCRELL, JR. OF NEW JERSEY FOR ERIC SMITH

*Question.* What is the status of FEMA's implementation of the Congressionally-mandated Pre-Positioned Equipment Program (PEP)?

*Answer.* The Pre-Positioned Equipment Program (PEP) was established after September 11, 2001, to provide National standardized equipment in strategic locations that can be used to reconstitute capabilities for first responders to support disaster operations. It was originally located in the Department of Justice's Office of Domestic Preparedness. The program moved to the Department of Homeland Security and now resides in FEMA's Office of Response and Recovery.

Section 637 of the Post-Katrina Emergency Management Reform Act of 2006 (Public Law 109-295) states: "The Administrator shall establish a prepositioned equipment program to preposition standardized emergency equipment in at least 11 locations to sustain and replenish critical assets used by State, local, and tribal governments in response to (or rendered inoperable by the effects of) natural disasters, acts of terrorism, and other man-made disasters."

There are currently ten PEP sites throughout the United States. Each of the ten PEP sites contain personal protective equipment, medical supplies, decontamination equipment, detection equipment, interoperable communications equipment, and other equipment that can be used to supplement or reconstitute the capabilities of

first responders to support disaster response operations. Each PEP site is carefully selected to ensure the most strategic deployment location possible with access to major transportation routes and airports.

The current ten PEP site locations include:

- Middletown, NY;
- National Capitol Region/Frederick, MD;
- Columbia, SC;
- Atlanta, GA;
- Dallas/Fort Worth, TX;
- Salt Lake City, UT;
- Kansas City, MO;
- Sacramento, CA;
- Seattle, WA;
- Las Vegas, NV.

QUESTIONS FROM CHAIRWOMAN LAURA RICHARDSON OF CALIFORNIA FOR STEPHEN A. IRWIN

*Question 1.* Please provide the subcommittee a list of the volunteer organizations, including faith-based organizations, by region or State that National VOAD is engaged with.

Answer. National Voluntary Organizations Active in Disaster (National VOAD) currently is engaged with 55 State and territory VOADs. National VOAD has attached a membership directory containing the most current list of our extended network of member organizations.\*

*Question 2.* What process does National VOAD use to communicate with its various State and local partners in advance of a disaster so donations can be easily collected and moved when a disaster does occur?

Answer. National VOAD and its individual member agencies work closely with local and State non-profit organizations, State Governments, FEMA, private businesses, and other stakeholders on education, planning, management, and transportation of donations before, during, and after disasters. Among the processes we support to improve donations coordination in advance of a disaster are regular meetings and workshops at our annual conference, as well as periodic meetings of our Donations Management Committee. It is in these forums among others that the non-profit community works through the technical details of disaster donations management, each agency offering its expertise and support. The committee includes the stakeholders mentioned above, as well as subject matter experts on logistics, software, transportation, and so forth, as and when needed. When a significant disaster has just occurred, or is about to occur, the Donations Management Committee organizes daily or weekly conference calls on collection, distribution, and transportation of donated goods for that disaster. Committee members work alongside National VOAD staff to collect information regarding the affected community's needs and any current shortfalls around donations management. Each National VOAD member agency is expected to be involved locally with the broader network of State and Tribal partners along with the faith-based community to develop contingency plans for any situation through COADs (community organizations active in disaster) that focus on local issues. As these relationships are built locally, the skill-set of each organization is shared to the whole and in that way trust levels are developed and the strengths of each are maximized when there are needs.

In-kind donations during a disaster can generally be broken down into two categories: Unsolicited donations and directed donations. The National Donations Management Network (NDMN) provided by FEMA and supported by National VOAD is intended to ease the problem of unsolicited donations and help prevent the notorious "second disaster" that often occurs when mass quantities of unexpected, unsuitable, or merely undesignated goods arrive in a disaster zone. While the NDMN is primarily focused on the State's role in managing these donations, no similar complementary system is in place to broker the overflow of donations between and among the disaster NGO's themselves. The NDMN cannot solve this problem, nor was that ever its intention or mandate. The Board of Directors of National VOAD has therefore pledged to find a solution that can be used by the NGO sector to coordinate our part of the disaster donations picture in the United States. We feel the management of charitable contributions is a primary responsibility of non-profits, and we are ready and willing to assume our rightful share of the burden of managing disaster donations.

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\* Document was retained in committee files.

Besides inter-agency and stakeholder communications, the primary role of National VOAD with regard to donations management is in fostering unified messaging to the general public on how best to help our country respond to disasters. Working with our network of partners, National VOAD agencies have adopted the following statements on donating and volunteering in times of disaster.

“During times of disasters Americans respond with tremendous generosity, however in order for your donations to make the biggest impact there are some important tips to follow:

“Financial Contributions are Preferred: This allows relief organizations to purchase exactly what items are needed to assist in the response and recovery efforts. Funds will also provide direct victim assistance.

“Confirm the Need Before Collecting: Donors should be wary of anyone who claims that ‘everything is needed.’ Many groups have been disappointed that their efforts and the goods they collected were not appreciated. A community hit by disaster, however, does not have the time, manpower, or money to sort and dispose of unneeded donations. Get precise information and confirm the need before collecting any donated goods or used clothing.

“Volunteer Wisely to Help Others: In a community struggling to respond to and recover from a disaster, an influx of unexpected or unneeded volunteers and donations can make the process even more difficult. Before traveling to the disaster area to help, learn where and when your skills will be needed. Discuss with volunteer organizers how your needs for food, water, and shelter will be met while you are volunteering.”

*Question 3.* Please discuss the extent to which National VOAD member organizations have had credentialing problems that hindered National VOAD volunteers or donated supplies from working in, or entering a disaster area.

*Answer.* The answer to this question varies depending on which National VOAD agency you ask. It is fair to say that, given the complexities of access to disaster zones, the number of hindrances is low. Ideally, there would never be a hindrance for people trying to do good works, but certain complicating factors are endemic to disaster environments and to the structure of our National response efforts.

The experience of our largest and most well-known agencies is that they have, for the most part, developed solutions that minimize problems of access. Training of volunteers, sorting them into teams appropriate for specific disaster situations, and making first-contact with command and control entities (usually a State or local emergency management agency,) are all methods major agencies employ to ensure that their volunteers and supplies get where they are needed most. Access is often controlled at the ground level in immediate response situations by personnel who may be unfamiliar with the full breadth of agencies that assist during disaster, but can recognize the logos of major agencies and will wave them through a checkpoint. Smaller agencies, or even large agencies that are arriving from a different part of the country, are not always granted such immediate access. The solution here is education and pre-disaster relationship building, the focus of much of the work of the VOAD movement.

Even for the major agencies, problems of access can still occur despite the most specific and official credentialing efforts. It is a tenet of U.S. disaster policy that the State is in charge of the response, thus each State decides who is given access at each disaster. National VOAD, by supporting the State and community VOADs, greatly increases the chances that our agency leaders at the local and State level can forge the pre-disaster relationships that open doors and grant access when an actual disaster does strike.

Speaking on behalf of Convoy of Hope, we have had at times issues concerning getting into areas as a result of the lack of knowledge of who Convoy is and what we represent in the way of help and capabilities. For example, some States, such as Louisiana, have what is called a re-entry program that applies to organizations that are responding to an event. This re-entry program requires that an organization apply for identifying placards that can be placed on vehicle dashboards to speed re-entry to a disaster area. However, re-entry programs are not uniform to every State and the programs themselves are not always well-publicized. The requirements and standards expected of each organization in such a program are also not uniform State to State. National VOAD agencies respect the need for systems that will coordinate the efforts of many diverse organizations, and we would welcome the opportunity to work on comprehensive solutions that would give us the best chance of carrying out our missions.

A “National disaster credentialing system” is a topic frequently discussed in our sector. To date, the complexities and logistics of such a system if applied to individual responders have prevented us from moving forward with designing a solu-

tion. A system that credentials the agencies themselves, perhaps through National VOAD membership, would depend for its success on the States knowing and accepting the credentials during every event, and on a cost/benefit analysis of the system: Does it result in improved service, or faster service, for disaster survivors?

QUESTION FROM CHAIRMAN BENNIE G. THOMPSON OF MISSISSIPPI FOR STEPHEN A. IRWIN

*Question.* What has been the experience of National VOAD member organizations with FEMA's National Donations Management Network and the Aidmatrix System? Can the systems be improved in anyway?

*Answer.* At present, National VOAD has pledged to continue to support FEMA's National Donations Management Network (which uses technology and services provided by the Aidmatrix Foundation), even as we begin the process of establishing a new system we believe will be better suited to supporting the Nation's non-profit disaster response agencies. We understand the utility of the existing NDMN to State emergency management agencies and especially to several of our own National VOAD agencies, some of whom have made significant investments of time and energy in developing the current system. We extend our grateful appreciation to Congress for its role in creating and maintaining the NDMN. National VOAD would like to offer the committee a brief overview of our experience with the Network, followed by a description of where we think our sector is heading on this issue.

Hurricane Andrew in 1992 is often considered the basis and reference when describing challenges in donations management. Following the storm, numerous parking lots in South Florida became filled with mounds of donated goods, all unwanted and unused, because no scalable distribution mechanism existed to handle the amount of product donated by a concerned American public. The following year, a National steering committee was developed to address this issue. Members of this committee came from FEMA and other Federal agencies, the voluntary organizations, State and local governments, as well as business and industry. The committee agreed on key planning assumptions and recommendations for States to manage unsolicited goods. These elements became the initial National Donations Management Strategy (NDMS).

The creation of the NDMS was intended to help in deterring uninformed but well-intentioned donors, to establish management controls for overwhelming quantities of goods, and to create programs within key organizations to tap their skills and abilities to managing these unsolicited/undesigned goods. The attempt to better manage and make use of in-kind donations has, viewed overall, been successful. Training that builds off the early management models is provided to Federal, State, and local entities through the FEMA National training program implemented at the Emergency Management Institute G 288. Additionally, States began implementing local training to establish local-level planning for donations management in a scaled-down version E-289.

The development of a National strategy for managing donations has continued to evolve. As the strategy has been implemented there has been a visible reduction in the number of items that have been collected that were categorized as unsolicited/undesigned. The messaging, "do not donate until you know what is needed" has proven helpful in reducing the overflow of unsolicited items. The identification of specific agencies to be the lead agency to manage the goods has also proven effective.

In the aftermath of Hurricane Katrina, however, the United States was overwhelmed by donations and offers of donations at an unprecedented level. Never before had the American people and the entire international community sought to contribute so much in such a short time. As a result, the issue of donation efficiency became a critical point. FEMA was bombarded with potentially useful offers, but found no system in place that could make them available to the National VOAD community. Many of the items that were received ended up sitting in warehouses because there was no system for sharing them with the organizations that needed them most. This reinforced the need for FEMA to establish a system that could address this new donations management issue and led eventually to a grant to the Aidmatrix Foundation, which had already been working for several years with the disaster non-profit community, and this grant became the root of the National Donations Management Network (NDMN). (As a sidenote, the system was originally called the Aidmatrix Network, which was changed to the National Donations Management Network in 2008 in response to concerns that "Aidmatrix Network" as a name tended to promote the Aidmatrix Foundation rather than the full body of agencies the NDMN was intended to help.)

The purpose of the NDMN as we have always understood it has been to manage and make best use of the overabundance of unsolicited/undesigned donations that come in to the States or the Federal Government following a catastrophic event. The goal was to offer a solution that would allow State Donations Coordinators to sift out the needed items from the unneeded items in a virtual warehouse rather than on-site. The NDMN was not designed to help the non-profits manage their own donations. Thus, as a natural course of its development, it became evident over time that the principal stakeholders in the NDMN process were the State agencies, and not the non-profit agencies.

National VOAD understands that FEMA has a responsibility to provide the States with a process (and a tool, if necessary,) for managing unsolicited/undesigned disaster contributions. We support that process and always will. At the same time, National VOAD members also need a system that offers our community of agencies a forum in which to share contributions with each other, as and when our donors give us permission. Our system also needs to help our agencies establish or reinforce our relationships with our donors. The current NDMN was not designed or intended for either of these activities, and this is not a fault of the system, but a reflection of its core purpose.

In the end, it is our belief that charitable contributions are the responsibility of charities to manage, not governments. To fulfill our missions, the members of National VOAD need to offer donors the chance to give directly to the charity of their choice and establish a philanthropic relationship with an organization that shares their values. The system we establish to support these higher level goals will complement the National Donations Management System and enhance the giving opportunities available to the American people.

