

**ENSURING THE TRANSPARENCY, EFFICIENCY, AND  
EFFECTIVENESS OF HOMELAND SECURITY GRANTS**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON EMERGENCY  
PREPAREDNESS, RESPONSE,  
AND COMMUNICATIONS  
OF THE  
COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS  
SECOND SESSION

MARCH 20 and APRIL 26, 2012

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## **ENSURING THE TRANSPARENCY, EFFICIENCY, AND EFFECTIVENESS OF HOMELAND SECURITY GRANTS**

**Tuesday, March 20, 2012**

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

The subcommittee met, pursuant to call, at 10:15 a.m., in Room 311, Cannon House Office Building, Hon. Gus M. Bilirakis [Chairman of the subcommittee] presiding.

Present: Representatives Bilirakis, Turner, Richardson, Clarke of Michigan, and Thompson.

Mr. BILIRAKIS. Good morning. The Subcommittee on Emergency Preparedness Response and Communications will come to order. The subcommittee is meeting today to receive testimony on the management and administration of homeland security grants. I now recognize myself for an opening statement.

This morning's hearing is to begin a series of hearings that the subcommittee will conduct regarding homeland security grants. Today we will receive testimony from Federal witnesses on challenges and successes in the management and administration of these grants.

We will also continue a discussion that was begun last month with Deputy Administrator Serino on the President's proposal in fiscal year 2013 budget requests to consolidate a number of the grant programs into a new National Preparedness Grant Program. Next month the subcommittee will continue this examination with a hearing with stakeholders, those directly impacted by the proposed change.

Today I will once again raise a number of questions that I raised at the—of course the subcommittee's hearing, the FEMA budget hearing about the President's requests for grants as I do not believe, more than a month after the President's budget was released, we had received sufficient—I do not think we received sufficient detailed information about the proposed National Preparedness Grant Program.

These are the questions: How would FEMA factor risk when allocating funding under this program? Would high-risk urban areas, port authorities, and transit agencies be able to apply directly for funding? What is your plan and schedule for meaningful stakeholder engagement on this proposal?

That is so very important. Allocations under the NPGP would rely heavily on State's Threat and Hazard Identification and Risk Assessment, THIRA. Yet nearly a year after the THIRA concept was first introduced as part of the fiscal year 2011 grant guidance, grantees have yet to receive guidance on how to conduct the THIRA process.

At our hearing last month Administrator Serino indicated that the guidance would be released by the end of the month, which is fast approaching. When can stakeholders expect to get this information, which is long overdue?

Questions also remain as to how local stakeholders would be involved in the THIRA process at the State level. As I discussed with Administrator Serino, it is essential that local law enforcement, first responders, and emergency managers who are first on the scene of a terrorist attack, natural disaster, or other emergency be involved in this process. They know the threats to their local areas and the capabilities they need to attain to best address them.

I have received feedback from a number of stakeholder organizations. I know the Ranking Member has as well. I ask unanimous consent to insert this feedback and any received by the Ranking Member that she would like of course, would be included in the record. Without objection so ordered.

[The information follows:]

STATEMENT OF THE FLORIDA EMERGENCY PREPAREDNESS ASSOCIATION  
FEPA COMMENTS ON FEMA GRANT REFORM AND 2012 EMPG GUIDANCE

FEPA coordinated two conference calls with a focused group of members to discuss the recently released DHS/FEMA National Preparedness Grant Program (NPGP) for the 2013 grant cycle and funding guidance for the 2012 Federal Emergency Management Performance Grant. The calls were conducted on Tuesday, February 21, 2012 and Friday, February 24, 2012. The purpose of the calls was to exchange comments, concerns, and information regarding the proposals to allow FEPA to be better informed to provide information to the membership regarding these initiatives. In addition, FEPA's established relationship with Florida Congressman Gus Bilirakis provides the Association with a unique opportunity to submit our thoughts directly to the Congressman for his consideration.

This document represents a summary of the issues and questions discussed on the calls.

*Background.*—The NPGP consolidates a variety of current DHS grant programs (EMPG and Fire Grants will remain independent grants) and proposes that each State receive a "base" amount of funding allocated by population with the remainder of funds allocated through a National competitive process. FEPA recognizes any grants process can be improved and applauds the Federal initiatives to evaluate the grant programs' effectiveness and seek input on methods to improve funding processes. FEPA also is encouraged that the grant consolidation appears to reinforce an "All Hazards" approach to emergency management. Without this, emergency managers are faced with becoming "competitors" rather than "collaborators" with other response disciplines for scarce resources.

QUESTIONS/COMMENTS/CONCERNS

- What portion of the overall combined NPGP funding stream is dedicated to the "base" amount versus the "competitive" pool of funding?
- What is the representation on the National peer review panel for the competitive process? FEPA strongly suggests the inclusion of local emergency management practitioners and that their representation be equally weighted with State and National interests.
- Projects funded in the competitive process are to be tied to a State's Threat Hazard Identification and Risk Assessment (THIRA). How will the development of initial THIRAs be funded? What is the anticipated time line to complete the THIRAs?

- Based on anticipated use of THIRA as a tool for comprehensive capabilities and risk analyses, it appears that the THIRAs represent a very deliberative and complex process. Given this, will States have time to develop these assessments for the 2013 competitive funding cycle? What is FEMA's time line for completion of its (FEMA) regional THIRAs and how will FEMA's regional THIRAs influence the individual State THIRA documents in each FEMA region? Are State THIRAs expected or required to include locally developed THIRAs or similar assessments?
- Will DHS/FEMA issue detailed guidance information on the development of State THIRAs so the documents can offer a consistent perspective for the National competitive project review? If so, when?
- Will States be required to include local projects in their project submissions under the competitive process?
- Will local projects or projects that benefit local jurisdictions be a required percentage of a State's competitive project submissions?
- Will there be an appeals process to adjudicate the determinations/outcomes of the competitive process?
- The documents refer to "regional capabilities" and "deployable capabilities and assets" under EMAC. What is the definition of regional for these grant proposals?
- Many States have established regions for operational or programmatic purposes; but these may not accurately reflect sociological, demographic, and other characteristics that affect response capabilities and capacities. Are locally-trained personnel considered deployable assets under EMAC?
- Are preparedness activities such as NIMS-compliant local planning, training, and exercises still eligible and encouraged for funding?
- Are NIMS training requirements for local personnel still in place or are they now only required for personnel deployed under EMAC?

The documents state: "In addition, competitive applications will be required to address a capability gap identified in one of the FEMA Regional THIRAs, identify that the proposed new capability does not duplicate one that already exists within a reasonable response time and describe how the capability will be fully established within the 2-year period of performance."

- As noted above, when will the FEMA Regional THIRAs be completed and available?
- How does FEMA define a "new capability that does not duplicate . . . within a reasonable response time"? FEPA strongly encourages DHS/FEMA to recognize intra-regional capability gaps where even a robust regional approach results in underserved areas and populations, particularly for events that occur with little or no warning.
- Will the base and competitive funding process require States to recognize local emergency management organizations that have robust programs and can effectively manage grant funds to encourage distribution and use of the funds at the lowest effective level of government?

#### 2012 EMPG FUNDING OPPORTUNITY ANNOUNCEMENT

- How does the THIRA component of the State Mitigation Plan that is required to be completed by December 31, 2012 relate to the THIRA used as the basis for NPGP competitive projects?
- As noted above, how can these comprehensive assessments be completed by December 31, 2012 given the grant project award start date is June 1, 2012 and grantees have 90 days to accept or reject an award?
- The guidance includes permissive language that a grantee may sub-grant funds to non-Governmental entities. What is the purpose of this distinction in the grant guidance? This provision may promote unintended segregation of these entities from core emergency management Government functions rather than promote inclusion. Many of these entities have access to alternative Federal grant programs for their specific expertise and missions.
- If funded, will these entities be expected to meet the same program requirements as Governmental entities—i.e. trained personnel, approved emergency plans and procedures, training, and exercise plans?

#### EXPEDITING EXPENDITURES OF DHS/FEMA GRANT FUNDS

FEPA would also like to express concern regarding FEMA's recently released guidance to State Administrative Agencies to expedite expenditure of certain DHS/FEMA grant funds (Grant Programs Directorate Information Bulletin Number 379, February, 17, 2012). As noted above, FEPA recognizes the need for continual review

and improvement of grant processes and the need to expend grant funds within a reasonable period of performance. However, the bulletin places the burden on grantees and sub-grantees to request and fully document the need for funding extensions without recognizing that delays with the FEMA project obligation, FEMA project review, and FEMA evaluation process are often the initial cause of the fund expenditure delays. In Florida, this is particularly true of multiple delays in required FEMA environmental review of capital projects, such as Emergency Operations Centers. FEMA should perform an internal review of each local project that is affected by Information Bulletin 379 that has experienced a delay in a required Federal review and automatically exempt it from the new requirements.

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LETTER SUBMITTED FOR THE RECORD BY CHAIRMAN GUS M. BILIRAKIS

MARCH 16, 2012.

The Honorable PETER KING, Chairman,  
The Honorable BENNIE G. THOMPSON, Ranking Member,  
*Committee on Homeland Security, U.S. House of Representatives, Washington, DC 20515.*

The Honorable GUS BILIRAKIS, Chairman,  
The Honorable LAURA RICHARDSON, Ranking Member,  
*Subcommittee on Emergency Preparedness, Response, and Communications, Committee on Homeland Security, U.S. House of Representatives, Washington, DC 20515.*

Dear MR. KING, MR. THOMPSON, MR. BILIRAKIS, AND MS. RICHARDSON: We are pleased to submit this letter for the record of your March 20, 2012, hearing on Ensuring the Transparency, Efficiency, and Effectiveness of Homeland Security Grants.

Everyone agrees that we should spend our homeland security dollars where they are needed most in an efficient and effective manner and that we need to improve cooperation and communication among the various agencies and governments involved in making our homeland secure. While we share the goals of using risk assessments and reducing administrative burdens, we do not believe that a decade's worth of work in building the regional governance and collaboration structures of these programs should be discarded in the wholesale fashion proposed without full consideration through Congressional reauthorization of the grant programs. Until the preparedness grant programs are reauthorized by Congress, the current grant program structure as authorized by law should be followed.

We, therefore, have serious concerns with FEMA's proposal to convert the current suite of homeland security grant programs into State-administered block and competitive grant programs in which funding decisions are based on State and multi-State threat assessments. Of course, changes are needed in these programs, but the outline for the proposed National Preparedness Grant Program (NPGP) raises serious concerns and questions for those of us at the local level—the ones charged with providing terrorism prevention, protection, and first response when an incident occurs. Among our concerns and questions:

- The NPGP proposal moves away from the current regional governance, assessment, and strategy-based approach to a competitive and individual project based approach that will pit cities, counties, and States against each other for funding. This will generate conflict instead of fostering collaboration as is currently the case.
- The NPGP proposal emphasizes Nationally deployable assets, thus shifting the emphasis from the full system of prevention, protection, preparedness, response, recovery, and mitigation to one that appears to focus on response alone.
- What role will local Government officials, local emergency managers, and first responders have in the Threat Hazard Identification and Risk Assessment (THIRA) process so that they can ensure that it includes local concerns? It's important to note that THIRAs are not homeland security plans. They are risk assessments that should be used to help develop plans along with capabilities assessments and gap and sustainment analyses. Since final guidance on THIRAs has not yet been issued by the Department, it is difficult to consider major structural changes to grant programs that would be significantly influenced by the THIRAs.
- Since it is unclear how the funding in the NPGP will be distributed to local areas, how do we ensure that it is used to meet local threats and preparedness gaps? How do we ensure that political considerations do not become the criteria for the distribution of these funds?

- The UASI program ensures that Federal funding is used to improve preparedness in high-risk areas, as recommended by the 9/11 Commission. How can DHS ensure that the new National Preparedness Grant program meets this recommendation, if it solely distributes funding based on THIRA examinations performed by States?

Finally, we must ask why such major changes are being proposed without advance consultation with the local governments and full range of first responders charged with preventing, protecting against, and responding when incidents—man-made and natural—occur, and why are they being proposed without consulting with—and in fact in a way that would bypass—the committees of jurisdiction in Congress which have worked so hard over the years to craft the current suite of homeland security and preparedness programs.

Following are principles we would urge you to consider in reforming any of the grant programs:

- *Transparency.*—How the States are distributing funds, why they are making these decisions, and where the funds are going must be clear and understandable.
- *Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA.
- *Flexibility with Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding. ¶
- *Local Funding.*—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- *Terrorism Prevention.*—We must not lose the current emphasis on supporting law enforcement's terrorism prevention activities. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counter terrorism preparedness, threat analysis, and information-sharing activities.
- *Incentives for Regionalization.*—FEMA's proposal focuses on States and multi-State regions (similar to the FEMA regions). It is important to make sure that the homeland security grants also support preparedness in metropolitan intra-State and inter-State regions.

We appreciate the opportunity to submit these comments for the record and look forward to working with you to ensure the transparency, efficiency, and effectiveness of homeland security grants. If we can provide you any further information on this, please contact [The U.S. Conference of Mayors].

Sincerely,

NATIONAL ASSOCIATION OF COUNTIES,  
NATIONAL LEAGUE OF CITIES,  
THE UNITED STATES CONFERENCE OF MAYORS,  
U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS  
(IAEM-USA),  
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS,  
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS,  
NATIONAL VOLUNTEER FIRE COUNCIL,  
CONGRESSIONAL FIRE SERVICES INSTITUTE,  
NATIONAL SHERIFFS' ASSOCIATION,  
MAJOR COUNTY SHERIFFS' ASSOCIATION,  
MAJOR CITIES CHIEFS ASSOCIATION,  
NATIONAL HOMELAND SECURITY ASSOCIATION.

Mr. BILIRAKIS. In addition to considering the National Preparedness Grant Program proposal, I know that all our Members are interested in FEMA's efforts to develop measures and metrics for these programs. Pursuant to the Redundancy Elimination and Enhancement Performance for Preparedness Grants Act, which was approved by this committee and signed into law in 2010, FEMA

worked with the National Academy of Public Administration to develop performance measures.

While FEMA's collaboration with NAPA was completed months ago, this committee has yet to receive the results—the resulting report. We recognize that this is a complex undertaking, but FEMA has been attempting to develop these measurements for years. The time has come to finish the job.

In these difficult budgetary times we must ensure that vital Homeland Security grants funding is allocated based on risk and every dollar is leveraged to enhance our preparedness and response capabilities. There is no room for wasteful spending on snow cone machines, equipment that does not work or is incompatible with current systems, or equipment that sits idle so long that it becomes unusable. When such expenditures are identified we must take steps to address the problem and allocate the funding to jurisdictions that will make a better use of these funds.

With that, I once again welcome our witnesses. I look forward to your testimony.

The Chairman now recognizes the Ranking Member of the full committee to make a statement.

Mr. THOMPSON. Thank you very much, Mr. Chairman. I appreciate the Ranking Member of the subcommittee's graciousness in allowing me to go.

In fiscal year 2012 the Congress passed a bill mandating funding cuts in important Homeland Security grant programs. As part of that reduction in funding, grant programs were merged and the Secretary was empowered to pick winners and losers. Transit security, port security, and assistance to firefighters were cut. Programs like Citizen Corps and the Metropolitan Medical Response Systems were eliminated.

In March of this year the administration released its fiscal year 2013 budget request. In that request administration seeks to codify the grant program consolidation first carried out in the fiscal year 2012 appropriation. As a Ranking Member of the authorizing committee for the Department of Homeland Security, I urge my colleagues to take a serious look at this effort to authorize a consolidation of needed Homeland Security grants.

This committee, which possesses both oversight and authorization responsibility over the Department, has a duty to fully examine any and every effort to drastically cut and permanently merge these programs. Before this Government undertakes such a radical change in funding for these vital programs, Congress must ask some vital questions.

Members must ask about the wisdom of forcing port and transit officials to compete for the same grant money. Members must examine the fact of asking public health providers and local law enforcement to vie for a shrinking part of grant money.

State and local officials, first responders, and first preventers must have an opportunity to tell how they will be affected by these cuts. We need to hear what projects will be put on hold and what projects will be abandoned.

Members must ask how these funding decisions will affect the long-term and short-term security posture of our Nation. In other

words, we need to do oversight. I understand that we are in austere times and an election year.

I know that for some it is beneficial to be seen as a Government cost-cutter. But what good is cost-cutting if we reduce our preparedness and sacrifice our security? I guarantee you in this game a penny saved is not a penny earned. It could be a life lost.

Mr. Chairman, these grants are not merely about money. These grants play a big role in how people out in the rest of the United States prepare for the unthinkable. We must not be afraid to ask questions. With that, Mr. Chairman, I yield back.

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

Now I will recognize the Ranking Member of this committee for any statement she would like to make.

Ms. RICHARDSON. Good morning. Thank you, Mr. Chairman, for convening today's hearing; and of course, Ranking Member Thompson, for all of your support on these important issues.

I also want to welcome our panel today, our witnesses. Thank you for your testifying, in advance.

Mr. Chairman, before I move forward with my opening statement, in addition to the letter we received from the 12 vital stakeholders I would like to ask for unanimous consent to submit two additional letters for the record from critical stakeholders: the American Association of Port Authorities and the American Public Transportation Association.

Mr. BILIRAKIS. Without objection so ordered.

[The information follows:]

STATEMENT OF KURT J. NAGLE, PRESIDENT AND CEO, AMERICAN ASSOCIATION OF  
PORT AUTHORITIES

MARCH 20, 2012

Thank you for inviting us to submit testimony for the record on behalf of the American Association of Port Authorities (AAPA). AAPA is an alliance of the leading public ports in the Western Hemisphere and our testimony today reflects the views of our U.S. members.

Since 9/11, port security has become a top priority for U.S. ports. Safe and secure seaport facilities are fundamental to protecting our borders and moving goods. Protecting the people and freight that move through seaports and surrounding communities is essential to keeping seaports safe and open for business. With 99.6 percent (by volume) of overseas trade flowing through U.S. ports, a terrorist incident at a port could have a drastic impact on the U.S. economy.

In the decade since 9/11, a key component of our Nation's effort to harden the security of seaports has been the Port Security Grant Program, currently managed by FEMA. Port Security Grant funds have helped port facilities and port areas to strengthen facility security and work in partnership with other agencies to enhance the security of the region. Port Security Grant funding has been used to procure equipment such as vessels and vehicles, install detection systems such as cameras and sensors, and provide equipment maintenance for the systems recently installed.

Under the SAFE Port Act, the Port Security Grant program is authorized at \$400 million. Unfortunately, in the last few years, the funding for this program has decreased, currently standing at a dangerously low level. The current level of \$97.5 million is 75 percent less than the authorized level, and it is currently at one of the lowest funding levels ever for this program. As costs of systems, maintenance, and equipment continue to rise, this level of funding will bring into question the sustainability of the protection levels we have worked so hard to build over the last decade.

As you know, for fiscal year 2012, Congress decided to bundle all FEMA State and Local grant programs, cut the combined programs by 40 percent, and give DHS the authority to determine funding levels for individual programs. AAPA has long been wary of efforts to bundle programs, fearing that traditional homeland security grants would be given a higher priority. DHS was given the authority to make the

funding decisions, and last month, our fears became reality. The fiscal year 2012 funding level represents a 59 percent cut from the prior year and 75 percent less than the authorized level. This will harm our ability to expand protection of our maritime assets, carry out Port-Wide Risk Management Plans and fund Federal mandates such as installation of TWIC readers.

In a constantly changing threat environment, this level of funding will make it difficult to maintain current capabilities, much less meet new and emerging concerns in such areas as infrastructure protection, continuity of services such as power and water, protection of our information technology capabilities and response to the ever-growing cyber threat. At many ports, Port Security Grant funding has been a critical component in their efforts to build a resilient port, and we would hate to see a degradation of these efforts as a result of grant funding reductions.

There were other adverse changes to the fiscal year 2012 grants as well. First, the term of performance has been changed from 3 years to 2 years in an effort to get money spent more quickly. Although we appreciate the need to move projects along, we are concerned that such a move will shift the focus to buying "stuff," rather than developing technological solutions, most of which are part of Port-Wide Risk Management Plans, which have been well-vetted to address current and future vulnerabilities. Ports, in working closely with each other and the Department of Homeland Security, have spent a great deal of time to identify system-wide vulnerabilities and develop holistic solutions. The past period of performance made it difficult to execute many of these solutions; the current period may make it nearly impossible.

As your committee knows, there have been challenges in getting grant money disbursed. This is a complex issue that has been made even more complex due to an ever-changing grant environment. First, it may take months to get final approval from FEMA to execute funding, and once this approval is secured, it is only the start of a complex process that involves design efforts, which in most cases only begin when the funding is approved. Once these design efforts are complete, State, local, and Federal procurement processes come into play. For a complex system this often requires the issuance of a Request for Qualifications (RFQ), followed by a Request for Proposals (RFP), responding to questions by vendors, evaluation of the proposals, and the contract process. Once a contract is in place, a complex project may need to get State and local environmental clearances, and clearances from the Historical Society if a Historical Building or site may be involved.

Cost-share requirements have also been an obstacle. Although we appreciate the concept for a grantee to have "skin in the game," it is often overlooked that the "skin" that the port also provides is the on-going operations and maintenance costs of the system. This is particularly true with technology solutions where the annual operating costs can be as high as 10 percent of the cost of the project. At this rate the port exceeds a 25 percent cost share in current dollars a little more than 2 years after the completion of the project. In some major ports where in-house design often occurs, the port's contribution is larger due to the fact that port personnel costs are not refunded by the grants.

As indicated above, how projects are funded has some peculiarities as well. Some ports prefer to use in-house labor, either by choice or due to labor agreements. Unfortunately, this puts the port at a financial disadvantage because in-house labor is not reimbursable under the grants.

A number of challenges exist with respect to grant funding and administration and there is often not a clear recognition that many projects may be underway if one views only the total of unspent funds. Many ports have procurement policies that only allow them to seek reimbursement after a project is completed, and in many cases billing is not conducted until the project is complete. It may appear that nothing has been done on a project when it is actually complete or nearly complete, and as a result, the financial reporting may not provide an accurate picture.

FEMA and ports are working hard to resolve this draw-down problem. Two key things that could speed spending are providing a uniform cost-share waiver and further streamlining the FEMA Environmental and Historic Preservation review process. As you know, some years there is a cost-share requirement, and other years it is waived. For projects that have a cost-share, grantees decide to go to DHS for a project-based waiver. This delays the use of funds as some grantees must wait to see if they can get cost-share-waived funds before undertaking a project. AAPA strongly endorses a uniform waiver of cost-share for all past grants to stimulate quicker use of past funds and as a recognition of the other costs ports incur, as noted earlier.

Another hurdle is the Environmental and Historic Preservation review within FEMA. While other FEMA programs must go through these reviews, there isn't the threat of a loss of funds, because there is no time table associated with these other

programs. Therefore, the EHP reviews are not processed or prioritized in a way to reflect grant time limitations. Additionally, FEMA EHP reviews could be streamlined by taking into account similar State and local reviews for a facility. While EHP has streamlined some of their reviews, this process still is a major reason why many of the grant projects require an extension.

The fiscal year 2012 grant announcement also includes some improvements to the program, like expanding the use of funds for maintenance and allowing limited use of grants for personnel, as allowed under the authorization legislation. These are changes for which AAPA has long advocated. AAPA was also pleased to see that despite the drastic cut in funding, all ports continue to be eligible for funding. Restricting funding to the highest-risk ports would be bad public policy because it would leave a soft underbelly of underprotected ports that terrorists could exploit.

In regard to the future of this program, in February, the FEMA Grants Directorate released a vision document that outlined its plan to consolidate 16 separate grant programs into one National Preparedness Grant program starting in fiscal year 2013 that would send the money to the States for distribution. AAPA believes this would make port security programs an even lower priority and strongly urges your committee to keep the program separate, as you do for Firefighter Assistance grants.

Port Security Grants are managed quite differently than other homeland security grants. Priorities are set locally, based on the risks and vulnerability of the local port area. Other homeland security grants have a list of core capabilities, which all grantees try to attain. This capabilities list is based more on movable and shared assets rather than set facilities. There is no such list of core capabilities for port security grants and the ones developed for other grant programs were not developed with ports in mind. Additionally, ports have certain Federal mandates, such as TWIC readers, that they must comply with, and the cost of those requirements will not be fully felt until the Coast Guard issues its final regulations.

Moving the funding to the States is also a big concern for AAPA. Port security is focused on protecting international borders. This is a Federal responsibility, not a State responsibility. Many States don't have the personnel or expertise to evaluate maritime risks or determine how ports should be prioritized against other homeland security priorities in the State. The risk evaluations for ports are made at the Federal level by the Coast Guard and other Federal agencies. We are also concerned that this would increase the complexity in grant management and slow a process that is already recognized as cumbersome.

Not only does a second or potentially third pass-through layer (the State or municipal government, respectively) mandate its own sets of compliance requirements on top of Code of Federal Regulations and Office of Management and Budget Circulars, it also creates unnecessary cogs in the administration that slows down our ability to spend, execute, and deliver. Moving funds to the States would compromise program efficiency and effectiveness. If, however, a decision is made to consolidate the program and move it to the States, AAPA strongly urges your committee to allocate a set amount of funding for the program to ensure that funding for port security is not diluted further.

AAPA appreciates the willingness of DHS to work with the ports on Port Security Grant issues. We have and will continue to work with them to improve the program. Positive changes have been made, and we hope that these changes will continue. We do feel that over time external pressures and the "pile-on" effect of new and continuing requirements has had a significant negative impact on the program. We also believe that it is an appropriate time for a DHS/Grant User Group to conduct a review of the Port Security Grant Program and identify areas of improvement and recommend changes that will address these areas.

For fiscal year 2013 and beyond, we strongly urge the committee to:

1. Restore port security funding to its earlier level;
2. Keep the funding separate, similar to Firefighter Assistance Grants;
3. Maintain current Federal control over the program, or if funds are moved to the States, appropriate a set amount for our Nation's ports;
4. Provide a uniform cost-share waiver of past grant funds; and
5. Establish a joint DHS/Port group to continually streamline the process.

In order to continue to be effective, the grant process must evolve in conjunction with port needs and vulnerabilities. Working with DHS, efforts have been made to keep pace with this evolution. We fear that if ports are "lumped" into the larger Homeland Security equation, efforts to date will be marginalized and the focus on ports will be lost. The separation of Port Security Grant funding served to highlight the need to focus on a component of the Nation's critical infrastructure and international border that was largely ignored prior to the tragic events on 9/11. We have

a significant fear that this focus will be lost if the Port Security Grant Program does not remain separate and fails to continue to evolve to meet emerging security needs.

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LETTER FROM THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

MARCH 16, 2012.

Chairman PETER KING,  
*U.S. House of Representatives, Committee on Homeland Security, H2-176 Ford  
 House Office Building, Washington, DC 20515.*

Ranking Member BENNIE THOMPSON,  
*U.S. House of Representatives, Committee on Homeland Security, H2-176 Ford  
 House Office Building, Washington, DC 20515.*

DEAR CHAIRMAN KING AND RANKING MEMBER THOMPSON: On behalf of the American Public Transportation Association (APTA), our more than 1,500 member organizations, and the millions of Americans who regularly ride public transportation, I write to offer APTA's views on the proposed fiscal year 2012 Transit Security Grant Program (TSGP) Guidance and the fiscal year 2013 National Preparedness Grant Program (NPGP). APTA was not consulted in the development of this new approach to preparedness grants that is embodied in both the guidance and the new grant program, which overemphasizes the value of a consolidated approach to these grants and unnecessarily eliminates the TSGP as a stand-alone program. We believe this approach to be inconsistent with the direction set forth under the Implementing Recommendations of the 9/11 Commission Act.

APTA recognizes many of the sound goals and positive policy provisions represented in the new proposal, including:

- *Peer Review.*—APTA and its members already have a system in place for conducting peer reviews—we look forward to working with the Federal Emergency Management Agency (FEMA) to develop such a program.
- *Multi-year Grant Guidance.*—APTA supports the approach of a multi-year grant guidance—previously, the TSGP guidance changed nearly every year, and APTA believes this to be one of the reasons that have contributed to delays in grant performance and drawdown.

Notwithstanding these positive improvements to the current program, there are several other program changes that cause us concern and which we believe could thwart the progress many grantee agencies have made to improve the security of their systems in recent years.

PROBLEMATIC PROGRAM CHANGES: FISCAL YEAR 2012 TSGP GUIDANCE AND FISCAL YEAR 2013 NPGP

The “National Preparedness Grant Program” proposes to consolidate all grant programs previously categorized as preparedness grants into one comprehensive grant program. This is a drastic change that eliminates the stand-alone TSGP—the exclusive pool of funding for our Nation's public transportation systems. While this new program may be designed to meet the needs of the emergency management community and to more closely align with policy represented in the National Preparedness Goal, emergency preparedness and core capabilities are only subsets of the policy that the Transit Security Grant Program was intended to advance. Transit systems and their assets remain high-risk terrorist targets, and investments in hardening and other capital security improvements specific to transit agencies do not appropriately fall within this broader emergency preparedness policy. APTA calls on Congress to authorize and preserve a sufficiently-funded, segregated grant program for public transportation security as envisioned in the 9/11 Commission Act.

Of additional concern is the new 24-month period of grant performance for all projects proposed in the fiscal year 2012 TSGP Guidance, which is further contained in the proposal for the fiscal year 2013 NPGP. This is a reduction from the previous 3–5 year allowable expenditure period. APTA certainly appreciates the concerns regarding unexpended security grant dollars and is committed to working with transit agencies to carry out important security projects in a timely fashion. However, it is important to recognize that capital projects (security-related or otherwise) require multiple years to complete, and a reduction in the time allotted to expend funding would preclude many much-needed capital infrastructure security projects from being pursued and instead compel most grant recipients to apply for equipment and operational grants. This is not in the best interest of fortifying our systems against attacks, as the majority of the security needs identified in a 2010 survey of APTA's members relate to capital projects. APTA recommends maintaining the 3-year ex-

penditure window with the opportunity to receive 6-month extensions up to a maximum of 5 years.

Similarly, the fiscal year 2012 TSGP and fiscal year 2013 NPGP place a high emphasis on operational activities and Operational Packages (OPacks). Congress has previously set a clear priority for transit security capital investments when enacting the “National Transit Systems Security Act of 2007” (Title 14 of the 9/11 Commission Act). Additionally, the fiscal year 2012 grant guidance states that this year’s funding priorities will be based on a pre-designated “Top Transit Asset List” or TTAL. APTA has testified previously that security investment decisions should be risk-based, which is the underlying approach of the TTAL. However, across the entire transit industry, thousands of assets are not listed on the TTAL and, thus, would not be eligible to receive funding. While this narrower funding approach is based on tighter fiscal circumstances and the total Federal dollars available for security grants, it is also indicative of the inadequacy of current funding levels. The proposed approach will preclude important security improvements from receiving funding consideration. APTA recommends reauthorizing the public transportation security assistance provisions of the 9/11 Commission Act, and urges Congress to work to make adequate funding available for the program to meet National needs.

Finally, under the proposal, while transit agencies would be eligible for security funding, they would be required to apply for funding through their State Administrative Agency (SAA), and compete in this process with other State security priorities. This is a shift from the current program, where transit agencies are authorized to be direct recipients of grant funds. We believe that under this new proposal sufficient funding would not consistently get to transit agencies, and in many cases the involvement of the SAA has the potential to slow the already lengthy grant performance process. Congress has repeatedly endorsed the position that transit agencies should be direct Federal grant recipients, as they have been through the Federal Transit Administration, and we urge Congress to continue this policy.

Thank you for your continued commitment to the security needs of our Nation’s public transportation providers and their riders. Should you have any questions regarding APTA’s views on these issues, please do not hesitate to contact [the APTA staff].

Sincerely yours,

MICHAEL P. MELANIPHY,  
*President & CEO.*

Ms. RICHARDSON. Today we will discuss FEMA’s full year 2012 preparedness grant allocations and full year 2013 proposed grant consolidation proposal. For more than a decade since 9/11 attacks, the Department has provided State and local governments with Homeland Security preparedness grants to invest in capabilities to strengthen our Nation.

Administrator Fugate has referenced on several occasions that first responders’ ability to successfully respond to recent disasters on the local level is based upon primarily the investments made by FEMA’s preparedness grants program. I absolutely concur that we should reaffirm and prioritize support for first responders on the local level due to the changing complexities of the terrorism threats and increased intensity of National disasters.

Likewise, though, I support the efforts to promote efficiency while maintaining that the American people need the best prepared, equipped, and trained first responders. In light of learned disaster preparedness that we have unfortunately witnessed for several years now, I appreciate the administration’s commitment to fiscal responsibility while simultaneously strengthening the security of our Nation’s full year 2013 budget.

However, the proposed new grant approach falls short of immediate approval due to the lack of details, absence of broad stakeholder outreach and governance structure, which will erode the good work performed by the Department of Homeland Security over the last 10 years. I am concerned that these drastic changes will negatively impact the preparedness capabilities of our State,

territory, Tribal, and local partners. I agree that the Emergency Management Performance Grants and the Assistance to Fire Grants should remain independent programs and provide adequate funding, given our economic climate.

Yet, I am extremely concerned about the impractical approach to consolidate the remaining 16 vital grant programs under the National Preparedness Grant Program. For instance, the Urban Area Security Initiative, UASI grant program, brings together all of the various first responder disciplines in order to direct funding to close regional preparedness gaps—excuse me. To direct funding to close regional preparedness grants, to sustain capabilities, and to reduce risk in high-threat areas.

Specifically grant programs that support direct grant investments to address specific previously documented gaps in National and local preparedness capabilities should continue. This is why I am completely opposed to the proposed consolidation and at a minimum will work with my colleagues to maintain UASI, the State Homeland Security Program, Port Security Grant Program, and the Transit Security Grant Program as independent programs.

Throughout this country there are significant port and transit networks that serve the entire public and the major aspects of the economy that require adequate security. To further add to this point, I am concerned and it is unclear what justification supports reducing port security funding from full year 2012 by 59 percent. Now by consolidating it to further increase the jeopardy of reducing the focus that this country needs.

The consolidation and reductions to our Nation's port security and transit security grants are unacceptable and threaten to undercut our ability to ensure that our seaports and critical infrastructure are adequately protected, of which I represent.

I look forward to hearing FEMA's response to these concerns and efforts to implement performance measures. Specifically, I welcome Mayor Nutter's testimony that will help illuminate in real-life scenes the important role of preparedness grant programs and the success of local Homeland Security initiatives.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. BILIRAKIS. Thank you very much.

Other Members of the subcommittee are reminded that opening statements may be submitted for the record. I am pleased to welcome our distinguished panel of witnesses.

Our first witness is Ms. Elizabeth Harman. Welcome.

Ms. Harman is the assistant administrator of FEMA's Grants Program Directorate, a position to which she was appointed by President Obama and confirmed by the United States Senate in March 2010. Prior to joining FEMA, Administrator Harman served as the director of the Hazardous Materials and Weapons of Mass Destruction Training Department at the International Association of Firefighters.

Ms. Harman has also served as the State administrator for Exercise and Training for the National Capital Region with the Maryland Emergency Management Agency, and led Maryland's NIMS roll-out efforts. Ms. Harman has served as both a volunteer and career firefighter and holds a degree from George Washington University.

Following Administrator Harman, we will hear from Mr. Corey Gruber. Mr. Gruber is the assistant administrator of FEMA's National Preparedness Directorate. Mr. Gruber previously served as the acting assistant secretary of grants and training. Prior to joining the Federal Government in 2001, Mr. Gruber was the deputy director of the Emergency Management Division for Research Planning. Mr. Gruber also served in the United States Army where he was the chief of plans for the Department of Defense's Directorate of Military Support.

Thank you for your service, sir.

Administrator Gruber received his bachelor's degree from Penn State University and his master's degree from Chapman University.

Our next witness is Ms. Anne Richards. Welcome.

Ms. Richards is the assistant inspector general for the Office of Audits within the Department of Homeland Security's Office of Inspector General. Prior to joining the OIG in 2007, Ms. Richards served in the Department of Interior, including as the assistant—she was the assistant inspector general for audits.

Ms. Richards has also held a number of positions with the U.S. Army Audit Agency. Ms. Richards received her bachelor's degree from Franklin & Marshall College and her masters of public administration from Troy State University. Ms. Richards is a CPA in the Commonwealth of Virginia. Welcome.

Next we will receive testimony from Mr. William Jenkins. Mr. Jenkins is the director of Homeland Security and Justice Issues at the United States Government Accountability Office, a position he has held since 2003. In this capacity he has led and coordinated GAO's work on emergency preparedness response and recovery.

Mr. Jenkins joined GAO in 1979. He received his bachelor's degree in political science magna cum laude from Rice University and his PhD in public law from the University of Wisconsin.

Finally we will hear from the Honorable Michael A. Nutter. Mr. Nutter is the 98th mayor of Philadelphia. Mr. Nutter graduated from Warren School of Business at the University of Pennsylvania.

Before pursuing his career in public service Mayor Nutter was an investment manager at a minority-owned investment banking and brokerage firm. After working on the gubernatorial campaign of Ed Rendell and campaigns for city council, Mr. Nutter won an election as a committee person in the 52nd ward in 1986, 52nd Democratic ward leader in 1990, and for the city council in 1991.

Welcome, sir.

Your entire written statements will appear in the record. I ask that you summarize your testimony for 5 minutes. We will begin with Administrator Harman.

You are recognized.

**STATEMENT OF ELIZABETH M. HARMAN, ASSISTANT ADMINISTRATOR, GRANT PROGRAMS DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Ms. HARMAN. Thank you, Mr. Chairman.

Mr. BILIRAKIS. Thank you.

Ms. HARMAN. Chairman Bilirakis, Ranking Member Richardson and Ranking Member Thompson, Members of the committee; I am Elizabeth Harman. I am FEMA's assistant administrator for the Grant Programs Directorate, also known as GPD. On behalf of Secretary Napolitano and Administrator Fugate, it is my pleasure to appear before you to discuss Homeland Security grant programs.

Homeland Security grant programs has significantly contributed to the security and preparedness of our Nation. Over the past 10 years the programs have provided more than \$35 billion in Federal funds to enhance capabilities to plan, prepare, prevent, and respond to and recover from natural and terrorist events. Over the past 10 years we have also made progress in how these grants are administered.

Since its creation GPD has matured as an organization. In the past 24 months I have had the opportunity to serve, GPD has made significant strides and improvements in its operations, in the development, management, and oversight of these programs. These include addressing staff vacancies, standardizing formal internal operating procedures, and relationships with our external partners.

The ultimate responsibility from management and oversight of these grants rests with GPD. Working in partnership with a number of Federal agencies, GPD draws on those agencies' expertise in the development and administration of individual grant programs. To clarify roles and responsibilities and establish a formal relationship, we have established eight memorandums of understanding with our various partner agencies.

As of fiscal year 2010, GPD was experiencing delays in processing grant awards and releasing funds to grantees. These delays slowed grantees' ability to access funds and proceed with approved projects. GPD identified delays in two principal areas: Budget approvals and Federal, environmental, and historic preservation laws.

GPD revised its internal processes and collaborated with its partners to shorten the review times for both. The entire budget review now takes less than 30 days and EHP reviews now take an average of 18 days, a 66 percent improvement.

The development and adoption of standard operating procedures is critical to our successful long-term operation and of any organization. Prior to 2011 critical weakness within GPD was at a lack of SOPs. As of today, substantial progress has been made in the development and documentation of these, resulting in uniform and streamlined business practices.

A major challenge that faced GPD and one that has received ongoing attention from Congress is the rate at which Homeland Security grant funds are spent. This is also known as the drawdown issue.

As of January 2012 more than \$8 billion of the \$35 billion awarded under these grants remained available for expenditure. It is important to understand that these funds are not idle. Work is being done, projects are underway, and capabilities are being built.

Often the spending of grant funds is slow due to factors beyond the control of the grantee. These include State and local procurement and contracting rules, the overall nature of the project, matching requirements, EHP requirements, et cetera. In an effort to assist grantees and remove impediments wherever possible, Sec-

retary Napolitano recently issued a memorandum increasing flexibility in the use of these grant funds, and where appropriate offer grantees relief from grant program requirements such as mandatory cost shares.

Historically the \$35 billion awarded under our Homeland Security grant program has been provided through specific grant programs authorized under the 9/11 Act. In fiscal year 2011, 15 separate grant programs received funding. Each of these programs supports different recipients.

However, the projects supported by these programs often overlap in scope and thus efforts may be duplicated. In fiscal year 2012 Congress provided the Secretary discretion to allocate approximately \$995 million among the 9/11 Act's grant program. Ultimately eight programs were funded.

This consolidation offers a number of benefits, including allowing grantees to focus Homeland Security dollars where most needed while reducing redundancy. With this in mind, and as a next step in maturation about thinking about preparedness, the fiscal 2013 budget proposed is a National Preparedness Grant Program, also known as the NPGP. This builds upon the consolidated approach taken in the fiscal year 2012 grant cycle.

The NPGP vision is based on input we have received from grantees across the country over the last several years, including most recently through the Presidential Policy Directive 8 process and the National Preparedness Task Force. The NPGP will use a competitive risk-based model allocating funding to sustain core capabilities, address gaps in threat assessments, and build new capabilities.

FEMA has established a robust outreach effort over the coming weeks to solicit additional input around this proposal, and an ongoing dialogue with your staff and other Members of Congress. We have also established a topic on our new FEMA web-based collaboration site to facilitate continued dialogue.

We believe these programs have benefitted the Nation over the years. We strive to improve the administration of these grants and are now proposing a framework of how we can best maximize grant funding to address the greatest risks to our country. This new approach has merit and we look forward to working with Congress and our stakeholders to make it a reality.

Mr. Chairman, Ranking Member Richardson and Ranking Member Thompson, and the subcommittee, this concludes my statement. I am happy to respond to any questions that you may have.

[The joint prepared statement of Ms. Harman and Mr. Gruber follows:]

JOINT PREPARED STATEMENT OF ELIZABETH M. HARMAN AND COREY GRUBER

MARCH 20, 2012

Good morning Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee. I am Elizabeth Harman, assistant administrator for FEMA's Grant Programs Directorate (GPD) and this is Corey Gruber, assistant administrator for FEMA's National Preparedness Directorate (NPD). On behalf of Secretary Napolitano and Administrator Fugate, it is our pleasure to appear before you today to discuss the present and future of the Department of Homeland Security (DHS) Homeland Security Grant Programs (HSGP).

As this committee is aware, FEMA's grant programs, collectively known as the Homeland Security Grant Programs, have contributed significantly to the overall security and preparedness of the Nation. By providing funds to support State and local collaboration and the development of State Homeland Security Strategies, the Homeland Security Grant Programs have enhanced security and preparedness in States, territories, Tribal nations, regions, cities, on our borders, and in our ports and transit systems. As a Nation, we are more secure and better prepared to prevent, protect, and mitigate the impact of threats and natural disasters than we have been at any time in our history.

From the unprecedented attacks of September 11 to the tornados and storms of the last several weeks, as a Nation, we are much more aware of the threats and vulnerabilities we face, as well as the capabilities we have built to address these hazards. With that awareness, we have raised preparedness and response to new levels of importance. As a result, we plan better, train better, work together better, and respond and recover better. With each passing year, our planning, preparations, and capabilities have matured.

Much of this progress has come directly from the leadership and capabilities developed at the National, State, and local level. Over the past 10 years, the homeland security grants have provided State, territorial, local, and Tribal governments with more than \$35 billion in Federal funds to enhance capabilities to plan, prepare for, prevent, respond to, and recover from natural disasters and other terrorist threats. With these funds, grantees have built and enhanced capabilities by acquiring needed equipment, training personnel, planning, exercising, and building relationships across city, county, and State lines.

The Nation has made significant progress and has achieved a high degree of maturity in several of the core capabilities identified in the National Preparedness Goal, particularly those that are cross-cutting and support disaster response. Areas of success include planning, operational coordination and communication, intelligence and information sharing, environmental response, health and safety, mass search and rescue, and public health and medical services. Significant investments in public health and medical services, operational communications, and planning capabilities have made substantial contributions to progress achieved Nationally.

Specific examples of success include the development and maturation of State and local fusion centers. Fusion centers function as focal points—information hubs—within State and local jurisdictions to provide for the gathering, receipt, analysis, and sharing of critical information and intelligence among Federal, State, and local agencies. Fusion centers have long been supported under several of the Homeland Security Grant Programs, specifically the State Homeland Security Program (SHSP) and the Urban Areas Security Initiative (UASI) Grant Program, and remain a priority in the fiscal year 2012 grants. As of February 2012, there are 77 designated State and major urban area fusion centers across the country, greatly enhancing the Nation's ability to share critical information among all levels of government.

Additional success areas include improved planning capabilities as well as improved operational coordination among response agencies. For example, the Nation has significantly improved the feasibility and completeness of plans for catastrophic events, due in part to significant State and local investments in planning activities through FEMA grant programs. The 2010 Nation-wide Plan Review showed that by 2010, more than 75 percent of States and more than 80 percent of urban areas were confident that their overall basic emergency operations plans were well-suited to meet the challenges of a large-scale catastrophic event. Additionally, both States and urban areas show high degrees of confidence in functional and hazard-specific planning, with even higher degrees of confidence for hazards with which they have had experience, such as flooding or tornados. FEMA has included planning as an allowable grant cost since 2003 and has emphasized planning as a priority for preparedness funding since 2006.

FEMA preparedness grant programs have also built operational coordination capabilities, specifically helping to solidify the National Incident Management System (NIMS) as the common incident management doctrine for the whole community. Prior to the introduction of NIMS in 2004, no single, official incident command system existed for the Nation. Now, nearly 10 million homeland security stakeholders from across the Nation have successfully completed the FEMA-sponsored independent study courses on the Incident Command System.

Another achievement in Federal preparedness assistance is the Nation's highly mature search-and-rescue capability. From fiscal year 2006 through fiscal year 2010, recipients of State and local homeland security grant funds allocated approximately \$158 million in preparedness assistance to build and maintain US&R capabilities. Today, the Nation has 300 State and/or local urban search-and-rescue (US&R) teams, and 97 percent of the Nation's population is within a 4-hour drive of a US&R

team. This National expansion of State and/or local US&R capabilities is a direct result of Federal funding and training. A tangible result of this enhanced capability is evidenced by the aftermath of the April 2011 outbreak of deadly tornadoes in the United States, when Alabama mobilized State and local US&R teams to support search-and-rescue operations in Marion, Jefferson, Franklin, and Tuscaloosa counties rather than request Federal US&R support. This enhanced local and regional capacity resulted in a more prompt and immediate response than would otherwise have been possible.

Finally, over the years since its creation, GPD has matured as an organization. Specifically, over the past 2 years, GPD has made significant strides and improvements in its operations and in the development, management, and oversight of the Homeland Security Grant Programs. These improvements include: Filling staff vacancies; streamlining internal reviews; standardizing and formalizing internal operating procedures and GPD's relationships with its external partners—specifically those Federal agencies that assist GPD in the development of the various homeland security grant programs; and enhancing stakeholder involvement with program development and administration.

#### STAFFING

In fiscal year 2010, 20 percent of GPD Headquarters' 180 authorized positions (37 FTEs) were vacant. This vacancy rate affected both GPD components, the Preparedness Grant Division and the Grants Operations Division, impacting program administration, including the ability to work directly with grantees, respond to grantee requests, and monitor grantee performance. For Grant Operations, the vacancy rate impacted financial oversight and monitoring, including the rates at which grantees spent grant funds.

Adequate staffing is critical to GPD's success. In addition to the administration of a current fiscal year's grant programs and the development of the next year's grant program, GPD also manages 21,000 open grants from prior fiscal year grant cycles. Therefore, with the full support of FEMA's senior leadership, GPD filled 37 full-time permanent (FTP) positions between August and November 2010. Currently, GPD's overall vacancy rate is 10 percent and GPD has filled 168 of its 189<sup>1</sup> authorized positions. GPD's staffing improvements include filling several senior leadership positions such as its Deputy Assistant Administrator, Director for Grant Operations, and Director for the Preparedness Grant Division.

#### STREAMLINING INTERNAL PROCESSES

Due to staffing and other challenges, GPD previously faced significant delays in processing grant awards and releasing grant funds to grantees. These delays, in turn, slowed grantees' ability to access funds and proceed with approved projects. GPD identified delays in two principal areas. The first was the delays associated with GPD review and approval of grantees' budgets. The second involved the project reviews and approvals required under Federal environmental and historic preservation laws, such as the National Environmental Preservation Act (NEPA).

In response, GPD undertook several internal reforms which resulted in major improvements and shortened both environmental and historic preservation reviews. The most significant of these included:

- Adding Environmental and Historic Preservation (EHP) staff to review EHP applications; creating a new EHP screening form to better facilitate the application process; developing Programmatic Environmental Assessments to streamline the review of certain projects; and implementing a formalized process to follow up with grantees who need to submit additional information in order to process their application.

GPD also took major steps to shorten budget reviews. These included:

- Creating the Budget Review Renovation Working Group in the GPD to improve the budget review process.
- Implementing a guidance checklist for grantees with guidance on what information is needed for a complete and thorough budget to improve consistency as well as decrease overall review time. By providing these instructions, grantees were better informed about what materials were needed and able to ensure that their budget information was complete, resulting in faster approval of their budgets.

Today, GPD's budget review period is less than 30 days. Since 2011, GPD headquarters' staff reduced its EHP review time to an average of 18 days—a 66 percent

<sup>1</sup> Between fiscal year 2010 and fiscal year 2012, the number of authorized positions increased from 180 to 189.

improvement over 2010. Additionally, from 2010 through 2011, GPD averaged 3,000 EHP reviews per year, 80 percent of which were completed in less than the 18-day average.

#### STANDARDIZING INTERNAL OPERATING PROCEDURES

Prior to 2011, GPD lacked standardized operating procedures (SOPs). To address this, FEMA embarked on an effort to develop standard operating procedures for all of its grant programs. These SOPs are now in force and are being utilized on a daily basis by both headquarters and regional grants staff.

#### FORMALIZING RELATIONSHIPS WITH FEDERAL AGENCY PARTNERS

GPD has the ultimate programmatic, administrative and fiduciary responsibility for the management and oversight of the Homeland Security Grant Programs. Working in partnership with a number of Federal agencies, GPD draws on those agencies' expertise and resources in the development and administration of individual homeland security grant programs. For example, GPD has partnered with the U.S. Coast Guard in the development and administration of the Port Security Grant Program (PSGP). Similarly, it has partnered with the Transportation Security Administration in the development and administration of the Transit Security Grant Program (TSGP) and with Customs and Border Protection in the development and administration of the Operation Stonegarden Grant Program.

Formalizing GPD's relationships with its partner agencies became critical to the on-going stability and successful operation of the grant programs. Currently GPD has eight MOUs in place. Within the Department of Homeland Security, GPD has MOUs with the Office of Policy, the National Protection and Programs Directorate's Office of Infrastructure Protection, the Transportation Security Administration, the Office of Health Affairs, and FEMA's Office of Environmental Planning and Historic Preservation. GPD also has MOUs in place with the Department of Health and Human Services, the Department of Transportation, and the Department of Commerce's National Telecommunication and Information Administration.

#### ENGAGING STAKEHOLDERS

GPD's key partners in the development and administration of the Homeland Security Grant Programs are the grantees, and more broadly the stakeholder community, including the Nation's governors, mayors, Tribal leaders, emergency managers, port and transit administrators, the law enforcement, fire service, and emergency medical services communities, and others integral to the Nation's overall preparedness and ability to respond to threats and hazards.

Recognizing that its success is linked to the success of its grantees, GPD has prioritized efforts to reach out to the stakeholder community, listen to their concerns, and be responsive to their needs. GPD has actively sought opportunities to address and engage stakeholders including, but not limited to: The National Emergency Management Association (NEMA), the International Association of Emergency Managers (IAEM), the United States Conference of Mayors, the National Association of Counties, the Urban Areas Security Initiative (UASI) Conference, and the Emergency Communications Planning Consortium (ECPC). GPD leadership regularly works with State and local leaders including Governors, mayors, State and local legislatures, representatives of transit and port systems as well as others from the emergency response community. In addition, GPD is making use of emerging technologies and is currently soliciting feedback from the public and stakeholders regarding the development of the proposed fiscal year 2013 National Preparedness Grant Program through the new FEMA collaboration site (<http://fema.ideascale.com/>). Finally, GPD program staff interacts directly with grantees on a regular basis and provides a conduit from the field to GPD leadership.

#### EXPEDITING GRANT DRAWDOWNS

A major challenge facing GPD, and one that has received on-going attention from the Congress, is the rate at which homeland security grant funds are spent. This issue, more commonly known as the "drawdown issue," refers to the rate at which GPD's grantees, the recipients of homeland security funds, spend the monies they receive.

As of January 2012, more than \$8 billion of the \$35 billion awarded under the Homeland Security Grant Programs, remained available for expenditure. It is important to understand that these funds are not idle. Work is being done, projects are underway, and capabilities are being built in accordance with the rules and guidelines under which these grants were awarded. That said, the fact remains that

for a number of reasons—as outlined below—some grant funds are spent at a slower rate than other grant funds.

The preparedness grant programs award funding with a 3-year period of performance. However, the programs are authorized to provide up to a 5-year performance period. This has allowed grantees to apply for and be awarded funding, follow their own internal processes and State/local laws as they carry out grant-funded projects, and request and receive an extension that effectively increases the period of performance to the statutory maximum. Grantees must also comply with a body of Federal regulations, including rules on the timing and frequency with which grant dollars can be drawn from the Treasury and pre-disbursement requirements such as environmental and historic reviews. State laws and regulations governing the allocation of Federal grant dollars to State agencies, including those that impact procurement and hiring activities, may also contribute to delays in spending. Often, agencies cannot enter into contracts until award or sub-awards are in hand. Once funds are in hand, contracting processes may take significant time and are subject to State/local procurement laws or to State and local officials who approve budgets/projects but who may meet infrequently.

In addition to Federal, State, and local procurement and contracting rules, the nature of the project also can impact the spending of grant dollars. This is the case under both the TSGP and the PSGP where dollars are slated for capital projects that by their nature are involved, complicated, and long-term.

Finally, as discussed above, in the past several of GPD's internal business practices, specifically budget reviews and environmental and historic reviews, impacted a grantee's ability to spend funds, which have since been addressed.

Given these challenges and in light of direct input from grantees, the Department evaluated ways to further streamline the grants process, expedite the spending of grant funds, and put remaining funds to work now.

In a February 13, 2012 memorandum sent to all State Administrative Agencies, Secretary Napolitano announced a series of measures that provide grantees with additional flexibility to accelerate the spending of remaining fiscal year 2007–fiscal year 2012 grant funds by addressing immediate needs and building core capabilities that will support preparedness in the long run, consistent with existing laws, regulations, and programmatic objectives. This memorandum described internal measures undertaken by GPD and the Department to expedite the use of grant funds, as discussed above, and outlined measures to provide the grantees increased flexibility in the use of grant funds, and, where appropriate, offered grantees relief from grant program requirements in order to enable grantees to put these dollars to work more quickly. These measures, as described below, will enable grantees to use funding to cover additional personnel costs, maintain previously purchased equipment and apply grant balances to more urgent priorities—all based on key priorities of grantees.

Measures announced by the Secretary:

#### *Support Reprioritization*

- Allow grantees to redirect or reprioritize the use of currently obligated grant funds to more urgent priorities. This flexibility allows grantees to re-examine how unspent funds are currently designated to be spent and shift funds from current projects to others as needed. There are multiple benefits to providing this flexibility. Long-term projects, especially in view of diminishing grant dollars in future years, could be modified, reduced in scale, and funds could shift from expansion to sustainment.
- Expand allowable expenses under the Port and Transit Security Grant Program to fund more operational activities, in accordance the SAFE Port Act and 9/11 Act, respectively.
- Allow combating violent extremism activities as defined by the administration's CVE Strategy to be eligible in all grant years.

#### *Focus on Core Capabilities*

- Expand maintenance and sustainment to equipment, training, and critical resources that have previously been purchased in order to support existing core capabilities tied to the five mission areas of the National Preparedness Goal.

#### *Provide Waivers*

- Waive the 50 percent cap on personnel costs.
- Waive the match requirements under fiscal year 2008 and 2009 Port Security Grant for public sector grantees and match requirements for Nonprofit Security Grant Program, the Interoperable Emergency Communications Grant Program, and Regional Catastrophic Planning Grant Program.

These measures were based on a belief that in a period of diminishing grant dollars, providing grantees the flexibility to reassess projects and funding options would benefit both the grantees and the Federal Government by permitting an examination of current preparedness efforts and plans. At the same time, similar to the recent administration effort to expedite Recovery Act funding, grantees will be required to take steps to expend, draw down, and close out previously awarded grant funding.

#### A NEW WAY FORWARD

Historically, the \$35 billion awarded under the Homeland Security Grant Programs has been through specific grant programs authorized under the 9/11 Act. In fiscal year 2010, 16 separate homeland security grant programs were funded. Each of these programs supported different recipients with varying requirements.

In fiscal year 2012 under the Consolidated Appropriations Act (Pub. L. 112-74), the Secretary of Homeland Security was provided broad discretion to allocate approximately \$995 million among the various homeland security grant programs. The discretion included both which programs to fund, and the levels of funding. Ultimately, eight homeland security grant programs were selected for funding, reduced from 15 in fiscal year 2011. Activities supported by programs not selected for funding largely became allowable under funded programs. For example, community resiliency activities allowable under the former Citizen Corps Grant Program are allowable under the SHSP and the UASI Programs.

Efforts to consolidate grants allow many grantees, particularly the States, territories, and urban areas, to focus their homeland security dollars while reducing redundancy and simplifying the grant process. GPD will continue its efforts to make grants more efficient and adaptable to the evolving homeland security landscape through the grants vision in the President's fiscal year 2013 budget.

#### INVESTMENTS FOR NATIONAL PREPAREDNESS

On March 30, 2011, the President issued Presidential Policy Directive (PPD) 8 "National Preparedness," which provided the direction and the basis for building and sustaining National preparedness. In PPD 8, the President directed "the development of a National preparedness goal that identifies the core capabilities necessary for preparedness and a National preparedness system to guide activities that will enable the Nation to achieve the goal. The system will allow the Nation to track the progress of our ability to build and improve the capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation."

The National Preparedness Goal was released in September 2011. The Goal described the vision of National preparedness contemplated in PPD 8. Based on the National Preparedness Goal and the National Preparedness System designed to achieve that goal, National preparedness transcends an individual State, Tribe, city, port, or transit system. National Preparedness is a collective capability—or collection of capabilities—that inter-connect across the Nation.

As recognized in the National Preparedness Goal, a secure and resilient Nation is one with the capabilities required across the whole community—the whole Nation—to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk. With this in mind—and as the next step in the maturation of our approach to building and sustaining preparedness—the President, as part of the fiscal year 2013 budget request, proposed the creation of the National Preparedness Grant Program (NPGP). The NPGP marks a shift from the multiple programs approach of the 9/11 Act, and in many ways builds upon the consolidated, more comprehensive approach utilized under the fiscal year 2012 homeland security grant cycle. The fiscal year 2012 grant cycle begins the transition to the NPGP by linking investments to the National Preparedness Goal.

Overall, the fiscal year 2013 budget includes \$2.9 billion for State and local grants, \$500 million more than appropriated by Congress in fiscal year 2012. This funding will sustain resources for fire and emergency management grants while consolidating sixteen other grants into the new, streamlined NPGP—designed to develop, sustain, and leverage core capabilities across the country in support of National preparedness, prevention, and response.

As discussed throughout this testimony, DHS has been supporting State and local efforts across the homeland security enterprise to build capabilities for the past 9 years, awarding more than \$35 billion in funding. Through these Federal investments, grantees have developed significant capabilities at the local level to prevent, protect against, prepare for, respond to, and recover from disasters of all kinds.

As we look ahead, in order to address evolving threats and make the most of limited resources, the NPGP will focus on building and sustaining core capabilities associated with the five mission areas within the National Preparedness Goal that are both readily deployable and cross-jurisdictional, helping to elevate Nation-wide preparedness. Using a competitive, risk-based model, the NPGP will use a comprehensive process to assess gaps, identify and prioritize deployable capabilities, limit periods of performance to put funding to work quickly, and require grantees to regularly report progress in the acquisition and development of these capabilities.

As described in the fiscal year 2013 budget, the NPGP will base funding allocations on prioritized core capabilities as well as comprehensive threat/risk assessments and gap analyses. Each State and territory will receive a base level of funding allocated in accordance with a population-driven formula. The remainder of the grant allocations will be determined competitively, based on the criticality of the specific capability according to regional threat/risk assessments and the applicant's ability to complete the project within the 2-year period of performance. The NPGP will focus on developing and sustaining core capabilities identified in the National Preparedness Goal, enhancing terrorism prevention capabilities, and critical infrastructure/key resource protection.

The NPGP proposal represents a new vision for grants in fiscal year 2013. It reflects the lessons we've learned in grants management and execution over the past 9 years and is focused on developing and sustaining National capabilities given the evolving threats we face. It is not designed as, nor does it represent, detailed grant guidance. Ultimately, a new grants program in fiscal year 2013 will require authorizing legislation. The administration looks forward to working with Congress and stakeholders to ensure NPGP enables all levels of government to build and sustain, in a collaborative way, the core capabilities necessary to prepare for incidents that pose the greatest risk to the security of the Nation.

#### USING THE THREAT AND HAZARD IDENTIFICATION AND RISK ASSESSMENT (THIRA) TO DETERMINE REQUIREMENTS AND FILL GAPS

The National Preparedness System is the instrument the Nation will employ to build, sustain, and deliver the core capabilities identified in the National Preparedness Goal in order to achieve a secure and resilient Nation. The components of the National Preparedness System include: Identifying and assessing risk, estimating the level of capabilities needed to address those risks, building or sustaining the required levels of capability, developing and implementing plans to deliver those capabilities, validating and monitoring progress, and reviewing and updating efforts to promote continuous improvement.

Developing and maintaining an understanding of the variety of risks faced by communities and the Nation, and how this information can be used to build and sustain preparedness, are essential components of the National Preparedness System. Risk varies across the Nation—for example, a municipal risk assessment will reflect a subset of the threats and hazards contained in a State or Federal risk assessment.

FEMA has taken critical steps in establishing a preparedness baseline and the accompanying foundation for assessing preparedness, including determining how effective grants are in improving preparedness. FEMA's approach to measuring the effectiveness of National preparedness grants recognizes that these programs are designed to support National priorities while allowing grantees the flexibility to apply funds based on their individual, identified threats and hazards. Thus, in the fiscal year 2011 Homeland Security Grant Program guidance, FEMA established the process for using a Threat and Hazard Identification Risk Assessment (THIRA) as the basis for determining a jurisdiction's current level of capability for the risks it faces and identifying goals for improvement, including the resulting gaps.

The THIRA is an all-hazards assessment tool suited for use by all jurisdictions. The THIRA guide provides a basic approach for identifying and assessing risks and associated impacts. It expands on existing local, Tribal, territorial, and State hazard identification and risk assessments and other risk methodologies by broadening the factors considered in the process, incorporating the whole community from the beginning to the end of the process, and by accounting for important community-specific factors.

Using the information developed during the THIRA process, communities will develop strategies to allocate resources—including Federal grant dollars—effectively, as well as leverage available assistance to develop capabilities and reduce risk. Building and sustaining capabilities will include a combination of organizational resources, planning, equipment, training, and education. Consideration must be given to finding, connecting to, and strengthening community resources by integrating the

expertise and capacity of individuals, communities, private and nonprofit sectors, faith-based organizations, and all levels of government.

The THIRA allows a jurisdiction to understand its threats and hazards and how these impacts may vary according to time of occurrence, seasons, locations, and community factors. This knowledge allows a jurisdiction to establish informed and defensible capability targets and commit appropriate resources to closing the gap between a target and a current capability or for sustaining existing capabilities.

If existing capabilities need to be supplemented to reach a capability target, jurisdictions can build capability or fill gaps by establishing mutual aid agreements with surrounding jurisdictions. As mentioned above, there is a Federal requirement for all States to maintain EMAC membership for grant eligibility. To date, all States are members. EMAC offers assistance during Governor-declared states of emergency through a responsive, straightforward system that allows States to send personnel, equipment, and commodities to help disaster relief efforts in other States. It is possible that jurisdictions may require the resources of other levels of government to achieve a target and will need to collaborate closely with those external sources to secure the necessary resources. Cities, counties, States and regions should work collaboratively to build, sustain, or deliver capabilities to the identified targets.

Finally, a jurisdiction may choose to build and sustain capabilities through their own resources, the use of available grants, or other funding and technical assistance. The results of the THIRA should be used by grantees to make informed decisions about how to allocate their resources. Using their capability targets as desired outcomes, a jurisdiction is able to create a defensible rationale for how limited resources can best be invested to build and sustain capabilities. Existing reporting mechanisms, such as the State Preparedness Report (SPR), communicate their progress toward achieving capability targets and inform the National Preparedness Report.

FEMA will measure and report annually on the percent of State and territories that have a THIRA consistent with Department guidance.

#### CONCLUSION

In conclusion, we believe that the Homeland Security Grant Programs have benefited the Nation and the Nation's overall security and preparedness. Since the program's beginning, we have strived to improve how these grants have been administered. We believe we have made significant improvements over the past few years and will continue to do so. With the release of the fiscal year 2013 budget and the vision for the National Preparedness Grant Program, we are proposing the next evolution of homeland security grant funding. We are happy to respond to any questions the subcommittee may have.

Mr. BILIRAKIS. I appreciate it every much.

Now I will recognize Administrator Gruber. You are recognized, sir, for 5 minutes.

#### **STATEMENT OF COREY GRUBER, ASSISTANT ADMINISTRATOR, NATIONAL PREPAREDNESS DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY, U.S. DEPARTMENT OF HOMELAND SECURITY**

Mr. GRUBER. Good morning, Chairman Bilirakis, Ranking Member Thompson, Ranking Member Richardson, and Members of the subcommittee. I am Corey Gruber, the assistant administrator for the National Preparedness Directorate for FEMA. On behalf of the Secretary and the administrator it is my pleasure to appear before you today to discuss the DHS grant programs.

In the aftermath of September 11, 2001, Congress laid the foundations for how we conceive and construct National preparedness and in the Post-Katrina Emergency Management Reform Act in 2006 codified the key components of National preparedness. Two administrations have given us direction that has led us to an evolved understanding of what constitutes appropriate National goals and how instruments such as grant programs provide the means to achieve those goals.

To that end, we are implementing Presidential Policy Directive 8, National Preparedness, which was released in March 2011 and establishes a National Preparedness Goal, which was released last September; and a National Preparedness System, which was released in November. The goal is focused on building partner capability and capacity across the whole community, reducing impediments to cooperation and defining success in clear and unambiguous terms.

The National Preparedness System builds interconnected and complementary systems that ensure essential requirements, what we refer to as core capabilities, are built, delivered, and sustained. It provides the means to manage risk and allocate resources judiciously, and to measure our progress with targets we jointly set for the core capabilities. In an era of austerity, the National Preparedness System equips us to find the balance of means that contribute to achieving the goal of a secure and resilient Nation.

Achieving a secure and resilient Nation is not done by Government alone, but through a partnership that embraces contributions from the whole of our society. We see ready evidence of the power of a mobilized community in response to the slate of recent disasters where neighbors aided neighbors; communities rallied to meet the needs of survivors and responders operate with self-reliance that comes from strength in capabilities.

Two examples are particularly noteworthy. Strengthening operational coordination capabilities has come through the creation of the National Incident Management System. Prior to its introduction in 2004 no single official incident command system existed. By 2011 nearly 10 million stakeholders had successfully completed FEMA's sponsored training on incident command.

Another success is the Nation's highly mature search-and-rescue capability. Today the Nation possess significantly more urban search-and-rescue teams than it did 10 years ago. A tangible result of this enhanced capability is that in the aftermath of the April 2011 outbreak of deadly tornadoes in the United States, Alabama mobilized State and local USAR teams rather than requesting Federal support.

In the fiscal year 2011 grant program guidance, FEMA established a process for using a Threat and Hazard Identification Risk Assessment as the basis for determining what a jurisdiction must prepare for. This THIRA will aid jurisdictions in determining current capability levels against those threats, identify targets, and then employ grants and other instruments such as mutual aid to achieve those targets. FEMA will measure and report annually on the percent of States and territories that have a THIRA consistent with Department guidance.

The Post-Katrina Emergency Management Reform Act requires a State preparedness report for any State or territory receiving preparedness assistance. The SPR submitted annually to my directorate provides an annual self-assessment on how States and territories are based on the core capabilities established in the National Preparedness Goal. We use the SPR data in our annual National preparedness reporting.

We must be able to more effectively measure our progress and report the impact of our investments and actions on risk. FEMA's

approach to measuring the effectiveness of grants recognizes that these programs are designed to support National priorities while allowing grantees flexibility to apply funds based on their individual identified threats and hazards.

In conclusion, our success will come from sustaining the security and resilience gains we have made, from identifying new capabilities that help us build the coping mechanisms for the greatest risks that face a Nation, and by strengthening the alliance of our citizens, households, businesses, nonprofits and institutions of Government in the mission of security and resilience. The vision for the National Preparedness Grant Program will be an important contributor to achieving those ends.

Mr. Chairman, Ranking Member Richardson, Ranking Member Thompson, Members of the subcommittee, this concludes my statement. I look forward to answering any questions you may have.

Mr. BILIRAKIS. Thank you, Administrator Gruber; appreciate it very much.

Now we will recognize, yes, Ms. Richards. Ms. Richards, you are recognized for 5 minutes. Appreciate it.

**STATEMENT OF ANNE L. RICHARDS, OFFICE OF INSPECTOR GENERAL, U.S. DEPARTMENT OF HOMELAND SECURITY**

Ms. RICHARDS. Good morning, Chairman Bilirakis, Ranking Member Thompson, Ranking Member Richardson, and Members of the subcommittee. I am Anne Richards, assistant inspector general for audits of the Department of Homeland Security. Thank you for inviting me to testify today about the results of our audits of FEMA's oversight and management of the State Homeland Security Program and Urban Area Security Initiative grants.

I will address the improvements FEMA can make in three areas of grants management and briefly discuss a fourth area of emerging concern, that of sustainability. FEMA needs to make improvements in the areas of strategic management, performance measurement, and oversight.

Since 2004 the Department of Homeland Security has awarded more than \$13.7 billion for just the State Homeland Security Program and Urban Area Security Initiative Grant. We have completed the audits for 20 individual States and territories, and have audits underway in an additional 19 States.

FEMA needs to improve its guidance on strategic management for State homeland security grants. While current guidance for State strategic plans encourages revisions every 2 years, the guidance does not require revisions to be made. Some States and territories do not have up-to-date strategic plans. For example, Maryland, Minnesota, and the Virgin Islands all have outdated strategic plans at the time of our audits.

Further, we have identified a number of States that do not include goals and objectives that are specific, measurable, achievable, results-oriented and time-limited in their strategic plans. For example, California, Nevada, New Jersey, New York, Pennsylvania, and Texas lack these types of goals and objectives. Nevada, New Jersey, Pennsylvania, and Texas also did not develop adequately-defined goals and objectives for measuring improvements in their preparedness and response capabilities.

Without some form of measurable goal or objectives, States cannot accurately determine what value was received for the investments made, and cannot determine to what extent they are better prepared. We have found deficiencies in strategic management in 15 of the 20 State audits completed to date.

In regard to performance measurement FEMA needs to improve its guidance on establishing metrics and measuring performance. Our audits show that States continue to lack the proper guidance and documentation to ensure accuracy of performance data and to track the achievement of planned milestones. We have found problems with performance measurement in 19 of 20 State audits completed.

We also found that FEMA needs to improve its oversight of State grant management to ensure the States are providing proper oversight to these State activities. In our audits we have repeatedly found weaknesses in the States' oversight of grants. These weaknesses include inaccuracies and untimely submissions of financial status reports, untimely allocation and obligation of grant funds, and not following Federal procurement, property, and inventory requirements.

In our audits in fiscal year 2011 and 2012 we have noticed an emerging trend with the issue of sustainment. States have not prepared contingency plans addressing potential funding shortfall in the event DHS grant funding was significantly reduced or eliminated.

In an era of growing budget constraints, it is important to use our resources for projects that can be sustained. FEMA has told us that it is addressing this issue in the fiscal year 2012 grant guidance by focusing on sustainment rather than new projects.

In conclusion, strategic planning, performance measurement and oversight to include tracking safe milestones and accomplishments are important management tools for FEMA to ensure that the Federal funds are used for their intended purpose and that enhancements in preparedness capabilities are being achieved.

Despite the significant issues I have outlined here today, I do not want to leave the impression that the program has not made progress. For the past several years our audits have shown that States have generally been efficiently and effectively administering grant requirements, distributing grant funds, and ensuring available funds are used.

The States also continue to use reasonable methodologies to assess threats, vulnerabilities, capabilities and needs, as well as allocate funds accordingly. We have also found 11 promising practices in States that we were able to ask FEMA to share with other States and jurisdictions. FEMA has been responsive to our recommendations. It has concurred or concurred in part—concurred with the intent of the majority of our recommendations and is taking action to implement those recommendations.

Mr. Chairman, Ranking Member Thompson, Ranking Member Richardson, and Members of the subcommittee, this concludes my prepared remarks. I welcome any questions that you or Members of the subcommittee may have. Thank you.

[The prepared statement of Ms. Richards follows:]

## PREPARED STATEMENT OF ANNE L. RICHARDS

MARCH 20, 2012

Good morning Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee: I am Anne Richards, Assistant Inspector General for Audits of the Department of Homeland Security (DHS). Thank you for inviting me to testify today about the result of our audits of the Federal Emergency Management Agency's (FEMA) oversight and management of the Homeland Security Grants.

My testimony today will address the improvements the Federal Emergency Management Agency can make in three areas to ensure the grants process is transparent, efficient, and effective and I will briefly discuss a fourth area of emerging concern. Specifically, FEMA needs to make improvements in strategic management, performance measurement, and oversight. Also, our most recent audits have shown that some States do not have the capacity or even contingency plans to sustain critical programs that have been funded by the State Homeland Security Grants and Urban Areas Security Initiative without Federal funds. Since 2003, the Department of Homeland Security has awarded more than \$16.3 billion for the State Homeland Security Program (SHSP) and Urban Areas Security Initiative (UASI) grants.

The information provided in this testimony is contained in our summary reports issued for fiscal years 2009–11 *Annual Report to Congress on States' and Urban Areas' Management of Homeland Security Grant Programs* (OIG–10–31, OIG–11–20, and OIG–12–22), and individual audits of States and territories. We have completed the audits for 20 individual States and territories, and have audits underway in an additional 19 States.

*Strategic Management.*—FEMA needs to improve its guidance on strategic management for State Homeland Security Grants. In our most recent Annual Report to Congress, we summarized where States' strategies were deficient in matters concerning fully measurable goals and objectives.

While current guidance for State Homeland Security strategic plans encourages revisions every 2 years; the language is such that it does not require revisions to be made—it is just strongly encouraged. For example, the States of Maryland, Minnesota, and the territory of the Virgin Islands have outdated strategic plans. Additionally, we have identified States that do not have Homeland Security strategy plans with goals and objectives that are specific, measurable, achievable, results-oriented, and time-limited (SMART objectives).

For example, the Homeland Security Strategies for California, Nevada, New Jersey, New York, Pennsylvania, and Texas lacked SMART goals and objectives applicable to first responder capabilities. Nevada, New Jersey, New York, Pennsylvania, and Texas did not develop adequately-defined goals and objectives to use for measuring improvements in their preparedness and response capabilities.

Without some form of measurable goal or objective, or a mechanism to objectively gather results-oriented data, States may have no assurance of the level of effectiveness of their preparedness and response capabilities. Also, States are less capable of determining progress toward goals and objectives when making funding and management decisions. We have found deficiencies in strategic management in 15 of the 20 State audits completed to date.

*Performance Measurement.*—In regard to performance measurement, FEMA needs to improve its guidance on establishing metrics and measuring performance. Our audits show that States continue to lack the proper guidance and documentation to ensure accuracy or track milestones.

Providing guidance on the appropriate metrics and requiring those metrics to be documented would provide the States with tools to help them understand the effectiveness of each grant program; however, FEMA has not provided sufficient guidance in this area.

In our fiscal year 2010 Annual Report, we reported that the States of South Carolina, Maryland, and West Virginia did not have mechanisms to collect performance data, nor any procedures to analyze data and maintain documentation to support evaluations. Without these tools and processes, there is no assurance that information is accurate.

For example, South Carolina prepared annual threat and vulnerability assessments, but did not document and retain supporting data, like emergency call logs for fire trucks and ambulances. Although the State did form Counterterrorism Coordinating Councils to develop, define, and review the State strategy and goals, no mechanisms were created to collect data, nor procedures to analyze data and maintain documentation to support evaluations. This weakness prevented auditors, FEMA, and even the State Administrative Agency from validating assessments and ensuring consistency of information from year to year.

In another example, Maryland's State Administrative Agency conducted annual workshops to focus on the needs assessment phase of the strategic planning process; however, Maryland did not have an adequate process to conduct a review and update of its Homeland Security strategy's goals and objectives, or to ensure that local input was incorporated into the strategy. This needs assessment phase culminated in what was considered the "wish list" for Homeland Security projects with no regard to budget constraints or regional and State of Maryland needs.

Additionally, the State of West Virginia did not perform an analysis of capabilities and performance with respect to equipment purchased and training obtained. West Virginia also did not have written policies and procedures that required the analysis of capabilities and performance, and the documentation of such, in order to determine improvements in performance and progress toward achieving program goals.

FEMA also needs to strengthen its guidance on reporting progress in achieving milestones as part of the States' annual program justifications. When we reviewed the large investment programs that continue from year to year for the States of Nevada, New York, and Texas, we found that the milestones for these States' continuing investment programs were not comparable to previous years' applications. Additionally, the status of the previous year milestones was not included in the application. Because of these weaknesses, FEMA could not determine, based on the annual application process, if a capability had been achieved, what progress had been made, or how much additional funding was needed to complete individually justified programs. Without this information, FEMA cannot be assured it is making sound investment decisions.

Because of insufficient information on milestones and program accomplishments, FEMA has been annually awarding Homeland Security Grant Program (HSGP) funds to States for on-going programs without knowing the accomplishments from prior years' funding or the extent to which additional funds are needed to achieve desired capabilities. Tracking accomplishments and milestones are critical elements in making prudent management decisions because of the evolving, dynamic changes that can occur between years or during a grant's period of performance.

We have found problems with performance measurement in 19 of 20 State audits completed to date.

*Oversight.*—Focusing now on grants oversight, FEMA needs to improve its oversight to ensure the States are meeting their reporting obligations in a timely manner to ensure FEMA has the information it needs to make program decisions and oversee program achievements. Further, FEMA needs to improve its oversight to ensure that States are complying with Federal regulations in regard to procurements and safeguarding of assets acquired with Federal funds. In our annual audits of the State Homeland Security Program, we have repeatedly found weaknesses in the States' oversight of grant activities. Those weaknesses include inaccuracies and untimely submissions of financial status reports; untimely allocation and obligation of grant funds; and not following Federal procurement, property, and inventory requirements.

For example, the States of Maryland, South Carolina, and West Virginia did not submit timely financial status reports to FEMA. The State-prepared quarterly financial status reports are designed to provide FEMA with financial information about the grant program expenditures that it can use to monitor grant implementation. The report is due within 30 days of the end of each calendar quarter (a change from 45 days in fiscal year 2005).

Delays in the submission of Financial Status Reports may hamper FEMA's ability to effectively and efficiently monitor program expenditures and may prevent the State from drawing down funds in a timely manner, and ultimately affects the functioning of the program.

California, New York, and New Jersey, among other States, did not allocate grant funds timely. For instance, a California urban area did not make grant funds available to subrecipients for 15 to 18 months after the funds were received. As a result, expenditures for approved programs were delayed, the fiscal years 2006 and 2007 UASI grant performance periods were extended, and administrative costs increased. Most important, these delays prevented timely delivery of needed plans, equipment, exercises, and training to first responders.

New York State obligated grant funds to subgrantees in accordance with Federal requirements, but the funds were not available for expenditure for months after the date of obligation because the subgrantees needed to sign contracts with the State before seeking reimbursement. The time available for subgrantees to make expenditures and be reimbursed by the State was significantly reduced and overall expenditure of grant funds was delayed. As a result, the opportunity for first responders to be better equipped, trained, and prepared was delayed because it took 8 to 12 months for subgrantees to receive signed contracts from the State.

New Jersey did not make funds available to all UASI subgrantees in accordance with Federal pass-through requirements. This occurred because of delays by both the UASI Executive Committee and the State Office of Homeland Security and Preparedness in approving spending plans. New Jersey subgrantees did not always initiate projects in a timely manner, and as a result, SHSP and UASI grant funds were not expended within the grant performance period. Consequently, first responders were less likely to be as equipped, trained, and prepared as possible.

*Sustainment.*—In our audits in fiscal years 2011 and 2012, we have noticed an emerging trend with issues of sustainment. States did not prepare contingency plans addressing potential funding shortfalls if DHS grant funding was significantly reduced or eliminated. We found this issue in New York, California, Nevada, Florida, and Minnesota. In an era of growing budget constraints it is important to use budget resources for projects that can be sustained. FEMA has told us that it is addressing this issue in fiscal year 2012 grant guidance by focusing on sustainment rather than new projects.

In conclusion, strategic planning, performance measurement, and oversight—to include tracking States' milestones and accomplishments for HSGP-funded programs—are important management controls for FEMA to ensure that Federal funds are used for their intended purpose and that enhancements in preparedness capabilities are being achieved.

Despite the significant issues I have outlined here today, I do not want to leave the impression that the program has not made progress. For the past several years, States have generally maintained efficiency and effectiveness in administering grant requirements, distributing grant funds, and ensuring available funds were used. The States also continue to use reasonable methodologies to assess threats, vulnerabilities, capabilities, and needs, as well as allocate funds accordingly.

Further, our audits have identified several effective tools and practices of some States that can be of benefit to all States that FEMA and the individual States have willingly shared. FEMA has been responsive to our recommendations. In 2010, it concurred with all our recommendations to address areas of improvement in strategic planning and oversight, and it concurred, or concurred with the intent of 70 recommendations we made for fiscal year 2011 and is taking action to implement those recommendations.

Mr. Chairman, this concludes my prepared remarks. I welcome any questions that you or the Members of the subcommittee may have.

Ms. RICHARDSON. Mr. Chairman?

Mr. BILIRAKIS. I now recognize Mr. Jenkins—yes?

Ms. RICHARDSON. I have a question on process.

Mr. BILIRAKIS. Yes?

Ms. RICHARDSON. It has been brought to this committee's attention that Mr. Nutter has another commitment within the time frame. When Mr. Nutter completes his testimony, will all Members, is the question, will all Members be allowed to ask Mr. Nutter if they have any questions so then he can depart prior to us having the ability to ask the rest of the panel?

Mr. BILIRAKIS. Sir—Mr. Mayor, do you have a sufficient time to answer the questions? What time do you think you have to leave? Because we do want to accommodate you, sir.

Mr. NUTTER. Mr. Chairman, I do appreciate that, and Ranking Member. I am going to do my best to be as flexible as possible. I have a train—I have declined to look at my Blackberry so I actually do not know what time it is, Mr. Chairman. But I think I should be okay. I will give short answers.

Mr. BILIRAKIS. Okay.

Ms. RICHARDSON. Mr. Chairman, the question is real simple and it is very specific. When Mr. Nutter completes his testimony the question is: Can any Member who has a question for Mr. Nutter ask it at that time and then you go through your normal—

Mr. BILIRAKIS. Yes. I have—

Ms. RICHARDSON. I have—

Mr. BILIRAKIS. I have no problem—no objection to that.

Ms. RICHARDSON. Okay. Thank you.

Mr. NUTTER. Thank you.

Mr. BILIRAKIS. Okay. Now we have Mr. Jenkins. You are recognized for 5 minutes.

**STATEMENT OF WILLIAM O. JENKINS, JR., DIRECTOR, HOMELAND SECURITY AND JUSTICE ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. JENKINS. Thank you. Chairman Bilirakis, Ranking Member Thompson, Ranking Member Richardson, and Members of the committee, thank you for the opportunity today to discuss our work on Homeland Security grants for disaster prevention and preparedness. As requested, my written statement today focuses on our work over the past decade on DHS and FEMA grant management and efforts to develop a means of reliably majoring disaster preparedness.

From fiscal years 2002 through 2011 Congress appropriated over \$35 billion to a variety of DHS Homeland Security grant programs. Their purpose was to enhance the capabilities of State, local, and Tribal governments to prevent, protect against, respond to, and recover from terrorist attacks and other disasters of all types.

About half of this total, more than \$20 billion was allocated through four of the largest grant programs, State homeland security, urban area security, port security, and transit security. Today we are releasing our report on the management of these four programs and the potential for duplication among them.

Basically, preparedness grant allocation and evaluation should largely rest on two principal analyses. First, an assessment of risk in both nature and acts of man; and second, an assessment of the critical gaps that exist in our ability to mitigate those risks and their potential consequences through investments in prevention, preparedness, response, and recovery capabilities. This second step requires both a definition of the desired goals and a means of majoring the extent to which those goals have been met with both Federal and non-Federal and private resources.

Because perceived needs will almost always exceed available funds, it is important that the grants are used not only effectively, but efficiently without unnecessary duplication. Since 2007 when FEMA became responsible for grant management, the grants program director responded to our recommendations to improve the management of the grants and made other improvements.

For example, they streamlined the application and award process, enhanced the use of risk assessment principles in grant programs, including developing majors of varying vulnerability in assessing risk, and taking steps to shorten grant application reviews by such things as requiring ports to submit specific project proposals with their grant applications.

However, FEMA has not had similar levels of project visibility for each grant, thus making it harder for them to identify a potential duplication among grant projects. Nor has FEMA had coordinated review of the projects funded by the four large grant programs we reviewed.

For fiscal year 2003 [sic] FEMA has proposed fundamentally altering its process for grant awards by consolidating all but two

grants into a single grant program. The purpose is to focus on developing and sustaining the core capabilities identified in the National Preparedness Goal. Allocations under this new approach would rely heavily on a State's Threat and Hazard Identification and Risk Assessment or THIRA.

However, nearly a year after the concept was introduced in the 2011 grant guidance; FEMA has not yet provided more detailed guidance on how to conduct the THIRA assessments. The role of various stakeholders in this process is also not yet clear. GPD has established a website to solicit stakeholder input on the process.

Although the National Preparedness Goal defines core capabilities, there is still no established metrics for assessing progress and developing and sustaining those metrics. Over the—of those capabilities. Over the years FEMA has begun a number of efforts to establish metrics for preparedness capabilities as required by the Post-Katrina Act and now PPD-8. But none have resulted in metrics on which stakeholders agree.

The core capabilities are the latest evolution of the target capabilities, a concept first introduced in 2004. We believe it is important that FEMA take a holistic approach to grant awards management and assessment.

FEMA appropriately proposes focusing on leveraging the efforts of States, localities, Tribes, territories, and others to develop and sustain a National set of core capabilities that can enable the Nation to effectively respond and recover from a catastrophic disaster. There are still many issues and details that must be addressed for FEMA's proposed system to work effectively, not the least of which is developing useful and meaningfully reliable means of measuring progress toward achieving those core capabilities.

That concludes my oral statement. I would be pleased to respond to any questions Members of the subcommittee may have.

[The statement of Mr. Jenkins follows:]

PREPARED STATEMENT OF WILLIAM O. JENKINS, JR.

MARCH 20, 2012

GAO HIGHLIGHTS

Highlights of GAO-12-526T, a testimony before the Subcommittee on Emergency Preparedness, Response, and Communications, Committee on Homeland Security, House of Representatives.

*Why GAO Did This Study*

From fiscal years 2002 through 2011, the Federal Government appropriated over \$37 billion to the Department of Homeland Security's (DHS) preparedness grant programs to enhance the capabilities of State and local governments to prevent, protect against, respond to, and recover from terrorist attacks. DHS allocated \$20.3 billion of this funding to grant recipients through four of the largest preparedness grant programs—the State Homeland Security Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program. The Post-Katrina Emergency Management Reform Act of 2006 requires the Federal Emergency Management Agency (FEMA) to develop a National preparedness system and assess preparedness capabilities—capabilities needed to respond effectively to disasters. FEMA could then use such a system to help it prioritize grant funding. This testimony addresses the extent to which DHS and FEMA have made progress in managing preparedness grants and measuring preparedness by assessing capabilities and addressing related challenges. GAO's comments are based on products issued from April 2002 through February 2012 and selected updates conducted in March 2012.

*What GAO Recommends*

GAO has made recommendations to DHS and FEMA in prior reports to strengthen their management of preparedness grants and enhance their assessment of National preparedness capabilities. DHS and FEMA concurred and have actions underway to address them.

FEDERAL EMERGENCY MANAGEMENT AGENCY.—CONTINUING CHALLENGES IMPEDE PROGRESS IN MANAGING PREPAREDNESS GRANTS AND ASSESSING NATIONAL CAPABILITIES

*What GAO Found*

DHS and FEMA have taken actions with the goal of enhancing management of preparedness grants, but better project information and coordination could help FEMA identify and mitigate the risk of unnecessary duplication among grant applications. Specifically, DHS and FEMA have taken actions to streamline the application and award processes and have enhanced their use of risk management for allocating grants. For example, in November 2011, GAO reported that DHS modified its risk assessment model for the Port Security Grant Program by recognizing that different ports have different vulnerability levels. However, in February 2012, GAO reported that FEMA made award decisions for four of its grant programs—the State Homeland Security Grant Program, the Urban Area Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program—with differing levels of information, which contributed to the risk of funding unnecessarily duplicative projects. GAO also reported that FEMA did not have a process to coordinate application reviews across the four grant programs. Rather, grant applications were reviewed separately by program and were not compared across each other to determine where possible unnecessary duplication may occur. Thus, GAO recommended that: (1) FEMA collect project information with the level of detail needed to better position the agency to identify any potential unnecessary duplication within and across the four grant programs, weighing any additional costs of collecting this data, and (2) explore opportunities to enhance FEMA’s internal coordination and administration of the programs to identify and mitigate the potential for any unnecessary duplication. DHS agreed and identified planned actions to improve visibility and coordination across programs and projects. FEMA has proposed consolidating the majority of its various preparedness grant programs into a single, comprehensive preparedness grant program called the National Preparedness Grant Program (NPGP) in fiscal year 2013; however, this may create new challenges. For example, allocations under the NPGP would rely heavily on a State’s risk assessment, but grantees have not yet received guidance on how to conduct the risk assessment process. FEMA has established a website to solicit input from stakeholders on how best to implement the program.

DHS and FEMA have had difficulty implementing long-standing plans and overcoming challenges in assessing capabilities, such as determining how to validate and aggregate data from Federal, State, local, and Tribal governments. For example, DHS first developed plans in 2004 to measure preparedness by assessing capabilities, but these efforts have been repeatedly delayed. In March 2011, GAO reported that FEMA’s efforts to develop and implement a comprehensive, measurable, National preparedness assessment of capability and gaps were not yet complete and suggested that Congress consider limiting preparedness grant funding until FEMA completes a National preparedness assessment of capability gaps based on tiered, capability-specific performance objectives to enable prioritization of grant funding. In April 2011, Congress passed the fiscal year 2011 appropriations act for DHS that reduced funding for FEMA preparedness grants by \$875 million from the amount requested in the President’s fiscal year 2011 budget. For fiscal year 2012, Congress appropriated \$1.28 billion less than requested in the President’s budget.

Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee: I appreciate the opportunity to participate in today’s hearing and to discuss the efforts of the Federal Emergency Management Agency (FEMA)—a component of the Department of Homeland Security (DHS)—to manage preparedness grants and measure and assess National capabilities to respond to a major disaster. From fiscal years 2002 through 2011, the Federal Government appropriated over \$37 billion to a variety of DHS homeland security preparedness grant programs to enhance the capabilities of State, territory, local, and Tribal governments to prevent, protect against, respond to, and recover from terrorist attacks and other disas-

ters.<sup>1</sup> DHS allocated more than half of this total—\$20.3 billion—to grant recipients through four of the largest preparedness programs—the State Homeland Security Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program.

Congress enacted the Post-Katrina Emergency Management Reform Act of 2006 (Post-Katrina Act) in the aftermath of Hurricane Katrina.<sup>2</sup> In response to the Act, DHS centralized most of its preparedness programs under FEMA’s Grant Programs Directorate to better integrate and coordinate grant management. The Act also requires that FEMA develop a National preparedness system and assess preparedness capabilities—capabilities needed to respond effectively to disasters—to determine the Nation’s preparedness capability levels and the resources needed to achieve desired levels of capability.<sup>3</sup>

Over the last decade, we identified and reported on issues related to DHS’s and FEMA’s management of four of the largest preparedness grants and the challenges associated with assessing National preparedness capabilities. In April 2002, shortly after the terrorist attacks of September 11, 2001, we identified the need for goals and performance indicators to guide the Nation’s preparedness efforts and help to objectively assess the results of Federal investments.<sup>4</sup> After DHS began operations in March 2003, and leading up to catastrophic damage caused by Hurricanes Katrina and Rita in August and September 2005, our reports focused on challenges in managing preparedness grant funds to States and urban areas and minimizing the time it takes to distribute grant funds and associated efforts to streamline the process while ensuring appropriate planning and accountability for effective use of the funds.<sup>5</sup> After the renewed focus on all-hazards preparedness prompted by the 2005 hurricanes, we reported in 2007 and 2008 on the extent to which DHS was using a risk-based approach in its grants distribution methodology for States and urban areas.<sup>6</sup> Our reports in 2009, 2010, and 2011 analyzed the use of risk assessment in the management of transit and port security grants<sup>7</sup> and the impact of preparedness grants in building National capabilities. During that same period, we reported on FEMA’s limited progress in assessing National preparedness.<sup>8</sup> Our most recent report, which we issued in February 2012 and are releasing today, addresses

<sup>1</sup>This total is based on Congressional Research Service data and GAO analysis, and includes firefighter assistance grants and emergency management performance grants. See Congressional Research Service, *Department of Homeland Security Assistance to States and Localities: A Summary of Issues for the 111th Congress*, R40246 (Washington, DC: Apr. 30, 2010).

<sup>2</sup>The Post-Katrina Act was enacted as Title VI of the Department of Homeland Security Appropriations Act, 2007, Pub. L. No. 109-295, 120 Stat. 1355 (2006). The provisions of the Post-Katrina Act became effective upon enactment, October 4, 2006, with the exception of certain organizational changes related to FEMA, most of which took effect on March 31, 2007.

<sup>3</sup>6 U.S.C. §§ 744, 749.

<sup>4</sup>GAO, *National Preparedness: Integration of Federal, State, Local, and Private Sector Efforts Is Critical to an Effective National Strategy for Homeland Security*, GAO-02-621T (Washington, DC: Apr. 11, 2002).

<sup>5</sup>GAO, *Emergency Preparedness: Federal Funds for First Responders*, GAO-04-788T (Washington, DC: May 13, 2004); *Homeland Security: Management of First Responder Grant Programs Has Improved, but Challenges Remain*, GAO-05-121 (Washington, DC: Feb. 2, 2005); *Homeland Security: Management of First Responder Grant Programs and Efforts to Improve Accountability Continue to Evolve*, GAO-05-530T (Washington, DC: Apr. 12, 2005); and *Homeland Security: DHS’s Efforts to Enhance First Responders’ All-Hazards Capabilities Continue to Evolve*, GAO-05-652 (Washington, DC: July 11, 2005).

<sup>6</sup>GAO, *Homeland Security Grants: Observations on Process DHS Used to Allocate Funds to Selected Urban Areas* GAO-07-381R (Washington, DC: Feb 7, 2007); *Homeland Security: DHS Improved its Risk-Based Grant Programs’ Allocation and Management Methods, But Measuring Programs’ Impact on National Capabilities Remains a Challenge*, GAO-08-488T, (Washington, DC; Mar 11, 2008); and *Homeland Security: DHS Risk-Based Grant Methodology Is Reasonable, But Current Version’s Measure of Vulnerability is Limited*, GAO-08-852, (Washington, DC; June 27, 2008).

<sup>7</sup>GAO, *Transit Security Grant Program: DHS Allocates Grants Based on Risk, but Its Risk Methodology, Management Controls, and Grant Oversight Can Be Strengthened*, GAO-09-491 (Washington, DC: July 8, 2009); *Surface Transportation Security: TSA Has Taken Actions to Manage Risk, Improve Coordination, and Measure Performance, but Additional Actions Would Enhance Its Efforts*, GAO-10-650T (Washington, DC: Apr. 21, 2010); *Port Security Grant Program: Risk Model, Grant Management, and Effectiveness Measures Could Be Strengthened*, GAO-12-47 (Washington, DC: Nov. 17, 2011).

<sup>8</sup>GAO, *National Preparedness: FEMA Has Made Progress, but Needs to Complete and Integrate Planning, Exercise, and Assessment Efforts*, GAO-09-369 (Washington, DC; Apr. 30, 2009); *Urban Area Security Initiative: FEMA Lacks Measures to Assess How Regional Collaboration Efforts Build Preparedness Capabilities*, GAO-09-651 (Washington, DC; July 2, 2009); *FEMA Has Made Limited Progress in Efforts to Develop and Implement a System to Assess National Preparedness Capabilities*, GAO-11-51R (Washington, DC: Oct. 29, 2010); *Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue*, GAO-11-318SP (Washington, DC; Mar. 1, 2011).

FEMA's management of four of the largest preparedness grant programs—the State Homeland Security Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program.<sup>9</sup>

My remarks today are based on our work issued in the 10-year period from April 2002 through February 2012 on the efforts of both DHS and, more recently, FEMA, to manage preparedness grants; develop National preparedness capabilities; implement a National framework for assessing preparedness capabilities at the Federal, State, and local levels; identify capability gaps; and prioritize future National preparedness investments to fill the most critical gaps. These remarks are also based on selected updates conducted in March 2012 on FEMA's proposal for consolidating its various grant programs.

As requested, my testimony today focuses on the extent to which DHS and FEMA have made progress in managing preparedness grants and measuring National preparedness by assessing capabilities and addressing related challenges. To conduct our work, we analyzed documentation, such as DHS's National Preparedness Goal and Core Capabilities (the latest evolution of the Target Capabilities List),<sup>10</sup> and interviewed relevant DHS, FEMA, State, and local officials. More detailed information on our scope and methodology appears in our published products. In addition, we conducted updates to our work in March 2012 by analyzing FEMA's guidance and policies.

We conducted our work in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

FEMA HAS TAKEN ACTIONS TO ADDRESS GRANT MANAGEMENT CONCERNS BUT NEEDS  
BETTER COORDINATION

DHS and FEMA have streamlined application and award processes, enhanced the use of risk management principles in its grant programs, and proposed consolidation of its various grant programs to address grant management concerns. In February 2012, we reported that better coordination and improved data collection could help FEMA identify and mitigate potential unnecessary duplication among four overlapping grant programs—the Homeland Security Grant Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program. FEMA has proposed changes to enhance preparedness grant management, but these changes may create new challenges.

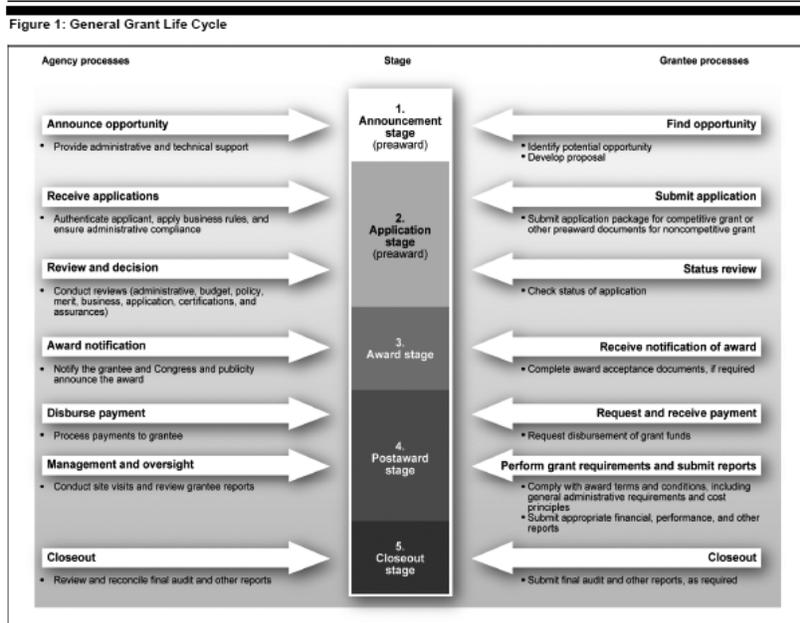
*FEMA Has Streamlined Application and Award Processes and Enhanced Use of Risk Management Principles*

Since its creation in April 2007, FEMA's Grant Programs Directorate (GPD) has been responsible for the program management of DHS's preparedness grants.<sup>11</sup> GPD consolidated the grant business operations, systems, training, policy, and oversight of all FEMA grants and the program management of preparedness grants into a single entity. GPD works closely with other DHS entities to manage grants, as needed, through the grant life cycle, shown in figure 1. For example, GPD works with the U.S. Coast Guard for the Port Security Grant Program and the Transportation Security Administration for the Transit Security Grant Program.

<sup>9</sup>GAO, *Homeland Security: DHS Needs Better Project Information and Coordination Among Four Overlapping Grant Programs*, GAO-12-303 (Washington, DC: Feb. 28, 2012).

<sup>10</sup>The Target Capabilities List is a list of 37 capabilities that Federal, State, and local stakeholders need to possess to respond to natural or man-made disasters; we first reported on DHS's efforts to develop the List in July 2005.

<sup>11</sup>The Post-Katrina Emergency Management Reform Act transferred most of the Preparedness Directorate to FEMA, effective on March 31, 2007. Pub. L. No. 109-295, 120 Stat. 1355, 1394 (2006).



Source: GAO.

Since 2006, DHS has taken a number of actions to improve its risk-based grant allocation methodology.

- Specifically, in March 2008, we reported that DHS had adopted a more sophisticated risk-based grant allocation approach for the Urban Areas Security Initiative to: (1) Determine both States' and urban areas' potential risk relative to other areas that included empirical analytical methods and policy judgments, and (2) assess and score the effectiveness of the proposed investments submitted by the eligible applicants and determine the final amount of funds awarded.<sup>12</sup>
- We also reported that DHS's risk model for the Urban Areas Security Initiative could be strengthened by measuring variations in vulnerability.<sup>13</sup> Specifically, we reported that DHS had held vulnerability constant, which limited the model's overall ability to assess risk and more precisely allocate funds. Accordingly, we recommended that DHS and FEMA formulate a method to measure vulnerability in a way that captures variations in vulnerability, and apply this vulnerability measure in future iterations of this risk-based grant allocation model. DHS concurred with our recommendations and FEMA took actions to enhance its approaches for assessing and incorporating vulnerability into risk assessment methodologies for this program. Specifically, FEMA created a risk assessment that places greater weight on threat and calculates the contribution of vulnerability and consequence separately.<sup>14</sup>
- In June 2009, we reported that DHS used a risk analysis model to allocate Transit Security Grant Program funding and awarded grants to higher-risk transit agencies using all three elements of risk—threat, vulnerability, and consequence.<sup>15</sup> Accordingly, we recommended that DHS formulate a method to measure vulnerability in a way that captures variations in vulnerability, and apply this vulnerability measure in future iterations of this risk-based grant allocation model. DHS concurred with our recommendations and FEMA took ac-

<sup>12</sup> GAO-08-488T.

<sup>13</sup> GAO-08-852.

<sup>14</sup> U.S. Department of Homeland Security, *Fiscal Year 2011 Homeland Security Grant Program Guidance and Application Kit* (Washington, DC, May 2011).

<sup>15</sup> GAO-09-491.

tions to enhance its approach for assessing and incorporating vulnerability into risk assessment methodologies for this program.

- In November 2011, we reported that DHS had made modifications to enhance the Port Security Grant Program's risk assessment model's vulnerability element for fiscal year 2011.<sup>16</sup> Specifically, DHS modified the vulnerability equation to recognize that different ports have different vulnerability levels. We also reported that FEMA had taken actions to streamline the Port Security Grant Program's management efforts. For example, FEMA shortened application time frames by requiring port areas to submit specific project proposals at the time of grant application. According to FEMA officials, this change was intended to expedite the grant distribution process. Further, we reported that to speed the process, DHS took actions to reduce delays in environmental reviews, increased the number of GPD staff working on the Port Security Grants, revised and streamlined grant application forms, and developed time frames for review of project documentation.<sup>17</sup>

*FEMA Needs Better Coordination and Improved Data Collection to Reduce Risk of Unnecessary Duplication*

Despite these continuing efforts to enhance preparedness grant management, we identified multiple factors in our February 2012 report that contributed to the risk of FEMA potentially funding unnecessarily duplicative projects across the four grant programs we reviewed—the Homeland Security Grant Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program.<sup>18</sup> These factors include overlap among grant recipients, goals, and geographic locations, combined with differing levels of information that FEMA had available regarding grant projects and recipients. We also reported that FEMA lacked a process to coordinate application reviews across the four grant programs.

*Overlap among grant recipients, goals, and geographic locations exist.*—The four grant programs we reviewed have similar goals and fund similar activities, such as equipment and training in overlapping jurisdictions, which increases the risk of unnecessary duplication among the programs. For instance, each State and eligible territory receives a legislatively-mandated minimum amount of State Homeland Security Program funding to help ensure that geographic areas develop a basic level of preparedness, while the Urban Areas Security Initiative grants explicitly target urban areas most at risk of terrorist attack. However, many jurisdictions within designated Urban Areas Security Initiative regions also apply for and receive State Homeland Security Program funding. Similarly, port stakeholders in urban areas could receive funding for equipment such as patrol boats through both the Port Security Grant Program and the Urban Areas Security Initiative, and a transit agency could purchase surveillance equipment with Transit Security Grant Program or Urban Areas Security Initiative funding. While we understand that some overlap may be desirable to provide multiple sources of funding, a lack of visibility over grant award details around these programs increases the risk of unintended and unnecessary duplication.

*FEMA made award decisions for all four grant programs with differing levels of information.*—In February 2012, we reported that FEMA's ability to track which projects receive funding among the four grant programs varied because the project information FEMA had available to make award decisions—including grant funding amounts, grant recipients, and grant funding purposes—also varied by program due to differences in the grant programs' administrative processes. For example, FEMA delegated some administrative duties to stakeholders for the State Homeland Security Program and the Urban Areas Security Initiative, thereby reducing its administrative burden. However, this delegation also contributed to FEMA having less visibility over some grant applications. FEMA recognized the trade-off between decreased visibility over grant funding in exchange for its reduced administrative burden.

Differences in information requirements also affected the level of information that FEMA had available for making grant award decisions. For example, for the State Homeland Security Program and Urban Areas Security Initiative, States and eligible urban areas submit investment justifications for each program with up to 15 distinct investment descriptions that describe general proposals in wide-ranging areas

<sup>16</sup> GAO-12-47.

<sup>17</sup> GAO-12-47.

<sup>18</sup> GAO-12-303.

such as “critical infrastructure protection.”<sup>19</sup> Each investment justification encompasses multiple specific projects to different jurisdictions or entities, but project-level information, such as a detailed listing of subrecipients or equipment costs, is not required by FEMA. In contrast, Port Security and Transit Security Grant Program applications require specific information on individual projects such as detailed budget summaries. As a result, FEMA has a much clearer understanding of what is being requested and what is being funded by these programs.

FEMA has studied the potential utilization of more specific project-level data for making grant award decisions, especially for the State Homeland Security Program and Urban Areas Security Initiative.<sup>20</sup> However, while our analysis of selected grant projects determined that this additional information was sufficient for identifying potentially unnecessary duplication for nearly all of the projects it reviewed, the information did not always provide FEMA with sufficient detail to identify and prevent the risk of unnecessary duplication. While utilizing more specific project-level data would be a step in the right direction, at the time of our February 2012 report, FEMA had not determined the specifics of future data requirements.

*FEMA lacked a process to coordinate application reviews across the four grant programs.*—In February 2012, we reported that grant applications were reviewed separately by program and were not compared across each other to determine where possible unnecessary duplication may occur. Specifically, FEMA’s Homeland Security Grant Program branch administered the Urban Areas Security Initiative and State Homeland Security Program while the Transportation Infrastructure Security branch administered the Port Security Grant Program and Transit Security Grant Program. We and the DHS Inspector General concluded that coordinating the review of grant projects internally would give FEMA more complete information about applications across the four grant programs, which could help FEMA identify and mitigate the risk of unnecessary duplication across grant applications.<sup>21</sup>

In our February 2012 report, we note that one of FEMA’s section chiefs said that the primary reasons for the current lack of coordination across programs are the sheer volume of grant applications that need to be reviewed and FEMA’s lack of resources to coordinate the grant review process. She added that FEMA reminds grantees not to duplicate grant projects; however, due to volume and the number of activities associated with grant application reviews, FEMA lacks the capabilities to cross-check for unnecessary duplication. We recognize the challenges associated with reviewing a large volume of grant applications, but to help reduce the risk of funding duplicative projects, FEMA could benefit from exploring opportunities to enhance its coordination of project reviews while also taking into account the large volume of grant applications it must process.

Thus, we recommended that FEMA take actions to identify and mitigate any unnecessary duplication in these programs, such as collecting more complete project information as well as exploring opportunities to enhance FEMA’s internal coordination and administration of the programs. In commenting on the report, DHS agreed and identified planned actions to improve visibility and coordination across programs and projects. We also suggested that Congress consider requiring DHS to report on the results of its efforts to identify and prevent duplication within and across the four grant programs, and consider these results when making future funding decisions for these programs.

*FEMA Has Proposed Changes to Enhance Preparedness Grant Management, but These Changes May Create Challenges*

In the President’s fiscal year 2013 budget request to Congress, FEMA has proposed consolidating its various preparedness grant programs—with the exception of the Emergency Management Performance Grants and Assistance to Fire Fighters Grants—into a single, comprehensive preparedness grant program called the Na-

<sup>19</sup>Investment justifications are one component of the State Homeland Security Grant Program, the Urban Areas Security Initiative, the Port Security Grant Program, and the Transit Security Grant Program applications for grant funding. They provide narrative information on proposed activities (investments) that are to be accomplished with the grant funds. The investment justifications must demonstrate how proposed investments address gaps and deficiencies in current capabilities, and also demonstrate adherence to program guidance.

<sup>20</sup>In August 2009, FEMA established the Reporting Requirements Working Group to compile a list of select grant reporting activities, collect grant stakeholder feedback, and make recommendations regarding future data collection policies. FEMA utilized the working group’s analysis and recommendations in a May 2011 Report to Congress.

<sup>21</sup>GAO, *More Efficient and Effective Government: Opportunities to Reduce Duplication, Overlap and Fragmentation, Achieve Savings, and Enhance Revenue*, GAO-12-449T (Washington, DC; Feb. 28, 2012); and Department of Homeland Security Office of Inspector General, *Efficiency of DHS Grant Programs*, OIG-1069 (Washington, DC: Mar. 22, 2010).

tional Preparedness Grant Program (NPGP) in fiscal year 2013. FEMA also plans to enhance its preparedness grants management through a variety of proposed initiatives to implement the new consolidated program.

According to FEMA, the new NPGP will require grantees to develop and sustain core capabilities outlined in the National Preparedness Goal rather than work to meet mandates within individual, and often disconnected, grant programs.<sup>22</sup> NPGP is intended to focus on creating a robust National response capacity based on cross-jurisdictional and readily deployable State and local assets. According to FEMA's policy announcement, consolidating the preparedness grant programs will support the recommendations of the Redundancy Elimination and Enhanced Performance for Preparedness Grants Act, and will streamline the grant application process. This will, in turn, enable grantees to focus on how Federal funds can add value to their jurisdiction's unique preparedness needs while contributing to National response capabilities. To further increase the efficiency of the new grant program, FEMA plans to issue multi-year guidelines, enabling the agency to focus its efforts on measuring progress towards building and sustaining National capabilities. The intent of this consolidation is to eliminate administration redundancies and ensure that all preparedness grants are contributing to the National Preparedness Goal. For fiscal year 2013, FEMA believes that the reorganization of preparedness grants will allow for a more targeted grants approach where States build upon the capabilities established with previous grant money and has requested \$1.54 billion for the National Preparedness Grant Program.

FEMA's Fiscal Year 2013 Grants Drawdown Budget in Brief also proposes additional measures to enhance preparedness grant management efforts and expedite prior years' grant expenditures. For example, to support reprioritization of unobligated prior year funds and focus on building core capabilities, FEMA plans to:

- allow grantees to apply prior years' grant balances towards more urgent priorities, promising an expedited project approval by FEMA's Grant Programs Directorate;
- expand allowable expenses under the Port Security Grant Program and Transit Security Grant Program, for example, by allowing maintenance and sustainment expenses for equipment, training, and critical resources that have previously been purchased with either Federal grants or any other source of funding to support existing core capabilities tied to the five mission areas contained within the National Preparedness Goal.

The changes FEMA has proposed for its fiscal year 2013 National Preparedness Grants program may create new management challenges. As noted by Chairman Bilirakis in last month's hearing by the House Homeland Security Committee's Subcommittee on Emergency Preparedness, Response, and Communications, allocations under the new grant program would rely heavily on a State's Threat and Hazard Identification and Risk Assessment (THIRA).<sup>23</sup> However, nearly a year after the THIRA concept was first introduced as part of the fiscal year 2011 grant guidance, grantees have yet to receive guidance on how to conduct the THIRA process. As we reported in February 2012, questions also remain as to how local stakeholders would be involved in the THIRA process at the State level. In March 2012, FEMA's GPD announced that FEMA has established a website to solicit input from stakeholders on how best to implement the new program. According to Chairman Bilirakis, it is essential that the local law enforcement, first responders, and emergency managers who are first on the scene of a terrorist attack, natural disaster, or other emergency be involved in the THIRA process. They know the threats to their local areas and the capabilities needed to address them. Finally, according to FEMA's plans, the new National Preparedness Grant Program will require grantees to develop and sustain core capabilities; however, the framework for assessing capabilities and prioritizing National preparedness grant investments is still not complete. As we noted in our February 2012 report, FEMA'S efforts to measure the collective effectiveness of its grants programs are recent and on-going and thus it is too soon to evaluate the extent to which these initiatives will provide FEMA with the information it needs to determine whether these grant programs are effectively improving the Nation's security.<sup>24</sup>

<sup>22</sup> U.S. Department of Homeland Security, *National Preparedness Goal*, (Washington, DC, Sept. 2011).

<sup>23</sup> Threat and Hazard Identification and Risk Assessments (THIRA) are intended to be tools that allow organizations at all levels of government to identify, assess, and prioritize their natural and man-made risks to facilitate the identification of capability and resource gaps, and allow organizations to track their year-to-year progress to address those gaps.

<sup>24</sup> GAO-12-303.

FEMA HAS NOT YET COMPLETED NATIONAL PREPAREDNESS ASSESSMENT EFFORTS TO ADDRESS LONG-STANDING CONCERNS

DHS and FEMA have had difficulty in implementing long-standing plans to develop and implement a system for assessing National preparedness capabilities. For example, DHS first developed plans in 2004 to measure preparedness by assessing capabilities,<sup>25</sup> but these efforts have been repeatedly delayed and are not yet complete. FEMA's proposed revisions to the new NPGP may help the agency overcome these continuing challenges to developing and implementing a National preparedness assessment.

*DHS and FEMA's Long-standing Plans to Develop and Implement a National Assessment of Preparedness Have Not Been Fulfilled*

Since 2004, DHS and FEMA have initiated a variety of efforts to develop a system of measuring preparedness. From 2005 until September 2011, much of FEMA's efforts focused on developing and operationalizing a list of target capabilities that would define desired capabilities and could be used in a tiered framework to measure their attainment. In July 2005, we reported that DHS had established a draft Target Capabilities List that provides guidance on the specific capabilities and levels of capability at various levels of government that FEMA would expect Federal, State, local, and Tribal first responders to develop and maintain.<sup>26</sup> DHS planned to organize classes of jurisdictions that share similar characteristics—such as total population, population density, and critical infrastructure—into tiers to account for reasonable differences in capability levels among groups of jurisdictions and to appropriately apportion responsibility for development and maintenance of capabilities among levels of government and across these jurisdictional tiers. According to DHS's Assessment and Reporting Implementation Plan, DHS intended to implement a capability assessment and reporting system based on target capabilities that would allow first responders to assess their preparedness by identifying gaps, excesses, or deficiencies in their existing capabilities or capabilities they will be expected to access through mutual aid. In addition, this information could be used to: (1) Measure the readiness of Federal civil response assets, (2) measure the use of Federal assistance at the State and local levels, and (3) assess how Federal assistance programs are supporting National preparedness.

DHS's efforts to implement these plans were interrupted by the 2005 hurricane season. In August 2005, Hurricane Katrina—the worst natural disaster in our Nation's history—made final landfall in coastal Louisiana and Mississippi, and its destructive force extended to the western Alabama coast. Hurricane Katrina and the following Hurricanes Rita and Wilma—also among the most powerful hurricanes in the Nation's history—graphically illustrated the limitations at that time of the Nation's readiness and ability to respond effectively to a catastrophic disaster; that is, a disaster whose effects almost immediately overwhelm the response capabilities of affected State and local first responders and require outside action and support from the Federal Government and other entities. In June 2006, DHS concluded that target capabilities and associated performance measures should serve as the common reference system for preparedness planning.

In September 2006, we reported that numerous reports and our work suggested that the substantial resources and capabilities marshaled by Federal, State, and local governments and nongovernmental organizations were insufficient to meet the immediate challenges posed by the unprecedented degree of damage and the resulting number of hurricane victims caused by Hurricanes Katrina and Rita.<sup>27</sup> We also reported that developing the capabilities needed for catastrophic disasters should be part of an overall National preparedness effort that is designed to integrate and define what needs to be done, where it needs to be done, how it should be done, how well it should be done, and based on what standards.<sup>28</sup>

FEMA's National Preparedness Directorate within its Protection and National Preparedness organization was established in April 2007 and is responsible for developing and implementing a system for measuring and assessing National pre-

<sup>25</sup> GAO, *Homeland Security: Management of First Responder Grants in the National Capital Region Reflects the Need for Coordinated Planning and Performance Goals*, GAO-04-433 (Washington, DC: May 28, 2004).

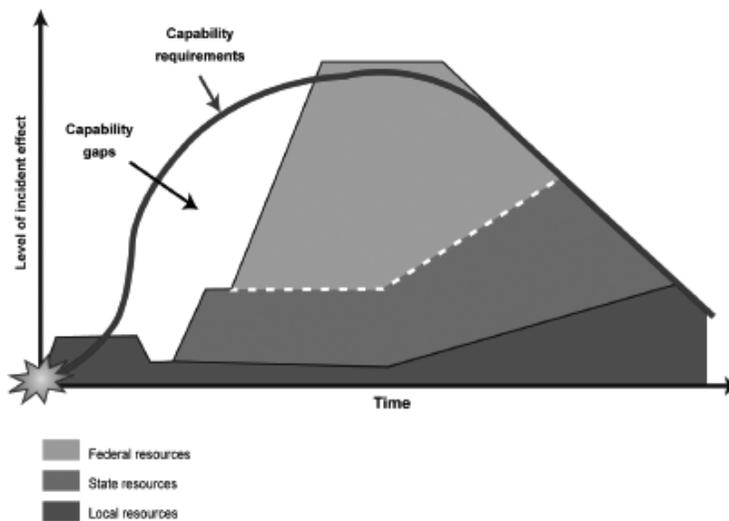
<sup>26</sup> An example of a desired outcome for the target capability of mass prophylaxis—prevention of or protective treatment for disease—was to effectively reach an entire affected population in time to prevent loss of life and injury. GAO-05-852.

<sup>27</sup> GAO, *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System*, GAO-06-618 (Washington, DC, Sept. 6, 2006.)

<sup>28</sup> GAO-06-618.

paredness capabilities. Figure 2 provides an illustration of how Federal, State, and local resources provide capabilities for different levels of “incident effect” (i.e., the extent of damage caused by a natural or manmade disaster).

Figure 2: Conceptual Illustration for Assessing Capability Requirements and Identifying Capability Gaps for National Preparedness:



Source: GAO.

In October 2006, Congress passed the Post-Katrina Act that required FEMA, in developing guidelines to define target capabilities, to ensure that such guidelines are specific, flexible, and measurable.<sup>29</sup> In addition, the Post-Katrina Act calls for FEMA to ensure that each component of the National preparedness system, which includes the target capabilities, is developed, revised, and updated with clear and quantifiable performance metrics, measures, and outcomes.<sup>30</sup> We recommended in September 2006, among other things, that DHS apply an all-hazards, risk management approach in deciding whether and how to invest in specific capabilities for a catastrophic disaster.<sup>31</sup> DHS concurred with this recommendation and FEMA said it planned to use the Target Capabilities List to assess capabilities to address all hazards.

In September 2007, FEMA issued an updated version of the Target Capabilities List to provide a common perspective in conducting assessments that determine levels of readiness to perform critical tasks and identify and address any gaps or deficiencies. According to FEMA, policymakers need regular reports on the status of capabilities for which they have responsibility to help them make better resource and investment decisions and to establish priorities.

In April 2009, we reported that establishing quantifiable metrics for target capabilities was a prerequisite to developing assessment data that can be compared across all levels of government.<sup>32</sup> At the time of our review, FEMA was in the process of refining the target capabilities to make them more measurable and to provide State and local jurisdictions with additional guidance on the levels of capability they need. Specifically, FEMA planned to develop quantifiable metrics—or performance objectives—for each of the 37 target capabilities that are to outline specific capability targets that jurisdictions (such as cities) of varying size should strive to meet, recognizing that there is not a “one size fits all” approach to preparedness.

<sup>29</sup> 6 U.S.C. § 746.

<sup>30</sup> 6 U.S.C. § 749(b).

<sup>31</sup> GAO-06-618.

<sup>32</sup> GAO-09-369.

In October 2009, in responding to Congressional questions regarding FEMA's plan and time line for reviewing and revising the 37 target capabilities, FEMA officials said they planned to conduct extensive coordination through stakeholder workshops in all 10 FEMA regions and with all Federal agencies with lead and supporting responsibility for emergency support-function activities associated with each of the 37 target capabilities. The workshops were intended to define the risk factors, critical target outcomes, and resource elements for each capability. The response stated that FEMA planned to create a Task Force comprised of Federal, State, local, and Tribal stakeholders to examine all aspects of preparedness grants, including benchmarking efforts such as the Target Capabilities List. FEMA officials have described their goals for updating the list to include establishing measurable target outcomes, providing an objective means to justify investments and priorities, and promoting mutual aid and resource sharing.

In November 2009, FEMA issued a Target Capabilities List Implementation Guide that described the function of the list as a planning tool and not a set of standards or requirements. Finally, in 2011, FEMA announced that the Target Capabilities List would be replaced by a new set of National Core Capabilities. However, it is not clear how the new approach will help FEMA overcome on-going challenges to assessing National preparedness capabilities discussed below.

*FEMA Has Not Yet Fully Addressed On-going Challenges to Assessing National Preparedness Capabilities*

FEMA has not yet fully addressed on-going challenges in developing and implementing a system for assessing National preparedness capabilities. For example, we reported in July 2005 that DHS had identified potential challenges in gathering the information needed to assess capabilities, including determining how to aggregate data from Federal, State, local, and Tribal governments and others and integrating self-assessment and external assessment approaches.<sup>33</sup> In analyzing FEMA's efforts to assess capabilities, we further reported in April 2009 that FEMA faced methodological challenges with regard to: (1) Differences in data available, (2) variations in reporting structures across States, and (3) variations in the level of detail within data sources requiring subjective interpretation. As noted above, FEMA was in the process of refining the target capabilities at the time of our review to make them more measurable and to provide State and local jurisdictions with additional guidance on the levels of capability they need. We recommended that FEMA enhance its project management plan to include milestone dates, among other things, a recommendation to which DHS concurred. In October 2010, we reported that FEMA had enhanced its project management plan by providing milestone dates and identifying key assessment points throughout the project to determine whether project changes are necessary.<sup>34</sup>

Nonetheless, DHS and FEMA have had difficulty overcoming the challenges we reported in July 2005 and April 2009 in establishing a system of metrics to assess National preparedness capabilities.<sup>35</sup> As we reported in October 2010, FEMA officials said that, generally, evaluation efforts they used to collect data on National preparedness capabilities were useful for their respective purposes but that the data collected were limited by data reliability and measurement issues related to the lack of standardization in the collection of data.

FEMA officials reported that one of its evaluation efforts, the State Preparedness Report, has enabled FEMA to gather data on the progress, capabilities, and accomplishments of the preparedness program of a State, the District of Columbia, or a territory. However, they also said that these reports included self-reported data that may be subject to interpretation by the reporting organizations in each State and not be readily comparable to other States' data. The officials also stated that they have taken actions to address these limitations by, for example, creating a web-based survey tool to provide a more standardized way of collecting State preparedness information that will help FEMA officials validate the information by comparing it across States.

We reported in October 2010 that FEMA had an on-going effort to develop measures for target capabilities that would serve as planning guidance, not requirements, to assist in State and local capability assessments. FEMA officials had not yet determined how they planned to revise the Target Capabilities List and said they were awaiting the completed revision of Homeland Security Presidential Directive 8, which was to address National preparedness. That directive, called Presi-

<sup>33</sup> GAO-05-652.

<sup>34</sup> GAO-11-51R.

<sup>35</sup> GAO-05-652 and GAO-09-369.

dential Policy Directive 8 on National Preparedness (PPD-8), was issued on March 30, 2011.

In March 2011, we reported that FEMA's efforts to develop and implement a comprehensive, measurable, National preparedness assessment of capability and gaps were not yet complete and suggested that Congress consider limiting preparedness grant funding until FEMA completes a National preparedness assessment of capability gaps at each level based on tiered, capability-specific performance objectives to enable prioritization of grant funding.<sup>36</sup> In April 2011, Congress passed the fiscal year 2011 appropriations act for DHS, which reduced funding for FEMA preparedness grants by \$875 million from the amount requested in the President's fiscal year 2011 budget.<sup>37</sup> The consolidated appropriations act for fiscal year 2012 appropriated \$1.7 billion for FEMA Preparedness grants, \$1.28 billion less than requested.<sup>38</sup> The House committee report accompanying the DHS appropriations bill for fiscal year 2012 stated that FEMA could not demonstrate how the use of the grants had enhanced disaster preparedness.<sup>39</sup>

According to FEMA's testimony in a hearing on the President's fiscal year 2013 budget request before the House Committee on Homeland Security's Subcommittee on Emergency Preparedness, Response, and Communications, FEMA became the Federal lead for the implementation of PPD-8 in 2011. The new Presidential policy directive calls for the development of both a National Preparedness Goal and a National Preparedness System (both of which were required by the Post-Katrina Act in 2006). FEMA issued the National Preparedness Goal in September 2011, which establishes core capabilities for prevention, protection, response, recovery, and mitigation that are to serve as the basis for preparedness activities within FEMA, throughout the Federal Government, and at the State and local levels. These new core capabilities are the latest evolution of the Target Capabilities List. According to FEMA officials, they plan to continue to organize the implementation of the National Preparedness System and will be working with partners across the emergency management community to integrate activities into a comprehensive campaign to build and sustain preparedness. According to FEMA, many of the programs and processes that support the components of the National Preparedness System exist and are currently in use, while others will need to be updated or developed.

For example, FEMA has not yet developed National preparedness capability requirements based on established metrics for the core capabilities to provide a framework for National preparedness assessments. As I testified last year, until such a framework is in place, FEMA will not have a basis to operationalize and implement its conceptual approach for assessing Federal, State, and local preparedness capabilities against capability requirements to identify capability gaps for prioritizing investments in National preparedness.

Chairman Bilirakis, Ranking Member Richardson, and Members of the committee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

Mr. BILIRAKIS. Thank you very much.

Now I will recognize the mayor from Philadelphia, Mr. Nutter. You are recognized, sir, for 5 minutes.

**STATEMENT OF MICHAEL A. NUTTER, MAYOR OF PHILADELPHIA, TESTIFYING ON BEHALF OF THE UNITED STATES CONFERENCE OF MAYORS**

Mr. NUTTER. Thank you, Chairman Bilirakis, Ranking Member Richardson, Ranking Member Thompson, all the Members of the committee. Let me just also recognize Congressman Pat Meehan who was just here a few minutes ago, our friend and neighbor from the county next door in Delaware County.

I am Michael Nutter, mayor of the city of Philadelphia, and vice president of the U.S. Conference of Mayors. I appreciate the opportunity to testify before you today on FEMA's proposal to change the

<sup>36</sup>GAO-11-318SP.

<sup>37</sup>Pub. L. No. 112-10, § 1632, 125 Stat. 38, 143 (2011).

<sup>38</sup>Pub. L. No. 112-74, 125 Stat. 786, 960 (2011). This total includes all grant programs in the State and local programs account and the Emergency Management Performance Grant program but does not include funding appropriated for firefighter assistance grant programs.

<sup>39</sup>H.R. Rep. No. 112-91, at 106-08 (2011).

Homeland Security grant programs. I also want to thank DHS Secretary Janet Napolitano for our conference call just yesterday, along with Mayors Parker and Mayor Smith, and her openness to listening to our concerns and ideas in this regard.

My basic message is that mayors and other local officials across the Nation have serious concerns about this proposal. Ranking Member Richardson made reference to a letter signed by 12 National organizations raising their concerns as well.

We strongly support the existing menu of Homeland Security programs. Although we recognize that they may not be perfect, they are the product of years of work by Congress, the administration, State and local governments, and first responders. Frankly, we cannot understand why FEMA proposes to throw away programs that work in such a wholesale manner. Let me first note some areas of agreement with FEMA.

Everyone agrees that we should spend our Homeland Security dollars where they are most needed. Everyone understands that unspent funds remain in the pipeline and that we all need to do a better job of getting these funds out the door. Everyone shares the goal of basing funding decisions on threat assessments and reducing administrative burdens. Everyone agrees that we need to improve cooperation among the various agencies and governments involved in making our homeland secure.

What we do not understand is why anyone believes that those goals require this proposed radical and rapid change. FEMA's proposal would essentially convert the current Homeland Security grant programs into a State-administered block grant program in which funding decisions are based on State and multi-State threat assessments.

There would be no more separate—program, nor would there be separate transit or port security programs. These are programs which provide funding to the areas and facilities considered to be at greatest risk.

The outline of the proposed National Preparedness Grant Program, NPGP, raises serious concerns and questions for those of us at the local level. We are the ones charged with trying to prevent incidents from occurring in the first place, and providing the critical first response when they do occur.

Among our concerns and questions are the following. The NPGP proposal moves away from the current regional and strategy-based approach to a competitive and project-based approach, which literally pits cities, counties, and States against each other for funding.

The role of local Government officials, local emergency managers, and first responders in the Threat Hazard Identification and Risk Assessment process is not clear. How can we ensure that it includes local concerns?

How will funding in the NPGP be distributed to local areas? How do we ensure that it is used to meet local threats in preparedness gaps?

Let me mention for a moment my own city. Homeland Security funds are distributed to Philadelphia on a regional basis. Over the last 10 years we have worked with the four surrounding counties, including those represented by Congressman Meehan to support

strong Homeland Security capabilities such as specialized law enforcement response teams, urban search-and-rescue capabilities, and enhanced medical response teams. More specifically, the city's response to Hurricane Irene and Tropical Storm Lee was aided tremendously by numerous resources acquired using UASI funding.

For example, UASI funding allowed us to utilize enhanced technology in the city's Emergency Operations Center, the city's Emergency Public Notification System, emergency communications equipment used by first responders, cots and animal supplies used at emergency shelters, variable message board signs used to direct citizens out of hazardous areas, and the salaries of full-time emergency managers to develop the plans that were implemented during those storms.

We are also concerned about the increased role which States will play in determining where and how funds will be spent. For instance, Pennsylvania already has a track record of redistributing funding away from urban areas. For example, in fiscal year 2011, FEMA, our State management organization reallocated the State Homeland Security Grant Program funding away from the Philadelphia urban area to other task forces within the commonwealth. We were cut by 85 percent, the largest cut in the State.

Let me show you one more example of the value of the funding we received in human terms. This photo is of a tactical helmet and another of a vest. These were worn by Philadelphia police officers, one shot in the head, the other in the chest. Both are alive today because this equipment was purchased with UASI funding. Those officers' lives are at stake. Sometimes our walk does not match our talk. This is one of those moments in Philadelphia.

Finally—

Mr. BILIRAKIS. Excuse me, Mayor. Would you like to submit those for the record?

Mr. NUTTER. Mr. Chairman, I have a full package.

Mr. BILIRAKIS. Okay. Very good. Without objection then.

Mr. NUTTER. Members of the committee, I appreciate the opportunity to testify before you today on this issue of vital importance to my city and to all local officials and first responders across the United States. Mayors and local officials look forward to working with you to ensure that we maintain effective Homeland Security programs.

Let us be honest. You have seen a result of what happened with ARRA funding that mostly went to States rather than cities. It did not work out as well as many of us would have liked. Please do not take the same steps with emergency preparedness funding as lives are at stake in this one. Thank you very much.

[The statement of Mr. Nutter follows:]

PREPARED STATEMENT OF MICHAEL A. NUTTER

MARCH 20, 2012

Chairman Bilirakis, Ranking Member Richardson, and—I have to acknowledge Congressman Meehan, who is our good neighbor—Members of the committee, I am Michael A. Nutter, mayor of Philadelphia and vice president of The United States Conference of Mayors. I appreciate the opportunity to testify before you on FEMA's proposal to change the Homeland Security grant programs. My basic message is that mayors and other local officials across the Nation have serious concerns about this proposal.

We strongly support the existing menu of homeland security programs and, although we recognize that they may not be perfect, they are the product of years of work by Congress, the administration, State and local governments, and first responders. Frankly we cannot understand why FEMA proposes to throw away that work in such a wholesale fashion and to do it through the appropriations process, rather than the authorization process.

Everyone agrees that we should spend our homeland security dollars where they are needed most in as efficient and effective manner as possible.

Everyone understands that unspent funds remain in the pipeline and that everyone needs to do a better job of getting these out the door.

Everyone shares the goals of basing funding decisions on threat assessments and reducing administrative burdens.

Everyone agrees that we need to improve cooperation and communication among the various agencies and governments involved in making our homeland secure.

What we don't understand is why anyone believes that this radical and rapid change is needed in order to achieve those goals.

FEMA's proposal would convert the current Homeland Security grant programs into a State-administered block grant program and a State-centric competitive grant programs in which funding decisions are based on State and multi-State threat assessments. There would be no more separate UASI program; there would be no more separate transit or port security programs. These are programs which provide funding to areas and facilities considered to be at greatest risk.

The outline for the proposed National Preparedness Grant Program (NPGP) raises serious concerns and questions for those of us at the local level—and we are the ones charged with trying to prevent incidents from occurring in the first place and providing that critical first response when they do occur. Among our concerns and questions are the following:

- The NPGP proposal moves away from the current regional governance, assessment, and strategy-based approach to a competitive and individual project-based approach that will pit cities, counties, and States against each other for funding. This will generate conflict instead of fostering collaboration as is currently the case.
- The NPGP proposal emphasizes Nationally deployable assets, thus shifting the emphasis from the full system of prevention, protection, preparedness, response, recovery, and mitigation to one that appears to focus on response alone.
- What role will local Government officials, local emergency managers, and first responders have in the Threat Hazard Identification and Risk Assessment (THIRA) process so that we can ensure that it includes local concerns? It's important to note that THIRAs are not homeland security plans. They are risk assessments that should be used to help develop plans along with capabilities assessments and gap and sustainment analyses.
- It is unclear how the funding in the NPGP will be distributed to local areas; so how do we ensure that it is used to meet local threats and preparedness gaps? How do we ensure, for example, that political considerations do not become the criterion for the distribution of these funds?
- The UASI program ensures that Federal funding is used to improve preparedness in high-risk areas, as recommended by the 9/11 Commission. How can FEMA ensure that the new NPGP meets this recommendation, if it distributes funding solely based on THIRA examinations performed by States?
- Why are such major changes being proposed without advance consultation with the local governments and first responders charged with preventing and responding to incidents? Why are they being proposed without consulting in advance with the committees of jurisdiction in Congress which have worked so hard over the years to craft the current suite of homeland security and preparedness programs? And why are they being proposed to be accomplished through the appropriations rather than the authorization process?

#### THE PHILADELPHIA REGION

Let me discuss my own region. Homeland security funds are distributed to Philadelphia on a regional basis. Over the last 10 years, we have worked with the four surrounding counties—including those represented by Congressman Meehan—to develop strong homeland security capabilities, such as specialized law enforcement response teams, urban search and rescue capabilities, and enhanced medical response teams. More specifically, the city's response to Hurricane Irene and Tropical Storm Lee was aided tremendously by numerous resources acquired using UASI funding. For example, UASI funds allowed us to utilize enhanced technology utilized in the city's Emergency Operations Center, the city's Emergency Public Notification Sys-

tem, emergency communications equipment used by first responders, cots, and animal supplies used at emergency shelters, variable message board signs used to direct citizens out of hazardous areas, and the salaries of full time emergency managers responsible for developing the plans that were implemented during the storms.

At current fiscal year 2012 funding levels, the Southeastern Pennsylvania region has just enough funding to sustain the prevention, preparedness, response, and recovery capabilities it has worked so hard to develop over the past 10 years. A further reduction in funding would not only prohibit us from expanding upon those capabilities, but would also require the region to reduce those capabilities through the elimination of critical programs. FEMA's proposal provides no assurance that we would continue to receive these funds which are so critical to our region's security and to our ability to prevent and respond to, mitigate, and recover from any incidents which do occur.

We are very concerned about the increased role which States will play in determining where and how funds would be spent:

- With increased authority, the Commonwealth will likely augment the already bureaucratic processes required to purchase equipment. Even now, prior to increased oversight and authority, the Commonwealth has added additional layers to the equipment acquisition process thus limiting the ability of local jurisdictions to spend down their grant funds and obtain much-needed equipment.
- Further, the Commonwealth already has a track record of re-distributing funding away from urban areas and re-allocating that funding to other areas of the Commonwealth. For example, in fiscal year 2011, PEMA reallocated the State Homeland Security Grant Program (SHSGP) funding away from the Philadelphia Urban Area to other Task Forces within the Commonwealth. The SHSGP distribution is historically based on population index, economic index, and critical infrastructure points. Based on this formula alone, the Philadelphia Urban Area was slated to receive the largest award amount. While we were bracing for a 50 percent cut due to an overall decrease in funding, we actually received an 85.46 percent reduction in the SHSGP grant. There are nine Task Forces in the Commonwealth. One received a 50 percent SHSGP cut and the others received 25 percent reductions. This demonstrates a disproportionate impact on Philadelphia that does not align with the historical grant allocation guidelines.

As a result of the proposed changes, possible specific cuts could include these items:

- Elimination of essential full-time emergency management planning positions. UASI funds currently subsidize the salaries of over 50 percent of the Philadelphia Office of Emergency Management staff (14) as well as the salaries of numerous regional emergency planners. A reduction in funding could leave the city and region without the professionals required to develop and maintain comprehensive contingency plans that address the consequences of terrorism, natural disasters, and man-made events.
- Downsizing or eliminating the Southeastern Communications Network (SECOM), a four-State, 12-county dedicated, secure microwave system that provides connectivity between Delaware Valley 9-1-1 Operations Centers and Emergency Operations Centers and provides voice radio connectivity for emergency responders in over 300 jurisdictions.
- Significant cuts in training, exercises, equipment, and resources currently directed to specialized operations teams including Special Weapons and Tactics Teams (SWAT), Regional Bomb Squads, Major Incident Response Teams, Terrorism Response Teams, Urban Search & Rescue, Swift Water Rescue, and a variety of other teams that protect the citizens of the Southeast Region.
- Elimination of the Southeastern Pennsylvania Surge Medical Assistance Response Team (SMRT)—a skilled group of volunteers organized to provide medical surge capacity to meet regional needs generated by an emergency. SEPA SMART responds to community needs caused by natural or human-caused disasters by augmenting existing health care staff and/or deploying a temporary hospital unit. They deploy to increase the surge capacity of a hospital facility, a community-based alternate care site, or a disaster site.
- Reduced information-sharing capabilities at the recently-opened Delaware Valley Intelligence Center (DVIC), the 72nd Federally-certified fusion center in the country, serving a four-State, 12-county customer base and designed truly to be an all-hazards, all-crime fusion center.
- A significant reduction in training available to first responders, Government employees, volunteers, critical infrastructure stakeholders, and others who play a critical role in prevention, preparedness, and response.

- Inability to replace first responder materials, equipment, vehicles, supplies, and medications at the end of their useful life, including radios, tactical equipment, personal protective equipment, detection equipment, pharmaceutical stockpiles, etc.
- Elimination of the Law Enforcement Justice Information System (LEJIS) which connects existing local police Records Management Systems (RMS) together in real time so incident data can be shared throughout Pennsylvania. LEJIS saves lives and protects property by giving officers in the field real-time access to incident data from surrounding police departments; LEJIS currently connects nearly 250 police departments throughout Pennsylvania, including the City of Philadelphia Police Department.
- A reduction in the region's capacity to provide mass care and sheltering to those directly impacted by disasters.

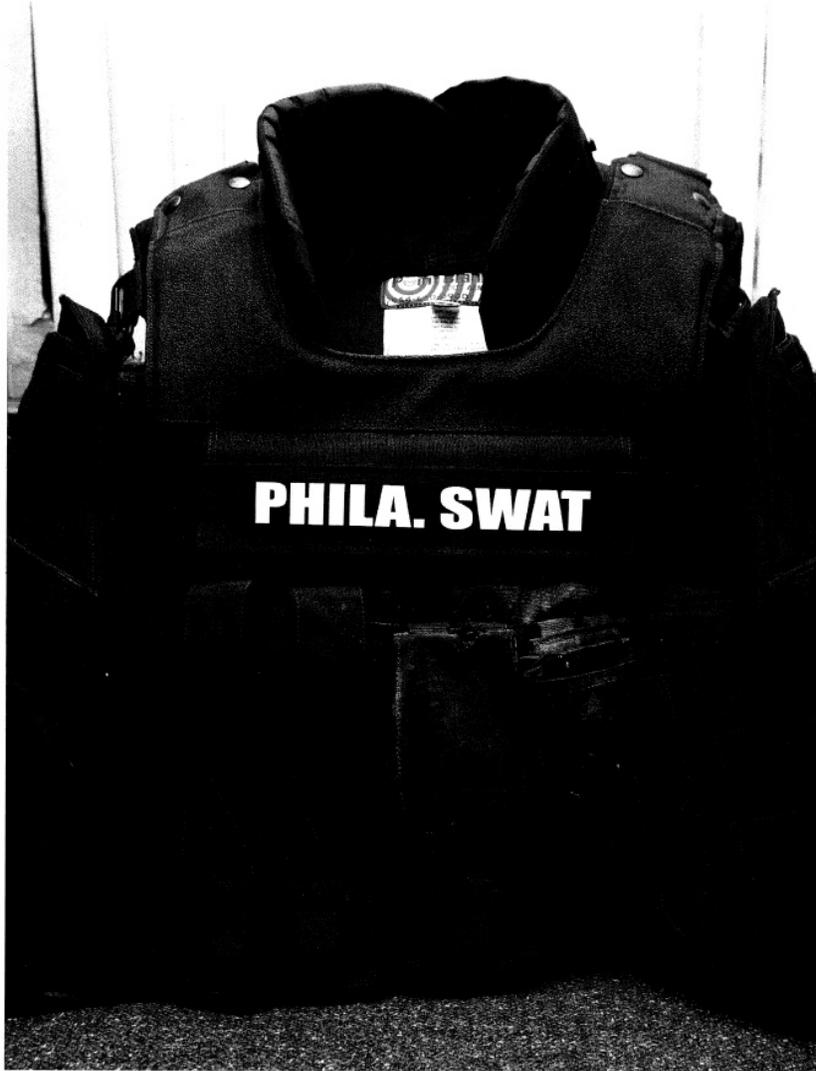
Let me share with you the value of the funding we have received in human terms: I have two photos of a tactical helmet and vest, each worn by separate Philadelphia Police Department SWAT officers during a standoff last year. Each officer was shot (one in the torso, the other in the temple), and the protective equipment purchased using UASI funds literally saved their lives.

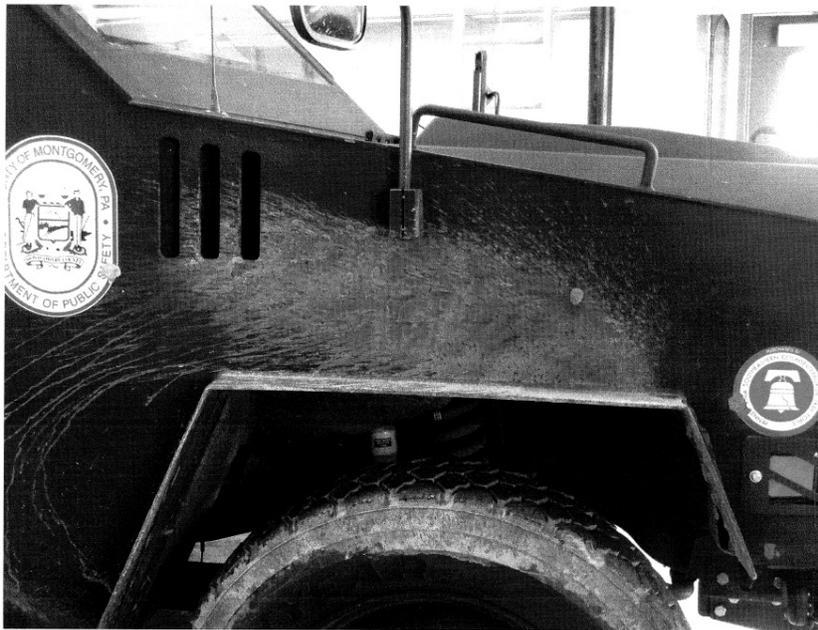
#### PRINCIPLES FOR PROGRAM IMPROVEMENT

The Conference of Mayors is working closely with other National organizations representing local governments, local emergency managers, and first responders on ways to improve the suite of homeland grant programs. We offer you some principles on which we all agree, and which may be helpful to the committee:

- *Transparency.*—The methodology needs to be clear—that is, how the States are distributing funds, why they are making these decisions, and where the funds are going must be transparent and understandable.
- *Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA.
- *Flexibility with Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs and fill preparedness gaps identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.
- *Local Funding.*—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- *Terrorism Prevention.*—We must not lose the current emphasis on supporting law enforcement's terrorist prevention activities. The Federal grant funds should not be used to support larger State bureaucracies in place of counter terrorism preparedness.
- *Incentives for Regionalization.*—FEMA's proposal focuses on States and multi-State regions, similar to the FEMA regions. It is important to make sure that the homeland security grants also support preparedness in metropolitan intra-State and inter-State regions.

I appreciate the opportunity to testify before you today on this issue of vital importance to me and my city and to all local officials, emergency managers, and first responders across the Nation. Mayors and local officials look forward to working with you to ensure the transparency, efficiency, and effectiveness of homeland security grants.





Mr. BILIRAKIS. Thank you, Mayor. I appreciate it. Now we will begin the questioning with you, Mayor. I will start.

Mayor, we have been concerned about the lack of stakeholder engagement in the development of the National Preparedness Grant Program proposal. Have you been able to share your concerns with FEMA? I know you talked to Secretary Napolitano. But have you been able to share your concerns with FEMA since the budget release through the on-line system? Do you believe that this system is enough to provide the level of discussion necessary for a proposal of this magnitude?

Mr. NUTTER. Mr. Chairman, I have not had direct contact myself with FEMA. I know that our Office of Emergency Preparedness has shared some concerns. But the issue that you raise with regard to that system, I found yesterday's phone call with the Secretary very helpful. I like personal contact myself. It is a lot easier to explain what is going on the ground when we engage at that level. I think more opportunities for local officials to talk directly with FEMA on these issues.

We are the first ones who show up in every incident that happens. I am not saying anything about anyone else. I just know that the Philadelphia police officer or someone from our emergency management operation is about 99.9 percent more likely to be the first one on the scene for anything that happens in our city, our transit system, our port, or anywhere else.

This is a—as I mentioned in my testimony, this is a very drastic change and it comes in a very rapid fashion. We need much more time to go through the details on this one given the magnitude of what we are talking about. The seriousness of the funding and the flexibility that we have with targeted programs and targeted areas that ensure the attention that we need.

You have heard the testimony of the inspector general. Unfortunately I heard Pennsylvania's name at least twice, possibly three times. We have serious concerns about a State-centric funding formula that may not, as we have already seen. We have taken cuts in urban Philadelphia. Some of the priorities across the State may not exactly match up with the priorities of the largest city in the Commonwealth of Pennsylvania, which is a city and county, the only one.

Mr. BILIRAKIS. Thank you very much, Mayor.

I will go ahead and recognize our Ranking Member, Ms. Richardson, for questions directly to the mayor.

Ms. RICHARDSON. Thank you, Mr. Chairman. I will just have one question so we can all get through.

Given the current fiscal difficulties that so many State and local communities have faced, and you have alluded to some of them. The Department's decision to consolidate the 16 distinct grants such as UASI has tremendous challenges. Specifically you mentioned the State-centric funding pool.

Could you describe for us to what degree you are involved in a State-centric decision similar to this? Are you brought to the table? Are you able to participate and weigh in why your particular area needs assistance? Or is that pretty much done within the Department, which is hence why this idea of the way we would do this program is not effective?

Mr. NUTTER. Ranking Member Richardson, I think the short answer to that is no. The 85 percent cut that we took, I could not explain to you today why that happened. There was no explanation for that. We have, you know, some ideas back home.

But this is not a—in my view at least, a full participatory process. When we have the opportunity to work with these individual grants we are much more hands-on, and it is a much greater collaborative process. As I mentioned in my testimony, Philadelphia, Bucks, Chester, Delaware, and Montgomery Counties, specifically southeastern Pennsylvania work very, very well together.

Certainly the regional kind of partnership and relationship, and we could certainly enhance that literally across three bridges into New Jersey. We can do a better job. But certainly southeastern Pennsylvania, we are tremendously reliant on each other, but also much more coordinated than some of the activities that take place at the State level.

Ms. RICHARDSON. Thank you, sir.

I yield back.

Mr. BILIRAKIS. Now I will recognize the gentleman from New York, Mr. Turner, for questions for the mayor directly. Thank you. You are recognized, sir.

Mr. TURNER. Thank you, Mr. Chairman.

I thank you, Mr. Mayor.

Mr. NUTTER. Thank you, sir.

Mr. TURNER. I am stunned at an 85 percent cut in the funding for the Philadelphia area. Philadelphia has many of the risk assessments as New York: Port security, symbolic and strategic sites. Why would you be more comfortable with a Federal slicing of this pie than the States? Your State would—should be the first to recognize this. This to me seems stunning.

Mr. NUTTER. Congressman, all I can say is that I mean to some extent their actions have spoken louder than their words. We do not know why we were cut, but we were cut. You know this is a situation where it is a big State. It is the largest State in the United States of America, so it gets spread.

I think that Philadelphia, because we are the largest city and we are the only city and county in the commonwealth we received you know I believe proportionately a fair share of dollars. But it may dwarf some other areas. So when cuts happen—I mean we understand that we might get hit, but an 85 percent cut is, No. 1, too much for us to bear; No. 2, they may have felt because they did not explain it to us that we have other access to dollars or we will just figure it out or we will absorb it or what.

But as you point out, we have a port, we have an airport, we have massive rail systems, we have a road network, I-95 goes right through the city of Philadelphia. We do have a few historic sites: Independence Hall, the Liberty Bell. I mean, a few things happened in Philadelphia a couple hundred years ago.

We are strategically located between New York and Washington, DC. We are all on the same path. I came down on the Amtrak. I mean, it makes no sense.

But I—if there is a funding formula, if we can deal direct, quite honestly, Congressman, with the Federal Government in this way on a regional basis I would feel much more secure than being reli-

ant on the State. Sometimes it just does not work out for big cities in States where there might be that kind of conflict.

Mr. TURNER. Mr. Mayor, would you suggest that on a State-wide basis many of these grants are seen more as political talk than meeting our strategic and security needs in their allocation? Is that why we—

Mr. NUTTER. Congressman, I try my best not to get into motives or intentions. I just look at results. The result is that I got an 85 percent cut. Whatever the motive was, it still hurts.

Mr. TURNER. All right. Do you have a solution?

Mr. NUTTER. We have a program that works. I am not sure what problem we are trying to solve.

Mr. TURNER. Thank you, Mr. Mayor. You say it well.

Mr. NUTTER. Thank you, Congressman.

Mr. BILIRAKIS. Thank you. You yield back. Yes, thank you.

I now recognize the Ranking Member of the full committee, Mr. Thompson. Thank you.

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

Mr. Mayor, are you aware of any stakeholder involvement in this process other than the phone call you were on yesterday relative to the consolidation of the programs, its impact, and other things?

Mr. NUTTER. Certainly through the U.S. Conference of Mayors we have been monitoring this situation. My director of Federal relations Terry Gilliam has stayed on top of this. But I have to say, Ranking Member Thompson, that this comes upon us in a rather rapid fashion. You know we are trying to do our best to make a case, certainly on behalf of Philadelphia and for the entire conference.

But I do not necessarily know that there has been tremendous amount of activity or engagement. My understanding is that there will be much more. I believe—and I am aware that there is a full-blown outreach effort that will be engaged. But we are very, very concerned, given some of the other budgetary complexities going on and some of the activities in Washington about this particular proposal and how we fit in, in the conversation.

Mr. THOMPSON. What I think Mr. Turner's comments and some of the Chairman also is I do not think any of what we should do should be to have the result of being punitive. I think the application ought to be across the board so that if a cut is there, it is tied to risk and some other things and not just a cut.

So, I am concerned that a city like yours would be so impacted that it potentially could put your city at risk. So going forward I would say that you need to use the bully pulpit of the mayor's office as well as the U.S. Conference of Mayors to highlight what is happening.

The other question is: To what degree from a sustainability point of view would cuts like that will you be able to maintain any reasonable capacities?

Mr. NUTTER. Well, two things, Congressman. First of all, we did not suddenly become 85 percent more safe in recent times. So, I do not know what process anybody went through to make a determination that somehow Philadelphia should get an 85 percent cut.

Again from the conversation yesterday and even this morning, if the primary focus is on maintaining capability, we have the threat

assessment that we have I mean whatever it is. Philadelphia is Philadelphia. New York is New York is New York.

I mean, so continued cuts will negatively impact our ability to maintain the kind of safety and preparedness that we are supposed to maintain. I mean, at some point—I mean I understand the idea of doing a little more with less. But there becomes a point where you do risk your share capacity. You can only stretch that dollar so far.

Mr. THOMPSON. For my own information, when the cuts came to the 85 percent level did you reach out to the State and ask them for some reason as to why the cuts came like they did?

Mr. NUTTER. We did have some engagement. We have not received an answer that we can understand.

Mr. THOMPSON. Well, I think it would be incumbent upon our committee from an oversight standpoint to see whether or not the intent of Congress is being met with cuts like this. I am—I think that—I do not think any of us would want a community to be at risk because of policies that we are doing. It appears that some unintended consequences are coming up because of that.

I yield back, Mr. Chairman. Thank you.

Mr. BILIRAKIS. Thank you, Mr. Chairman.

I believe Hansen, would you like—Mr. Clarke, you do not have any questions for the Mayor. Is that correct? Okay. Very good. Thank you.

Well, before I actually—I want to thank you very much for testifying and answering our questions. I have a very serious question for you. Have you been down to Clearwater to spring training, the Phillies spring training? Have you been down there? The Phillies look pretty good. I was there the other day.

Mr. NUTTER. Mr. Chairman, I thought that I would just wait for them to come home to—

Mr. BILIRAKIS. Well, if you ever decide to come down, give me a call.

Mr. NUTTER. I will be glad to.

Mr. BILIRAKIS. I tell you, you would be very impressed with Bright House. Thank you very much.

Mr. NUTTER. I think a trip around a business-related activity and maybe slip in a ballgame.

Mr. BILIRAKIS. Sounds good.

Mr. NUTTER. Thank you, Mr. Chairman.

Mr. BILIRAKIS. Thank you.

Yes, this is the end of round one, but we are going to go to round two.

You are dismissed, sir. If you would like to hang around that would be fine too.

Mr. NUTTER. Thank you.

Mr. BILIRAKIS. So, thank you so much for being so patient. I will recognize myself for 5 minutes for questioning the rest of the panel.

Okay. Question for Administrator Harman. The GAO has noted that FEMA lacks necessary detail on individual projects and the Office of Inspector General has identified questionable expenditures in a number of its reviews of SHSGP in particular, and also UASI, such as the review of Project Shield in Illinois.

When questionable expenditures are uncovered through GAO, OIG, or FEMA reviews, what is the process for reprogramming the funding to another allowable activity or providing the funding to another jurisdiction that would make better use of that funding? That question is for Administrator Harman.

Ms. HARMAN. Thank you.

Mr. BILIRAKIS. Thank you. You are recognized.

Ms. HARMAN. Thank you very much. With regard to reprogramming, as you are aware the dollars that are appropriated for these grants are traditionally what we consider 1-year money, with the exception of our fire grant money, with AFG, SAFER, Fire Prevention and Safety. That is a very large program; 20,000 applications which appreciate the 2-year ability to get that money out the door.

With the traditional 9/11 Act funding as well as EMPG dollars, that is considered 1-year money. So, as soon as we obligate that to the State they then further sub that down. We do not have the ability to retract that money unless there is some form of gross negligence. Of course we will sit down with our counsel and figure that part out.

But with regards to us, the Federal Government taking it back from a sub grantee within the State and reallocating that, we currently I do not believe have the authority to do that. We do have some States that will do that, not necessarily for misspending money or of that nature.

We do have some States that have very good practices with regard to subbing money down in a shorter period of performance than is currently offered by FEMA so that they can drive performance. Those sub grantees have maybe let us say 18 months as opposed to 36 months to complete those projects, and if they cannot get it done the State will then pull that back and re-sub it out.

But traditionally once we obligate that funding to the State we do not take it back. We do not have the ability to take it back and give it to someone else. It is traditionally handled within the State in their period of performance that we give them.

Mr. BILIRAKIS. As a follow-up: When the ND Grants system is fully up and running will we be able to provide a greater visibility into the grant expenditures?

Ms. HARMAN. That is our hope. Right now we currently operate off 13 different systems to manage all of our grants. When you think about how the Grant Programs Directorate was formed many years ago, we came from the Department of Justice, we came parts from DHS, we came part from FEMA. With that came the people, the business processes, and the system.

ND Grants was very thankful with a planned endeavor back in 2006. There were some budget constraints. So, it was—we had a lot of help and assistance in turning that light switch on, if you will, for fiscal year 2011 to get it up and running. It is a multi-year phased-in approach. It is a very large system which will be expanded and usable; hopefully for the DHS community and others should they need it.

So, we have a multi-year process for that and we—our intent is to have a level of more granularity than we currently do. We do not have exact visibility currently with the sub grantees that we should. We need to have that.

Mr. BILIRAKIS. Thank you. Thank you.

As noted in my opening statement, Administrator Gruber, nearly a year after the THIRA concept was included in the fiscal year 2011 grant guidance States still have not received guidance on how to conduct the THIRA. What is the status of the THIRA guidance?

Are you on track to release it by the end of the month as Administrator Serino testified at the last hearing? She indicated that in the budget hearing. What do you think, by the end of the month?

Mr. GRUBER. Yes, sir. The THIRA guidance is in final review with the administrator, Deputy Administrator Serino and Deputy Administrator Manning. It will be published as a comprehensive preparedness guideline. Our intention is to meet that deadline.

Mr. BILIRAKIS. Thank you. How will FEMA work to ensure that localities are included in the process as States develop their THIRAs so we have a complete picture of an area's risk?

Mr. GRUBER. Yes, sir. The THIRA process is a five-step process. It is articulated in this comprehensive preparedness guideline.

It requires the inclusion—we like to use the term whole community, which is representative not just of responders but also to make sure we have nonprofit organizations, faith-based organizations, our retail partners, all the contributors that could contribute capability to either prevention, protection, response, recovery, or mitigation would all be a part of that five-step process that is outlined in that guideline.

Mr. BILIRAKIS. Administrator Harman, I appreciate the steps that FEMA has taken to streamline and expedite the environmental and historical preservation reviews. GAO has acknowledged this progress in their reviews. Despite this grantees still cite EHP reviews as a major obstacle to the spend rate for grants and a reason why many of the grant programs or the projects require and extension. Is there a way to further refine this process?

Ms. HARMAN. That is a great question. We are very thankful for the new, what we call, the categorical exclusion that looked at many of the different projects our sub grantees and grantees request. We are actually able to now clear those within our office as opposed to going through a full EHP review, which did take a very long time.

There are some complicating factors when you look at EHP. Certainly amongst the ports, amongst the transit agencies we get into large sort of capital projects, brick and mortar. Those do require fairly lengthy reviews, and that is the environmental and historic preservation laws as they stand today. So, we want to be sure to be compliant with those.

But some of the smaller projects, installing cameras on historic buildings, replacing sense lines within the existing footprint. Some of these things we can clear because of the categorical exclusion that just passed last year. So, that helped us get over a huge workload and clear that backlog. But we still will have to go through full reviews for large capital digging in the dirt type of projects.

Mr. BILIRAKIS. Thank you.

Ms. Richards, you have mentioned—yes, I know I am over my time, but just one more question. You mentioned finding some of the best practices during audits. Would you please elaborate on some of them? If you could do so I would appreciate that.

Ms. RICHARDS. I would be happy to, sir. As I said, our audits have identified 11 innovative or best practices in seven States that could be considered for use by other jurisdictions; three aimed at preparedness and the rest grants management.

For example, New Jersey has a grant tracking system that captures and tracks progress on each sub grantee's projects, as well as required documentation such as invoices. Copies of the documentation are uploaded into the system, permitting timely review and allowing the termination of progress toward completing the given grant cycle.

In California two innovative practices were designed to assist grant managers in executing their responsibilities. A technology clearinghouse in the San Diego UASI has been designed to evaluate new technologies and provide other local jurisdictions with detailed independent assessments of the equipment and systems being considered by first responders so that each jurisdiction does not have to do that assessment. The clearinghouse assists law enforcement officers, firefighters, or emergency managers by conducting comparisons of detailed specifications, claim benefits, warranties, et cetera.

Another UASI, Los Angeles-Long Beach, developed an on-line invoice tracking system that allows program teams to digitally record and store all essential program documentation. This documentation is then available for UASI managers and their accounting departments, streamlining their processes significantly.

In Florida one UASI, Jacksonville, measures improvement in preparedness by evaluating its capabilities through annual gap analysis that are based on measured outcomes and an assessment of future needs. The gap analysis process uses readiness indicators and quantifiable data to identify these gaps.

The Urban Area Working Group prioritizes these results using a tier system based on risk and then incorporates the results in the project worksheets for the next grant cycle processes. I do not have the details of the other innovative processes with me, but I would be happy to provide them.

Mr. BILIRAKIS. Please do. Thank you very much.

Now I will recognize Ranking Member Ms. Richardson for 5 minutes.

Ms. RICHARDSON. I will defer to the Ranking Member of the full committee.

Mr. BILIRAKIS. You are recognized, sir.

Mr. THOMPSON. Thank you very much.

Ms. Harman, you heard Mayor Nutter talk about the importance of stakeholder involvement. Can you share with this committee, now that you hear that there is some question as to whether or not that process has been as robust as it should. What are you prepared to do?

Ms. HARMAN. Thank you. That is an excellent question.

The Preparedness Task Force that was requested by Congress for us to put together distributed a report September 2010, so almost 18 months ago. Part of that report was looking at measurements and preparedness. Other parts of it had to do with grant management. A lot of what you see in the vision document and in the President's proposal in fiscal year 2013 for the National Prepared-

ness Grant Program was actually conceived as part of that task force.

There are recommendations from partners within PPD-8 that have worked on the Presidential Policy Directive. We had 50 different organizations participate and contribute to the Preparedness Task Force report that actually did include representatives from Philadelphia at the time who we are very thankful to steal Marianne Tierney from unfortunately the mayor's office who is now one of our regional administrators. But had an opportunity to contribute to: Where do we need to go from here with regard to grants?

The Preparedness Task Force, or I am sorry, PPD group consist of over 450 different participants. So, while there has not been a sole focus group on the National Preparedness Grant Program yet, there has been significant contributions and input received from a variety of different of methods to get us to what we are proposing now.

We did put up on our website an opportunity for feedback. We do have a plan, which frankly has already started. We have been engaging with law enforcement community. We met with the Fire Service yesterday. We will be working with the Conference of Mayors as we go forward to figure out: What does this mean?

There is a fear, of course, with this grant program. The fear is that I am not getting my check. Where is my money coming from? The culture that we need to change in going forward is No. 1, a recognition that we do not have a \$4 billion budget anymore with regards to preparedness grant dollars. The Secretary was given less than \$1 billion this year to distribute at her discretion to those programs that she thought of utmost importance and at highest risk, which is what she did.

In the vision document it is fairly broad, but it does build off existing feedback that we have. We have a lot more engagement to do to get the devil in the details. Some of the importance will be the governance structure.

What does that mean? How does the local government, how do we prevent cities like Philadelphia from losing those big chunks of money? The State itself was cut almost 50 percent in their Homeland Security dollars this year. The UASI for Philadelphia was cut almost 39 percent this year.

There are cuts across the board. It makes it very difficult to manage and plan ahead. So, as we move forward with engagement, we do have an outreach strategy. We will be meeting with individual groups, be working with our Tribal leaders as well.

Mr. THOMPSON. Thank you. But what I would like for the Chair to do is provide the letters from those 12 organizations who expressed concern, and will request that you do a special outreach since they went through the trouble of letting us know about that.

Ms. Richards, in light of what you are hearing from officials like Mayor Nutter, one of those areas you had concern talked about sustainability. Do you have an opinion about sustainability given the cuts? Or you just want to leave it out there?

Ms. RICHARDS. Certainly we are very concerned when we do our audit work and we find that individual States do not have sustainability plans for projects that have received a great deal of invest-

ment. The budget constraints that we are all facing are very serious. We have urged FEMA and FEMA has responded by telling us that they are arduously working on putting out guidance in 2012 to ensure that projects in this cycle focus on the sustainability issue rather than on new projects or new equipment.

Unfortunately, I cannot opine at the moment as to how that is going to work out because it is in the future. But it is a significant concern.

Mr. THOMPSON. Ms. Harman, you want to talk about that?

Ms. HARMAN. Sure. Our focus right now with 2012 guidance that came out and in moving forward to 2013 is the maintenance and sustainment of existing capabilities that has been built.

We are building off a \$35 billion base across this Nation, across our territories and our Tribes. This is a significant investment that has been made and I can tell you even in contributing to the President's budget and part of the vision for going forward in 2013 I can tell you no one wants to see a loss in any of the capabilities that we have currently built.

That is why the proposal for fiscal year 2013 does include a baseline level of funding across the board to ensure that there is sufficient funding there for the maintenance and sustainment of capabilities, not just equipment but the capability that includes the people, the training, the turnover if there may be and handling all of that. So, that is key.

I want to make sure that is across the board. Then part of the 2013 vision is above and beyond that. Let us just say hypothetically a State has allocated \$10 million but they do not feel that that is enough in their baseline level, the funding. That they really need to sustain something else within there and they need more money.

There will be a competitive aspect to that program, which will be reviewed on a regional basis. We do not have, as I mentioned earlier, \$4 billion a year. We have less than a billion dollars a year to deal with. We need to be really smart about how we are spending our dollars.

The Chairman mentioned snow cones. You know Administrator Fugate mentioned that also in his budget hearing as well. We have folks buying things that are great, but what does that mean for National preparedness? What does that mean and how does that feed into the National Preparedness Goal of where we need to be as a Nation? That needs to be our focus going forward so maintenance is sustained and is key.

Mr. THOMPSON. I appreciate the indulgence of the Chairman.

The only thing I would say is you talked about additional monies being available for competitive grants. If you do that I think you create another problem so that only those areas that are mature enough to compete and write good applications get funded. That may or may not be the area of greatest risk.

So, I would caution that in the pursuit of trying to level the resources I think the whole issue of capacity has to come into question. Some communities are not quite there.

Ms. HARMAN. Sure. Agreed.

Mr. THOMPSON. Yield back.

Mr. BILIRAKIS. Thank you. Appreciate it.

Mr. Turner, you are recognized for 5 minutes, sir.

Mr. TURNER. Thank you, Mr. Chairman.

A question for Ms. Harman, with the way the risk assessment State funds are apparently ranked. Could you fill us in a little bit on the formulas, both for preventive security, and then if we fail, there is a responsiveness as well?

New York City has—the police department has thwarted 12 terrorist attacks in the past 10 years, very important. I think it is sad, but if any of these had succeeded the formula would be very different. But maybe you could tell us what the process is in this current budget.

Ms. HARMAN. The formula as it exists now for the allocation of the homeland security dollars, again, with the exception of EMPG and AFG; those are separate. The formula itself is driven from the 9/11 Act. We look at threat. We look at consequences, and we look at vulnerability.

Last year that formula was revised as we had some criticism that the vulnerability aspect was not really as strong as it should be. So, we enhanced that and this year we also included a domestic threat component to that, whereas in the past the definition of terrorism had always been thought to be an internationally-inspired terrorism.

So, working with our partners under the DHS umbrella in infrastructure protection as well as in intelligence and analysis we now incorporate a domestic threat and look at some of the violent extremism that we are seeing. Unfortunately that is becoming now sort of the homegrown nature. That is now calculated into the risk formula itself.

Each year all of the States, all of the urban areas per the 9/11 Act are racked and stacked, if you will, using that formula. The States and territories go 1 to 56. The urban areas go 1 down to 100. From there we enter into discussions with the Secretary with regards to the spreading of the peanut butter, if you will. It has been very difficult these past few years with the cuts that we have seen and there are significant policy decisions that are made by the Secretary to ensure that those dollars are going to areas of highest risk.

As you know, New York City for the urban area this year was held at a consistent level with last year's funding levels. Additionally the other three top what they call threat Tier 1 cities remained at a very minimal cut, around 12 percent to 13 percent. Then from there, there was significant funding decreases sort of going incrementally down the list. The list was maintained at 31 cities this year, consistent with last year.

Mr. TURNER. Thank you.

I yield back.

Mr. BILIRAKIS. You yield back. Thank you.

I recognize the Ranking Member of the subcommittee, Ms. Richardson for 5 minutes.

Ms. RICHARDSON. Yes. Thank you, Mr. Chairman.

First of all let me start with Mr. Jenkins. In testimony FEMA points to the enactment of the redundancy elimination and enhanced performance for preparedness grants as the justification for consideration of consolidating grant programs into a single overarching grant.

This reasoning seems unclear to me because both in the legislative text and in the report language the intent of the law is not—is to identify and eliminate the redundancy of reporting requirements, but not specifically referencing individual grants. Can you provide your opinion on the matter of which FEMA is implying the interpretation of this law? Do you think it is correct?

Mr. JENKINS. I cannot say necessarily. I have not looked at the—I mean, talked to our lawyers about the interpretation of the law.

I do think the issue here, you are right; as I understood it was with regard to reporting requirements, with having to report the same thing under different grants or to different people and so forth. The idea was to try to eliminate that and to try to streamline the reporting requirements for sites. There was a good deal of concern about that in the Preparedness—State and Local Preparedness Task Force Ms. Harman referred to.

I think we do believe that it is—and from the very beginning when FEMA got these grants that it was useful to take a holistic approach. That is, try to look at how the grants relate to one another and how they can be used collectively to be able to do what FEMA is trying to do, which is develop a National capability to prevent and prepare for and respond to a catastrophic disaster.

But it does not—I mean, it does not necessarily require the current approach. There are other approaches that you could take. The question is—is, again, how do you do it in terms of doing that?

The report that we released today focus on the fact that the one thing is to try to look at the projects and what projects—what goals the projects support and how they relate to one another. How does a project that is funded by UASI relate to a project funded by the Port Security, et cetera? But it does not necessarily require you consolidate the grants to do that. Although it does not—you know, that is one way to do it.

Ms. RICHARDSON. Thank you.

Ms. Harman, thank you for being with us here today and of course congratulations of your assignment. We are particularly excited of you being a former firefighter. I think you understand all too well of the importance of these grants.

I just wanted to ask, what was your thought of what Mr. Nutter said? Because I came from local government and I can tell you that if honestly the Department thinks that you referenced well 50 organizations are involved. Well, if you know how many cities, major cities if for example just in the State of California alone?

So, I can tell you that on our State level, San Diego is not coming in. They may ask us to submit an application, but San Diego is not coming in. Long Beach is not coming in. Los Angeles is not coming in. Anaheim where we have Disneyland is not coming in. Pasadena, who has the Rose Bowl, is not coming in.

I mean, clearly I think there seems to be a disconnect of understanding this kind of pie-in-the-sky idea that just because you have a few organizations involved that that means that that is going to validate the local involvement in this process. So, is there—are we getting through today of understanding the problems of this assumption?

Ms. HARMAN. Oh, yes. Understood. Thank you.

No, there are a lot of organizations out there that have contributed to the vision in where we are going and there are many more that need to. That is one of the reasons the vision itself is very broad. There is a rationale there that we did not put a lot of details in it because we do need to hear what that feedback is.

It is very concerning to hear Philadelphia get—receive an 85 percent cut. As you know, part of the 9/11 Act now under the current construct of the grant requires an 80 percent pass-through from the States down to the local level. But how that is done in each State is very, very different.

Sometimes it is—if there are 26 jurisdictions in the State they may divide it up by 26 and hand it out. They may go into more of a regional level. But moving forward with the National Preparedness Grant Program, we do need to get away from that mindset.

As an example, coming from Maryland Emergency Management Agency, we had 26 jurisdictions within the State. Maryland received roughly \$4.4 million this last year, a 50 percent cut from what they received the year prior. If they were to take those dollars and divvy it up equally that is roughly \$136,000 per jurisdiction.

One of those jurisdictions being Prince Georges County where I was born and raised, which borders the District of Columbia right here. I am not really sure what Prince George's County itself could do to maintain with \$136,000.

What we are proposing in fiscal year 2013 and going forward is that we are wise about the level of maintenance of sustainment that we have and we encourage more of a collaborative effort through mutual aid. Not every jurisdiction needs to have every single tool and capability that they are going to need in the time that they need it. They are going to have to reach out for mutual aid.

I did the same thing as a first responder, as a firefighter and a paramedic in Fairfax City. We did not have a HAZMAT unit.

Ms. RICHARDSON. But, Ms. Harman, the question is, is whether the State is the appropriate agency to do so. The question is: Given that we just went through this with the stimulus and it was admittedly not as successful as we would have liked, meaning the funds getting to all of the localities that it should have, have you—or what do you plan on doing to incorporate that to better apply this program?

Ms. HARMAN. Right. I think as of right now the vision is that money will continue to go through the State, the States and territories to the applicants. Of course there will be a Tribal piece as well. But the importance is: How does that work? What does that mean at the local level? How do they get their piece of pie, their dollars? How do they ensure that the—their capabilities that they have built? There has got to be a governance structure there.

I was on the phone yesterday with the Secretary and the Conference of Mayors, and we did, we solicited their input. Please, give us an example of what would work for you? What sort of governance structure?

There have been concerns that the proposal for 2013 is that of a block grant. By definition a block grant is here you go, State, here is your money, figure it out and each State does it differently.

We are not proposing that. We are proposing a much more structured, focused view when it comes to spending those dollars.

But I would like to hear from the Conference of Mayors and other organizations to find out what would work for them? How do we ensure that there is coordination and collaboration?

I know Administrator Fugate mentioned in his hearing you know, and as did Deputy Administrator Serino about seeing sort of a disjointedness. We have had ports. We have had transits. We have had UASI all doing really good work, building off of this \$35 billion base, but at times not coordinating. Yet in times of major disaster we rely on them to coordinate and respond effectively. We are trying to fix that going into 2013.

So, it is not that programs will be gone. It is more of a changing the culture to that of more collaboration that is there. But I would like to hear from more of the stakeholders, specifically what would make this work for them.

Ms. RICHARDSON. I yield back.

Mr. BILIRAKIS. Thank you.

Now I will recognize Mr. Clarke for 5 minutes.

Mr. CLARKE of Michigan. Thank you, Mr. Chairman. I have got some initial questions to representatives of the Department and then also of Ms. Richards and Mr. Jenkins on how the risk assessment of high-risk urban areas could be improved if you had any type of analysis or critique of that.

I represent Metropolitan Detroit. It is a high-risk region. We already had a terrorist attempt to blow up a plane headed for our international airport. It was unsuccessful. I have grave concerns that someone will likely try again.

I appreciate the Department considering the threat of domestic terrorism because as we are well aware, if someone wants to become a terrorist they do not need to go overseas to get training. They can get radicalized right on the internet here in the United States.

Detroit has other assets that makes it vulnerable and increases the economic impact in case of an attack. We have the busiest international border crossing in all of North America. We have a very large regional drinking and wastewater system. We have the world headquarters of General Motors on our riverfront. We have international border crossing as well.

Nearby we have nuclear plant facilities. We have a major oil refinery. All of these are assets that could be targets and could have devastating consequences to our region and to our country if they were attacked.

Detroit is not 45 percent safer this year than it was last year, to use the analogy raised by the mayor of Philadelphia. Yet our funding under the Department's risk assessment was cut by 45 percent. That is because of the Department's discretion that Congress gave the Department.

How can we make sure that the Department would not again make a disproportionate cut to a high-risk area like Metropolitan Detroit under the new National Preparedness Grant system for next year? That could be anyone from the Department that could answer. Then after if Ms. Richards or Mr. Jenkins would like to

comment on their analysis of the risk assessment that the Department conducts to determine whether an urban area is high-risk.

Ms. HARMAN. Sure. I can answer some of that for you.

With regards to Detroit, and frankly any other city across this Nation, I think the Department recognizes that risk is everywhere. There are areas that are of higher risk than others, which is why we do our risk analysis.

There have not been significant shifts in sort of the racking and stacking, if you will. We do not see significant movement in what we have seen. I think the system and the formula have been strengthened over the years. It is a very mature system. So, we have a pretty good idea where the risk is. The key is how do we apply the funding there to ensure that you have the capabilities that you need when you need them?

Moving into fiscal year 2013 the vision document currently describes the method of allocation to be that of population, which right now for you in Detroit would most likely be very difficult looking at the population of that compared to some of the other cities on the list. So, that may or may not be the way to go. But it is a risk-based approach moving forward.

Some would say areas of high population equal areas of high-risk. We do not know that to be the case. So, moving forward in fiscal year 2013 without any legislative changes there, of course we would still abide by the 9/11 Act using the existing formula. However, there is a desire to move to an all-hazards type approach to make sure that we are really fully covering all of that.

Do you want to add to it as well?

Mr. GRUBER. Sure. I will simply add that in the THIRA I alluded before to the Threat and Hazardous Identification Risk Assessment. The factors that you identified would be taken into account in the process of identifying threats and hazards, putting those in context. Coastlines, river ways, presence of critical infrastructure would all be part of the determination.

Then would look at the capabilities that you needed; what you had on hand, the targets you set and the capabilities you needed, which would help to contribute to how we allocate resources. But we know we are in an economic framework that requires prioritization and choice. I think most of the easy choices have been made already and they get more difficult as time transpires.

Mr. CLARKE of Michigan. You know my one point is that even though we are in a tough economic time right now the funding in New York City was not cut at all. Detroit was cut by 45 percent. That seems disproportionate to me.

Mr. GRUBER. Well, I know you wanted to have Ms. Richards and Mr. Jenkins reply to that, but I think again the application—the grant program in context with the Threat and Hazardous Identification Risk Assessment process is going to help us to capture, as Elizabeth said, where is the risk; where do we apportion resources appropriately to do that? I think we have been doing that relying on a formula now. Now what we are going to do is have a bottoms-up process that is going to help give us both perspectives on risk, both the strategic National and the locally-generated risk requirements.

Ms. RICHARDS. We concentrated our audit work on the uses of the money at the States and territorial and UASI levels. We have not completed an analysis of the risk model that FEMA has been using.

Mr. CLARKE of Michigan. All right.

Mr. Chairman, if there is time I would like to ask one more question.

Mr. BILIRAKIS. Actually we are going to have one more round.

Mr. CLARKE of Michigan. All right.

Mr. BILIRAKIS. All right?

Mr. CLARKE of Michigan. Sure.

Mr. BILIRAKIS. I thank the gentleman. Yield back?

Mr. CLARKE of Michigan. I yield back my time.

Mr. BILIRAKIS. Okay. I—we are going to go one more round if that is okay. Thank you so much for your patience today.

I have a question for Mr. Jenkins. Please elaborate further of the management challenges that may result from the proposed National Preparedness Grant Program.

Mr. JENKINS. You mean the fiscal year 2013 proposal?

Mr. BILIRAKIS. Yes. Yes, exactly. Yes, some of the management challenges.

Mr. JENKINS. Right. There are a number of management challenges, not the least of which is just simply what the—Ms. Harman also referred to earlier, which is the data that are available to FEMA in terms of managing the grants, knowing exactly what projects the grants are being spent on and what capabilities they contribute to. Because in the end you are spending these monies in order to develop certain capabilities that you think are critical and particularly important to either preventing or responding and recovering from a disaster.

So, there have been issues over the years with regard to the data that is available. For the data that are reported by the States in the past, States have not consistently reported data that as they used different assumptions and different definitions. So it is very difficult to aggregate.

So, if you—under this proposal you know you need to be able to compare. I know that is part of the intent of the THIRA is that you have people doing this risk assessment with a common methodology and therefore you can compare and consolidate the results of that.

But that is why the guidance is so important so that people are doing this in a common way so that everybody understands. I am from Pennsylvania and I look at the THIRA for Illinois I understand that they did it the way they did and I can sort of make a comparison and say, oh here is where they are different from me; here is where they are the same from me, et cetera.

The other issue still is that if you are doing these and you are trying to put these monies to the best possible use, then you do need some means of assessing where am I relative to where I want to be? Right now that is—and it has been since 2004 the Achilles heel of any methodology that one uses in terms of distributing the grants is that you do not have a common way of looking across the States in terms of what the capabilities are.

The capabilities are not just what the States themselves have done because in certain instances the capabilities are going to come from Federal agencies. For example with regard to radiological and biological attacks, a lot of the resources are going to come from the Department of Defense.

So you need to know what the collective capabilities are and where the State capabilities and the capabilities that are being built with these grants fit into that totality, and that is not an easy process but that is fundamental. It does not matter really what the process that you use to allocate these grants. If you cannot assess where I am relative to where I want to be and need to go then you are sort of operating in a fog.

Mr. BILIRAKIS. Thank you very much.

Okay. One last question for Administrator Gruber; FEMA has been working for years to develop measures and metrics to determine the effectiveness of these grant programs but we have seen little results so far. What is the status of the development of these metrics? When will this committee receive the report on the results of the work FEMA conducted with the National Academy of Public Administration?

Mr. GRUBER. Yes, sir. Thank you.

Well, I was privileged to participate in that process with a great group of stakeholders and was very encouraged by the work that was generated in the study. Again how it in many instances confirmed the direction we were headed and the measures that we had developed internally. The report is in a final review process.

We have as great an interest as you in delivering it promptly to you. But again, I thought that was an exceptionally beneficial process because it made us drill down very deliberately over an extended period of time with the right group of stakeholders to determine what are the most effective measures, and in some cases confirm what we were doing and in some cases gave us new perceptions about what we need to do.

Mr. BILIRAKIS. When do you feel we will get it? When will we receive it? So, you can give me a time frame.

Mr. GRUBER. Sir, I would appreciate it if I could get back to you. It is in the final clearance and review process, and I would certainly be happy to provide a time frame to you, but we will make sure it is as expeditious as humanly possible.

Mr. BILIRAKIS. Please do. Thank you.

Now I will recognize our Ranking Member, Ms. Richardson for 5 minutes.

Ms. RICHARDSON. Mr. Gruber, what portion of the overall combined NPGP funding stream is dedicated to the base amount versus the competitive pooling of funding?

Mr. GRUBER. Ma'am, I think perhaps since Administrator Harman might be better equipped to answer that question than I since she administers those programs, if you would not mind.

Ms. RICHARDSON. Sure.

Ms. HARMAN. That is a great question, and that is an answer that we are working on as we speak. As we start to get a little bit more of the details, as we have been coordinating with some of the stakeholders to find out what is that.

I think if you ask some States how much do you need right now to maintain and sustain what they have and the capabilities they have built there is some difficulty trying to answer that question. We have some States that have done a really good job managing their grants, knowing what they have built. We have others that are a little bit more disjointed.

I think moving forward with—and the completion of the Threat Hazard Identification Risk Assessment, that will sort of give us a better idea. But moving forward what we will have to take a best guess estimate based off of the data that we have readily available on what States have already spent, what we are seeing and reporting to figure out what is that baseline and what should be included in that baseline?

Ms. RICHARDSON. So, what is your estimate?

Ms. HARMAN. I do not have a dollar figure to give to you now. But I would kind of assure you that the baseline funding will include the maintenance and sustainment of capabilities that have already been built. If there is anything needed above and beyond that, that is the concept for the competitive portion of that.

Ms. RICHARDSON. So, the risk assessment, the base amount we have talked about several things today. When do you expect to have all this information? Because I am sure you can understand we as Members of Congress are going to have to vote on this. So it is only fair that we would have information to vote appropriately.

Ms. HARMAN. Absolutely. We will be ready by obviously the beginning of the fiscal year as we hope to get a budget, an on-time budget for October 1 of all the details. Which means the stakeholder feedback and coordination and collaboration should be done by then.

What we are trying to do right now is based off the feedback we have received thus far since the release of the President's budget and the fiscal year 2013 document and plan for NPGP is hearing what we are hearing, getting more of a baseline, a little bit more details to begin to engage in some more formal types of outreach efforts. I would like to have that done by June, a lot more details than what we have now.

Ms. RICHARDSON. Will you keep this committee informed as you process? Because some of your later time frames may be—prove difficult as we approve a budget.

Ms. HARMAN. Yes, absolutely. I have appreciated the conversations that we have had with your staff thus far and as well as some of the other Members of Congress here because this will be a joint effort.

We see it as a joint effort. We are not trying to force any sort of vision. That is not going to work. So, we do want it to be successful and be collaborative. I appreciate the willingness of your staff to work with us on that.

Ms. RICHARDSON. Which organizations and stakeholders have contributed to this process? If you do not have the list available, can you provide it to the committee?

Ms. HARMAN. Yes. I can provide you the list of all the members that have participated with the task force as well as the PPD-8 process, and then the stakeholder engagement that has occurred since the release of the President's budget.

Ms. RICHARDSON. Okay. The National Preparedness Goal in the full year 2013 intends to help States, regions, and locals to build readily deployable assets. How will FEMA manage the cataloguing of the readily deployable assets and ensuring they are used in catastrophic disasters? Would that be you, Mr. Gruber?

Mr. GRUBER. Yes, ma'am, that would. We have identified, as you know, in the National Preparedness Goal, a series of core capabilities. One of the most important aspects of building and developing, sustaining, and delivering those core capabilities is to do that within the framework of the National Incident Management System.

In the National Incident Management System there is a process called resource where you would take like assets and resources and type them so that when a jurisdiction is building those they are comparable to what another jurisdiction has. It makes the process much easier when you are unified in a response or when you are sharing assets through mutual aid.

So, building those capabilities we—and again, we have that in the guidance that we are getting ready to issue. We encourage the use of those NIMS resource-type assets to make sure that we have a framework that is sharable across all communities.

Ms. RICHARDSON. Okay.

Ms. Harman, currently does the State THIRA, are they required to include locally-developed THIRAs or similar assessment?

Ms. HARMAN. I will actually defer that to Mr. Gruber. We are partners here.

Ms. RICHARDSON. Okay.

Mr. GRUBER. Yes, ma'am. We have identified—of course if you will recall in the 2011 grant guidance that went out where we first identified the requirement to do a Threat and Hazard Identification Risk Assessment we capitalized on existing processes that are already being done. But we required in there that when the States completed that, that they also included urban areas and others as a part of their submissions.

Ms. RICHARDSON. Can you provide to the committee specifically what your direction is going to be to the State of who they are including and to what extent?

Mr. GRUBER. Yes, ma'am. That is, as I said before, embedded in our guidance. Our intent is to have that completed by the end of this month and to share that with you.

Ms. RICHARDSON. Okay. We are looking for specifics.

Mr. GRUBER. Yes, ma'am.

Ms. RICHARDSON. Okay.

Mr. BILIRAKIS. Okay. Thank you.

Mr. Clarke, you are recognized.

Mr. CLARKE of Michigan. Thank you, Mr. Chairman.

My question is: How can we get more money under the new National Preparedness Grant Program to those high-risk urban areas that really need the resources than they may be currently receiving under the Urban Area Security Initiatives grant?

Again, let me give Metropolitan Detroit as an example. Even though the city of Detroit has lost population over the last 10 years it still has high-risk assets: The border crossing, the refinery, the buildings. It has the critical infrastructure that could be a target:

The drinking water system, the 70-story tower that is a target, unfortunately.

In the last year's funding allocation under UASI the State of Michigan received approximately \$9 million. Of that \$9 million the city of Detroit received \$800,000. Currently the State can take 20 percent of the funding off the top, as you indicated. Similarly, the State has a great deal of discretion in determining what the urban area is.

Now, the threat to Metropolitan Detroit is regional. There are risks in Oakland County, Macomb, Monroe where we have nuclear facilities.

However, my concern that the urban area may have been defined to include other areas that really may not be high-risk, like agricultural areas and fields where certain urban areas should have received the money, especially where there is the financial need because of the housing crisis and other economic issues. Many of our urban areas that are high-risk had the least amount of local revenue available to prepare their first responders to respond or to protect the people in case of an emergency.

If you have any thoughts on how the new program could get more of the existing money to the high-risk areas. Again, we all want more money. That is not my question. How can we use our money most effectively to protect the areas that are really at high-risk?

Mr. Jenkins, had any review of how States use that 20 percent. If there has been transparency in that and how that money could be used better to protect urban areas I would welcome that as well.

Just so you know that is a leading question. I have heard concerns that some of the States have not been as transparent on how they use their up to 20 percent allocation, and that that money may not have gone all the back to protect urban areas from attack. Thank you.

I yield back my time after the questions are responded to.

Ms. HARMAN. That is of grave concern. I know I may not have a very popular answer for you with regards to funding because everyone seems to be very focused on the funding. But I encourage you to begin thinking about the capabilities that Detroit is going to need should the largest and most unpredictable event occur.

You have some of those capabilities. Others you will be reliant upon your region within the State. Then you are going to be reliant on those within our FEMA regions and the States that surround you. So, there is a focus there to ensure that the capabilities you have currently built remain there and are maintained and sustained. But we want to ensure that we are taking more of a regional and a collaborative effort.

The UASI area is defined. That urban area, that metropolitan statistical area is defined by OMB and where the funding should go. Within that urban area is an urban area working group, which may over time further evolve to expanding outside of their urban areas.

I realize that down in Atlanta the Atlanta urban area did that as they were very focused on mission and the capabilities that they need. They actually voluntarily expanded their urban area to in-

clude surrounding areas to ensure that capabilities were there and they could take advantage of those mutual aid partnerships.

So, there is also with regards to funding and spending it wisely, as I mentioned, there is \$8 billion there. I know that Congress has been very concerned about of the \$35 billion that has been obligated, \$8 billion sort of sitting on the books. Those dollars are in the process of being spent. What the Secretary has recently done is allow greater expansion and flexibility of that.

So, we have been encouraging both our States as well as all of our UASIs and territories and Tribes to say you know what, if you really thought that your level of funding was going to be much higher than it is, and we have all seen very significant cuts across the board with these dollars upwards of 50 percent. Rethink what you are going to do with these dollars. If you thought you were going to have long-term projects you may need to re-scope and reduce some of that to really focus on the maintenance and sustainment of where you need to go.

So, I can certainly work with you; work with your State looking at the available dollars that are there, looking at the structure of your urban area, too, if they need some guidance on how to do that. But moving forward, the focus really needs to be on the capabilities and how you are going to handle the response and recovery from those major disasters that may occur.

Mr. CLARKE of Michigan. Thank you for that offer of support, Administrator Harman. We will follow up with you on that too.

Mr. BILIRAKIS. Thank you very much. That concludes our hearing.

I thank the witnesses, of course, for their valuable testimony but also for their patience. I thank the Members for their questions. The Members of the subcommittee have some additional questions for you, and we ask that you respond in writing. The hearing record will be open for 10 days.

Without objection, the subcommittee stands adjourned. Thanks so much.

[Whereupon, at 11:49 a.m., the subcommittee was adjourned.]

**ENSURING THE TRANSPARENCY, EFFICIENCY,  
AND EFFECTIVENESS OF HOMELAND SECURITY  
GRANTS (PART II): STAKEHOLDER  
PERSPECTIVES**

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**Thursday, April 26, 2012**

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

The subcommittee met, pursuant to call, at 2:34 p.m., in Room 311, Cannon House Office Building, Hon. Gus M. Bilirakis [Chairman of the subcommittee] presiding.

Present: Representatives Bilirakis, Turner, Richardson, and Clarke.

Mr. BILIRAKIS. The Subcommittee on Emergency Preparedness, Response, and Communications will come to order.

The subcommittee is meeting today to receive stakeholder perspectives on the Homeland Security grants administered by FEMA and particularly on the President's proposed budget for fiscal year 2013, his request to consolidate a number of grant programs into a National Preparedness Grant Program.

I now recognize myself for an opening statement. I apologize for the voice, but I think we can get through this very important hearing.

This hearing is the second in a series considering Homeland Security grants. Last month, the subcommittee received testimony from Federal witnesses on the management and administration of these grants, a very productive hearing. Today, we will receive vital information from the stakeholders who rely on these grants to enhance their security operations.

I am pleased that we have participation from such a broad range of stakeholders today. Thank you so very much for attending. Your input is invaluable to this subcommittee as we consider proposals for grant reform.

In particular, I would like to hear your perspectives on the National Preparedness Grant Program proposal. I must say that I find it particularly troubling that it has been more than 2 months after the President's budget, since it has been released, and the subcommittee still has not received sufficient detail on this proposal, which is why it is so important that we hear from you today.

Again, how has FEMA engaged with you since the proposal has been released to listen to and include your perspectives on this pro-

posal? What portions of the proposal do you like, and what portions of the proposal concern you? Are there reforms that could be made to the existing programs that would enhance them and make them more efficient?

I am also interested in your perspective on the THIRA guidance that was recently released by FEMA. Does the guidance provide you with the information and tools you need to conduct this assessment and obtain a true understanding of the threats impacting your areas and infrastructures?

Finally, of course, I would like to—fiscal year 2012 has seen many, many changes in the Homeland Security grant programs, including a reduction in the period of performance. I am interested in hearing about how you believe this reduction and other changes will impact your programs. Will it, as FEMA suggests, assist you in your efforts to more expeditiously expend your grant funds?

Once again, I greatly appreciate your participation here today. I look forward to your thoughts on these and other issues and concerns related to grants.

I would like to submit for the record—I ask unanimous consent to submit this letter into the record. I ask unanimous consent to insert into the record a letter to Secretary Napolitano and Administrator Fugate from a coalition of local stakeholders, some of whom are represented here today, regarding the proposed National Preparedness Grant Program.

Without objection, so ordered.\*

Thank you very much.

I now recognize the Ranking Member, Ms. Richardson from California, for any statement she may have.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Good afternoon to all of our guests here today. I am looking forward to today's hearing regarding FEMA's grant programs and the full year 2013 budget proposal. I also want to welcome both of our panels today, the witnesses, and really extend our appreciation for you coming all the way that you have to testify.

Today we will hear from some of our vital State and local stakeholders about FEMA's portfolio of preparedness grants and the impact of the cuts on emergency preparedness and response efforts. In particular, we will hear concerns related to the Department's full year 2013 budget proposal, which one of my primary concerns is the effort to consolidate 16 separate, fully functioning, vital grant programs under the NPGP, which is the National Preparedness Grant Program.

Last month, the subcommittee received testimony from FEMA regarding the consolidation proposal. As the Chairman has stated, we still have not received some of the clarifications that we require in order to make these effective decisions. But in today's hearing we hope that we will hear more from you. It will be an informative session, and you will be able to share with us what is essential and how we might assist you in achieving the goals that you do on all of our behalf.

The Nation's ability to respond effectively to man-made and natural disasters requires State and local first responders to be ade-

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\*This document is included as an attachment to the Walker testimony.

quately equipped and trained. Administrator Fugate has stated on several occasions that the capabilities built by FEMA's suite of preparedness grants have helped with recent emergency responses and has enhanced our capacity for catastrophic disasters.

We must not abandon, though, however, all of the progress that we have made over these last 10 years. In last month's hearing, Mayor Nutter gave a persuasive testimony about the ill effects of the Department's decision to consolidate vital independent grants such as the UASI, the Port Security Grant Program, and the Transit Security Grant Program.

It is unfortunate that the Department has felt compelled to put forward this consolidation proposal without conducting probably a necessary background and implications from many of the local folks who have to implement the program. Unfortunately, cuts often lead to—which we have had over the last 2 years in this Congress—there are consequences. With those consequences, oftentimes forces consolidations. As I have stated previously, cuts to Homeland Security grant programs are shortsighted, and it fails to take into account the need to preserve hard-earned capabilities.

As I close, when we consider in my district—it is a very transportation-infrastructure-intensive district, with ports, transportation hubs, urban areas, we must continue to protect these areas in order to provide the safe environment which will also spur the economic growth we desperately need. In doing so, we must continue to rely upon many of you in the audience today, the regional governance structures, the local risk-driven identification sectors that have the ability to protect us in these vital times.

When we consider the work that you have done, we believe that your presentation today will help us to best identify steps that we should take going forward. I look forward to hearing your views on the full year 2013 proposal; as the Chairman said, the recently released THIRA guidance; and the establishment of the proposed performance measures.

With that, Mr. Chairman, I yield back the balance of my time.

Mr. BILIRAKIS. Thank you very much.

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

I am pleased to welcome our first panel of witnesses.

Our first witness is Mr. James Davis. Mr. Davis is executive director of the Colorado Department of Public Safety, a position he has held since February 2011. In this capacity, Mr. Davis also serves as Colorado's homeland security advisor and is the vice chairman of the National Governors Association, Governors Homeland Security Advisory Council. Prior to his current position, Mr. Davis was the special agent in charge of the FBI's Denver division. Mr. Davis served in the FBI for more than 25 years. Mr. Davis earned his degree in accounting from Michigan State University.

Following Mr. Davis, we will receive testimony from Mr. Bryan Koon. Mr. Koon is the director of the Florida Division of Emergency Management. Prior to assuming this position, Mr. Koon was the director of emergency management at Walmart. He has previously served in the United States Navy and at the White House Military Office. Mr. Koon has a B.S. in natural resources from Cornell Uni-

versity and an MBA and graduate certificate in emergency crisis management from George Washington University.

Next, we will receive testimony from Ms. Hui-Shan Walker. Ms. Walker is the emergency management coordinator for the city of Hampton, Virginia, a position she has held since December 2011. Ms. Walker is also the president of the U.S. Council of the International Association of Emergency Managers. Prior to her current position in the city of Hampton, Virginia, Ms. Walker was the deputy coordinator of emergency management for the city of Chesapeake. Ms. Walker received her bachelor's degree from Emory University and her master's of public administration from Old Dominion University.

Following Ms. Walker, we will receive testimony from Mr. Judson Freed. Mr. Freed is the director of emergency management and homeland security for Ramsey County, Minnesota, a position he has held since May 2011. Prior to his current position, Mr. Freed spent nearly 16 years with the University of Minnesota's Department of Emergency Management. Mr. Freed is a graduate of the University of Minnesota and is currently completing his master's in homeland defense and security studies at the Naval Postgraduate School. Mr. Freed is a member of the National Association of Counties' Justice and Public Safety Steering Committee.

I want to welcome all our witnesses. Your entire written statements will appear in the record. I ask that you each summarize your testimony for 5 minutes.

We will begin with Mr. Davis. Welcome, and you are recognized, sir.

**STATEMENT OF JAMES H. DAVIS, EXECUTIVE DIRECTOR, COLORADO DEPARTMENT OF PUBLIC SAFETY, TESTIFYING ON BEHALF OF THE NATIONAL GOVERNORS ASSOCIATION**

Mr. DAVIS. Thank you very much, Mr. Chairman, Ranking Member Richardson, Congressmen. Thank you very much for giving me this opportunity to appear before you today to talk about the very important issue of ensuring the effective use of Homeland Security grants.

As you mentioned, I am the executive director of the Colorado Department of Public Safety. In that position, I am responsible for the Colorado State Patrol, the Colorado Bureau of Investigation, Colorado's Division of Criminal Justice, the Division of Homeland Security, and the Division of Fire Safety. I come to this position from the FBI, which I think gives me kind of a unique perspective on the use of Homeland Security funding and on, kind of, the inter-relationship between States, local agencies, and the Federal Government.

I am here today representing the National Governors Association and the Governors Homeland Security Advisors Council, on which I serve as vice chair. The GHSAC, the Governors Homeland Security Advisors Council, is a body of the 56 homeland security advisors from around the country, and it is a forum that is provided by NGA for us to get together and talk about issues affecting homeland security in the various States.

You know, I will really dispense with talking about the impact of the cuts in grant funding because I am sure you guys are very

aware of the impact of those on State and local governments. I have heard it said that the average is about 50 percent in cuts over the last 2 years. I can say that in Colorado we have taken about a 75 percent cut.

From the State's perspective, you know, that is—our 20 percent that we take for really running the homeland security program for the entire State of Colorado, that 20 percent that we get has been cut by 75 percent, which really negatively impacts our ability to sustain the things that we have set up. You know, as the State, we are responsible for developing the State-wide homeland security plan, we are responsible for administering the grants, doing State-wide training, and then, most importantly I think, we are responsible for running the State's fusion center.

The State fusion center, I think certainly in Colorado, is one of the most important things that we have developed since 9/11 with Homeland Security funding. In the FBI, I had a lot of interaction with the State fusion center, and I can tell you that it was very important to us in the job that we were doing. Specifically, I was the special agent in charge in Denver when we had the Najibullah Zazi investigation, and the State fusion center played a very, very important role in that. I think as we look at the things we have spent money on since 9/11, State fusion centers are really one of the shining examples of good that has come from Homeland Security funding.

With regard to FEMA's proposal, NGA and the GHSAC are still looking at the proposal and do not yet have an opinion on the proposal as a whole. But I can say that one thing that we are very appreciative of is FEMA's recognition that the State has a role in the coordination of grant funding for the State. I think that it is important, particularly as dollars are decreased, that we have a central entity—and I think the best entity would be the State—for ensuring that the limited dollars we have are adequately spent and that there is some thought to the interplay between different agencies within a State. I am very concerned that if we leave those funding decisions to individual cities that they will be looking at responding to all emergencies from within their city as opposed to taking the opportunity to use resources that may be in neighboring jurisdictions.

I think that in addition to that, I would say that because there is a responsibility for the State to respond to emergencies, the Governors' responsibilities with regard to the National Guard, et cetera, I think that it is important the State be very cognizant and have good visibility on what local capabilities are throughout the State. The best way, I think, to do that is through the State support or coordination of those grants.

With that, sir, I will wrap up. I look forward to answering questions, and we look forward to the opportunity to work with you all and with FEMA on developing the guidance as it goes forward.

[The prepared statement of Mr. Davis follows:]

## PREPARED STATEMENT OF JAMES H. DAVIS

APRIL 26, 2012

Chairman Bilirakis, Ranking Member Richardson, distinguished Members of the subcommittee, thank you for the opportunity to testify before you today on the important issue of ensuring that homeland security grants are used effectively.

As executive director of the Department of Public Safety for the State of Colorado, I oversee the Colorado Bureau of Investigation, the State Patrol, and the Divisions of Criminal Justice, Homeland Security, and Fire Safety. I also serve as the Homeland Security Advisor to Governor John Hickenlooper.

I appear before you today on behalf of the National Governors Association (NGA) in my role as vice chair of the Governors Homeland Security Advisors Council (GHSAC).

My testimony will focus on three areas: (1) The State role in managing current grant programs; (2) the need for grant reform; and (3) the path forward.

## STATE ROLE IN HOMELAND SECURITY GRANTS

Federal funds provide critical support to State and local efforts to prevent, prepare for, and respond to terrorist attacks, natural disasters, and man-made events. States play an important role in building, coordinating, managing, and assessing the use of such funds to support homeland security capabilities throughout the State and across State borders.

States employ a variety of mechanisms to develop and implement homeland security strategies and plans on an on-going basis. Integral to all State efforts is the involvement of a multitude of State, local, and Tribal stakeholders throughout the process. Most States have regional councils or committees that are used to ensure coordination with local officials, including police, fire, emergency management, emergency medical services, public health, county and city management officials, non-profit organizations and the private sector. These regional committees provide for a transparent process that fosters collaboration and partnership, and aids in the distribution of the required 80 percent of funds to localities.

By serving as the central point of coordination among multiple jurisdictions and functional areas, States play a key role in ensuring that scarce resources are used effectively to meet identified National priorities that are tailored for regional needs. States have used homeland security grant funds to develop and sustain critical capabilities such as intelligence fusion centers, State-wide interoperable emergency communications, and specialized regional response teams.

For example, fusion centers form an important part of the Nation's information-sharing network that helps to identify and investigate potential threats. These centers collect, analyze, and file suspicious activity reports as part of the Nation-wide Suspicious Activity Reporting Initiative based upon information gathered by officers in the field. These centers include many public safety partners and incorporate emergency operations centers and the public health community.

In my home State of Colorado, we have used grant funds to support our State fusion center, the Colorado Information Analysis Center (CIAC). The CIAC employs an all-crimes, all-hazards approach to intelligence and information sharing that has proven valuable in a number of instances. After a failed bombing attempt at a Borders Bookstore, we used the CIAC to distribute information about the attempted bombing to law enforcement officers throughout the State. By the end of the day, we had a suspect in custody. The CIAC has also been credited with significantly reducing auto theft throughout the State.

Because auto theft is a transitional crime, where stolen cars are subsequently used in a myriad of offenses, the sharp reduction in auto theft is having cascading effects on other more serious crimes.

A number of States have also used grant funds to coordinate not only State-wide but multi-State interoperable communications systems. In one State, homeland security grant funds have helped replace or re-program 30,000 first-responder radios and provided over 90 percent of responders with access to common radio channels that can be used to communicate during a large incident.

The development and implementation of State-wide Communications Interoperability Plans (SCIPs) has significantly improved crisis-level communications capabilities and helped avoid the purchase of proprietary, non-interoperable equipment across county and State lines. These plans were largely developed using Federal grant funds. The SCIPs and the coordination mechanisms used to develop them will be instrumental as the Nation begins development of the Nation-wide public safety broadband network in the next several years.

States have also used grant funds to develop a variety of special response teams ranging from bomb squads to weapon of mass destruction (WMD) and hazardous materials (HAZMAT) teams to veterinary rapid response teams and agricultural warning systems. Grant funds have helped provide standardized training for mass casualty incidents, further the adoption of the National Incident Management System, and support citizen and community preparedness initiatives.

#### THE NEED FOR REFORM

Federal funding for homeland security grant programs has been reduced by more than 50 percent over the last 2 fiscal years. The impact of this reduction, combined with on-going State and local fiscal challenges, warrants reconsideration of the current grant structure to ensure funds can continue to be used as effectively as possible.

The decrease in funding has placed an administrative burden on grantees and has made it more difficult to achieve State-wide and regional strategic goals. For instance, in some States, the fusion center has been supported in large part through the State's 20 percent share of State Homeland Security Grant Program (SHSGP) funds. As those funds decrease, it is no longer possible to continue to operate the fusion center while also providing for management and administration of the entire SHSGP award or addressing other identified capability gaps.

As another example, the activities of many State-wide Interoperability Coordinators (SWICs), who serve as a single point of contact to ensure coordination for first responder radio communications, are supported by grant funds. Without an increase in overall funding or the ability to use more than the State's 20 percent share, many of these positions may be eliminated. The work of the SWICs has helped streamline communications systems, saving not only money but also improving first responders' ability to save lives and protect property. While the interoperability of radio communications systems has greatly improved, more work remains to be done. The incorporation of broadband technologies to provide data and video services for first responders will also require continued State leadership to maintain the progress made to date.

As a reflection of this new challenge, the Federal Emergency Management Agency (FEMA) recently proposed to consolidate 16 grant programs into a new National Preparedness Grant Program. While the details of how this proposal would work need to be developed, States believe any reform should provide greater flexibility in the use of funds while ensuring transparency, accountability, and collaboration.

In order to facilitate State input into grant reform, the NGA Special Committee on Homeland Security and Public Safety has developed a set of Governors' principles for homeland security grant reform. These are broad principles intended to articulate State priorities and concerns. A copy of the principles is attached.

As you'll see, these principles address key issues such as the need to continue to allocate funds based on risk while ensuring that each State and territory receive funds to maintain critical homeland security and emergency response capabilities. The principles also discuss the need to focus the use of funds on developing and sustaining common core capabilities; the need for the Federal Government to work with States and territories to develop methods to measure performance; and the need for clear and timely guidance from the Federal Government for conducting threat assessments.

As Congress and the Federal Government have reviewed current grant programs, there has been a great deal of attention recently on the approximately \$8 billion in previously appropriated grant funds that have not been drawn down. Some have argued that States have caused this delay in the use of funds and, therefore, a greater proportion of funds should be awarded directly to local entities. States disagree with this assertion and point out that it is often the funds that have been dedicated to localities or port and transit authorities that remain unspent. Part of the delay may stem from Federal requirements for environmental and historic preservation reviews or of the need to obtain necessary local approvals before proceeding with a project. Regardless of the cause, many States are trying to work with FEMA and their local organizations to identify ways to address this issue. Several States employ a rigorous oversight process that provides advanced notice of when funds may not be used and allows them to reallocate those funds to other local high-priority projects.

States employ a variety of structures to administer and manage the grant programs; however, all agree that coordination among all levels of government is a critical factor. They also believe that States are best positioned to oversee and coordinate all homeland security and emergency preparedness activities within their boundaries. Currently, States have no role in the use of port and transit security

grants. These funds could be used by a local area to implement proprietary communications systems that are not interoperable with surrounding areas or the State-wide system.

Ensuring a strong State role in all grant programs will help achieve economies of scale, avoid duplication of effort, leverage available assets and avoid gaps in critical capabilities. It would also recognize Governors' Constitutional emergency authorities. Governors have unique emergency authorities, including the ability to deploy the National Guard. To properly utilize these authorities to save lives and protect property, Governors and their homeland security advisors, emergency management directors and Adjutants General, must have knowledge of capabilities, assets, and resources throughout the State.

#### THE PATH FORWARD

NGA and the GHSAC welcome the opportunity to work with this committee as you assess the current grant programs and consider various reforms. We also look forward to working with FEMA to help identify and address key questions and concerns regarding their proposal to consolidate and restructure the grant programs.

Governors and their Homeland Security Advisors believe very strongly in the need to preserve a strong State role in the management of grant funds in order to ensure transparency and coordination and facilitate efficiency and effectiveness. The grant process, including reform efforts, must include input from a variety of stakeholders, and we are committed to working with our partners in local and Tribal governments as well as the first responder community.

To this end, States encourage Congress and the Federal Government to examine other related grant programs that could be better coordinated to achieve desired outcomes, including grants administered by the Department of Justice and the Department of Health and Human Services.

Chairman Bilirakis and Ranking Member Richardson, thank you for the opportunity to testify on this important topic. I'm happy to answer any questions you or other Members of the subcommittee may have.

#### ATTACHMENT A.—GOVERNORS' PRINCIPLES FOR HOMELAND SECURITY GRANT REFORM

The Department of Homeland Security provides State and local governments with preparedness grant funding that provides support for developing and maintaining critical homeland security and emergency management capabilities. Over the last several years, these grant funds have been significantly reduced. With decreased funding expected for the foreseeable future, Congress and the administration are re-examining the grant programs in order to make them more flexible and effective.

Currently, there are 18 major preparedness grant programs administered by the Department of Homeland Security. Many of these programs often overlap with others, creating unintended inefficiencies and unnecessary administrative burdens. In addition, changing program requirements often makes the current structure complex and burdensome to States.

Governors are supportive of efforts to reform these programs. As reform proposals are considered by Congress and the administration, Governors offer the following principles:

##### Principles:

- Grants should be risk-based but continue to provide each State and territory funding to support critical homeland security and emergency management capabilities, including personnel costs and the sustainment of investments.
- Funding should focus on developing, enhancing, and sustaining common core capabilities.
- The Federal Government should work with States and territories to develop consistent methods to measure or assess progress in achieving common core capabilities.
- Grant funding should be distributed through States and territories to enhance regional response capabilities, avoid duplication of effort, and ensure awareness of gaps in capabilities.
- Consistent with current law, States should be permitted to use a portion of the grant funds for management and administration in order to coordinate the efficient and effective use of grant funds, provide necessary oversight and comply with Federal reporting requirements.
- Any reform to the current grant programs should provide States with flexibility to determine which priorities should be funded and where investments should be made within their borders.
- Any grant program should allow flexibility for any State cost-share requirements.

- The Federal Government should provide clear, timely, and explicit guidelines for conducting threat assessments and how those assessments will be used to determine base-level funding.
- The Federal Government should be more transparent with States in sharing the data used to populate the funding formula/algorithm. States should be provided with a centralized point of contact and reasonable time to review and inform the data.
- The Federal Government should ensure that reforms eliminate inefficiencies, do not duplicate efforts, and do not place additional administrative burdens on States.
- Grants should allow for multi-year strategic planning by States and local jurisdictions.

Mr. BILIRAKIS. Thank you very much.

Now I will recognize Mr. Koon for 5 minutes. Welcome, sir.

**STATEMENT OF BRYAN KOON, DIRECTOR, FLORIDA DIVISION OF EMERGENCY MANAGEMENT, TESTIFYING ON BEHALF OF THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION**

Mr. KOON. Thank you, Chairman Bilirakis, Ranking Member Richardson, and distinguished Members of the subcommittee, for the opportunity to testify today.

In the 10 years since September 11, we have done much to improve our safety and security, but work remains to be done. As the Nation determines the best road forward, our thoughts may differ but our ultimate goal remains the same.

There are two fundamental questions regarding grant reform: How, and why?

Imagine that if instead of funding homeland security needs, we were using these programs to host a cookout in Florida. DHS would allocate a certain amount of money for hamburgers, a different amount of money for buns, and other individual pots of money for coleslaw, potato salad, napkins, lemonade, et cetera. Suppose now that I just learned that my vegetarian brother-in-law was coming for a visit and I needed to pick up a soy burger for him. Under the current system, that wouldn't fit in the strict definition of any of the available categories, and, as a result, I would end up with extra hamburgers and a hungry guest. In other words, we are not allowing our stakeholders the flexibility to meet their individual needs.

Recent and drastic funding cuts have highlighted that we are working within a flawed system. We are forced to piece together multiple Federal grant programs with singular missions. This patchwork of well-intended programs challenges our efforts to enhance preparedness and to effectively manage programs.

We have attempted to address the highly complex problem of homeland security by reducing it to constituent components. We compartmentalize hazards and separate the remedies to mitigate consequences. This creates a disconnected system that acts on the components rather than the system and forces competition rather than collaboration.

How do we make a system conducive to these budget realities while simultaneously continuing to achieve expected levels of preparedness? NEMA has said a few key pieces are necessary to enable a truly cross-cutting preparedness grant system:

An accurate and usable assessment of the threat and risk picture must be completed, which involves all stakeholders, including the private sector.

Planning must be improved to advance from the spending plans of today to a truly strategic vision of preparedness needs.

A skilled cadre, including emergency management and homeland security personnel at all levels of government, is imperative. Without people, we are only buying things.

A majority of the grant funds should go toward investment grants still made through a single allocation to the State and should be project-based. UASI cities traditionally classified as Tier 1 should continue to be directly funded. Overall, offering direct funding without any requirement to work with or support an overall State strategy puts the State in an untenable position. It continues to reward geographic stovepipes and uncoordinated programs. It would be no different if you were to provide funding to the State with no requirement to work toward National strategies.

We must have the ability to conduct multi-year planning and, more importantly, the ability to complete complex projects, achieve ambitious objectives, track core capabilities, and measure performance over time.

Our Nation faces enduring hazards, pervasive threats, and ever-changing risks, but our current system lacks the agility to adapt swiftly or convert ideas consistently into action. We need the National will to unite in a common vision of National preparedness, resilience, and self-reliance.

We must find a way to enable States, Tribes, territories, and local governments to leverage their own resources with Federal investments to build this vision and be accountable. We need all levels of government, supported by all professions and disciplines, to unite in a way forward to ensure the safety and security of this Nation.

Again, I thank you for the opportunity to testify today and look forward to your questions.

[The prepared statement of Mr. Koon follows:]

PREPARED STATEMENT OF BRYAN KOON

APRIL 26, 2012

INTRODUCTION

Chairman Bilirakis, Representative Richardson, and distinguished Members of the subcommittee: Thank you for the opportunity to present testimony today on behalf of the National Emergency Management Association (NEMA). NEMA represents the State emergency management directors of all 50 States, the District of Columbia, and the U.S. Territories.

Since the inception of the State Homeland Security Grant Program (SHSGP), NEMA has maintained support of these grants as critical resources to help State and local governments build and sustain capabilities to address the various threats and hazards they face. Also, the Emergency Management Performance Grant (EMPG) has long been the backbone of the emergency management system, and we continue to appreciate your support for this critical program. On March 7, NEMA released a second annual report on the return on investment in EMPG. We hope you will find the report as informative as you did last year since it helps justify the necessity of this program.

During the fiscal year 2012 budget discussions of last summer, NEMA leadership began exploring a possible new approach to the full suite of grants within the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS). Congress had repeatedly expressed the need for answers to lingering questions about the effectiveness and performance of the suite of FEMA grant programs. Therefore, we decided the time had come to develop an innovative approach to grants that goes beyond simply requesting additional funding.

## THE PROCESS

The effort to develop NEMA's *Proposal for a Comprehensive Preparedness Grants Structure* began over the summer of 2011 and produced more than 20 drafts of concepts. From the beginning, we wanted to address your long-standing concerns with these programs without repeating the assumptions of the past. We also wanted to take into account current initiatives within FEMA. We assembled a group of homeland security and emergency management professionals from across the country including State emergency management directors, Governors' homeland security advisors, and those with both responsibilities. An important detail to remember is that many of the authors come from a range of backgrounds including the military, emergency medicine, law enforcement, fire, and emergency management.

We were not trying to reinvent the grant programs from scratch, but rather take 10 years of experience to create the next logical iteration of these programs. The NEMA membership approved this document at our annual conference in October 2011. The final product is not meant to be legislative language or grant guidance, but rather one focusing on principles and values with a suggested concept for reorganization providing grantees increased flexibility and more comprehensive accountability to Congress.

Perhaps the least difficult aspect of the proposal to develop was the principles and values. As we have discussed our plan with others, few seem to disagree with the tenets of supporting PPD-8; building a culture of collaboration; the ability to be agile and adaptive to confront changing hazards; building and sustaining capabilities; encouraging innovation; providing full visibility to all stakeholders; and recognizing the interdependencies of our National systems. The importance of these principles and values highlight a critical point in any retrospective on homeland security grants. Regardless of our country's fiscal situation, physical security and economic security are not mutually exclusive and can be achieved with a more streamlined grant structure.

## THE PROPOSAL

Under the proposal, States would be awarded three allocations from DHS including EMPG, a new homeland security cadre grant, and a project-based investment and innovation grant. These three grants would replace the myriad grants within the suite of homeland security grants as well as the Predisaster Mitigation Grant Program. The important point to remember throughout this entire discussion is that everyone who currently receives grant funding continues to be eligible under this proposed system.

The full 4-page proposal is included with this statement to be submitted to the record, but there are five basic components:

1. *The THIRA*.—Regardless of a grant reform initiative, FEMA is instituting the requirement under PPD-8 for each State to conduct and maintain a comprehensive Threat Hazard Identification Risk Assessment (THIRA) in partnership with the DHS and State officials. In our view, this process will have limited effectiveness if implemented in the current grant system due to shortcomings in the planning process. The information gathered through the THIRA, however, is paramount to supporting a comprehensive planning system.
2. *Comprehensive Planning*.—Current planning efforts are fiscally-centric and focus on capabilities based on expected funding. This approach impedes the effectiveness of the THIRA process. It also limits our ability to measure progress and capabilities. NEMA proposes the follow-up action to the THIRA be a comprehensive preparedness plan which examines the full range of needs, capabilities, and requirements to help buy-down risk. As funding is allocated against long-range priorities, the delta between "need" and "capability" will become measurable over time. This analysis will aid Congress in determining how much funding is needed to buy down the desired amount of risk and a more detailed accounting of "what we are getting for the money?"
3. *Skilled Cadre*.—A skilled cadre including homeland security and emergency management personnel is imperative within any comprehensive preparedness system. Responsibilities for this cadre would include maintaining all-hazard planning efforts, remaining current with appropriate levels of training and exercises, supporting National priorities as outlined in PPD-8, conducting public education, and grants management. The cadre-based grants will also support both the comprehensive THIRA in coordination with DHS and the comprehensive preparedness strategy to assess current capabilities and determine future requirements.
4. *Investment Grants*.—A majority of the funding through this new system would go toward investment grants still made through a single allocation to the

State. Unlike the current system, the proposed system would be project-based. The State Administrative Agency (SAA) and local governments (as well as combinations of grantees) would apply for funding based off their completed THIRA and comprehensive preparedness strategy. These applications are reviewed by a multi-disciplinary and multi-jurisdictional advisory committee, and the SAA makes awards as appropriate. This construct especially provides stability for jurisdictions currently operating in the Urban Area Security Initiative (UASI), ensuring a city can never again “fall off the list.” Due to their significant security issues, Tier 1 UASIs should continue to be funded directly. This will ensure every urban area will be part of the THIRA and application process and no one is left out.

By realizing these economies of scale, several advantages are revealed:

- All current grant applicants remain eligible to receive funding including local jurisdictions, ports, modes of transportation, and urban areas.
- This new system ensures all grantees are integrated within the State and local THIRA process as well as National priorities. HSAs, SAAs, and emergency management directors have far more visibility on allocation of funds within the State and how projects and jurisdictions are working together for maximum efficiency of the taxpayer dollars.
- The comprehensive preparedness strategy demonstrates to Congress and the administration where funding is utilized and how it is leveraged against existing gaps.
- This proposal allows the grant system to align with the new PPD-8 environment.

#### THE PRESIDENT’S BUDGET

NEMA was pleased to see the administration also contribute to the positive dialogue of grant reform through their fiscal year 2013 budget proposal. While we were encouraged in seeing the administration echo many of our recommendations, as we have stated all along, a continued dialogue would be necessary.

The administration’s grant reform proposal appears based on many of the principles and values outlined by the NEMA proposal including support of the five mission areas of PPD-8; a culture of collaboration; agility and adaptability of the funds against threats and hazards; a strong and robust cadre of emergency management and homeland security personnel; recognition of the interdependencies of our National systems; increased accountability; and, flexibility at all levels of government. We would suggest there remain several aspects of the President’s budget proposal which requires additional clarity:

Pursuant to these principles and values, we would suggest several aspects of the President’s budget proposal require additional clarity and further analysis:

- The current planning process must be upgraded to reflect the maturation of our preparedness efforts in the past 10 years. A truly comprehensive system must allow for each State and locality to determine core capabilities, set priorities in a flexible manner, and measure performance and effectiveness regardless of available Federal funds.
- Those cities traditionally categorized as “Tier 1” in the Urban Area Security Initiative (UASI) program should be directly funded provided they also participate in the THIRA process and comprehensive planning process. Furthermore, a process by which other units of government such as transit and port authorities or self-organized regions of governments such as other current UASI participants can apply for funding should be outlined. Giving direct funding without any requirement to work with or support an overall State strategy, however, puts the State in an untenable position as it continues to reward geographic stovepipes and uncoordinated programs.
- The THIRA process must focus on State and local governments and include consequences of loss in the analysis and provide the analytical rigor for understanding and problem solving for complex issues. The system must also include the full range of stakeholders including health, law enforcement, public works, fire, land use, transportation, and the private sector. This includes collaboration on planning, analysis, project development, application review, and development of core capabilities.
- The administration’s definition of “regionalization” in terms of application review requires additional clarification. Such peer review is best handled at the State level and should focus on setting priorities for projects. Any National review should be on the State priorities overall and not a micro-review of individual projects. Also, coordination of development of specific National capabilities such as urban search and rescue teams is necessary. NEMA addresses this

issue through the recommendation of a multi-disciplinary and multi-jurisdictional committee comprised of stakeholders across the State to review all grant applications.

The review committee of State-wide stakeholders is critical to the development of a governance structure which ensures all partners and grantees to maintain a voice through a project-based grants process. The committee would also be responsible for enabling the range of threats and hazards to be considered across the full spectrum of State and local activities. Such a committee promotes fairness, reduces the politicization of grants, and allows a voice for every constituency.

- Priorities and select projects for local governments, ports, and other entities, or for those entities to work with each other within each State and among the States on the highest-value projects cannot be dictated by Washington. The allocation systems of the past pitted city against city and port against port with very little consideration of the complex relationships of our economic system. The NEMA proposal recognizes and values these relationships. There must be a marketplace of ideas where value is determined by collaboration between applicants rather than cut-throat competition between them with winners and losers.
- NEMA suggests only a small amount of the total grant funding be held by DHS for competitive pilot projects to spark innovation. Competition at the project level cannot be calculated by separate groups or reduced to subjective grading. Up to 5 percent of the funding should be utilized to support innovative projects. The remainder of the funding from the investment grant can then be devoted to project-based applications by State and local grantees. This varies from the administration's recommendation which continues to address grant funding through stove-piped programs. By reducing layers of review that impede the flexibility of the funding, an efficient and effective flow of funding can be realized for State and local projects.

Working with you and our stakeholder partners, we remain confident a prudent approach forward can be found. Earlier this month, we submitted a letter to FEMA Assistant Administrator Elizabeth Harman outlining these differences and offering constructive solutions.

As these critical issues to the safety and security of our Nation are being discussed, we hope you have been contacted by other associations and stakeholders providing innovative ideas. NEMA has been relentless in these past months working to develop a truly National approach while conducting a productive and forward-thinking dialogue. We feel strongly that the emergency management and homeland security community and representatives of all levels of government and disciplines must come together with National leaders to promote effective change and improve efficiencies in our preparedness system.

#### CONCLUSION

We greatly appreciate the opportunity to come before this committee and begin the discussion of comprehensive grant reform in an open and honest forum. We remain confident in the process we undertook and feel the final product is a good first step toward true reform and efficiencies. This Nation deserves security, but we also deserve solvency; and in these budget-constrained times, NEMA remains committed to working with you in achieving both of these goals.

#### PROPOSAL FOR A COMPREHENSIVE PREPAREDNESS GRANTS STRUCTURE

DECEMBER 2011

#### BACKGROUND

This Nation has made great strides in improving our safety and security. We have more comprehensive interoperable communications systems, regional response assets, a National system of intelligence fusion centers, and an unprecedented level of collaboration and teamwork among State and local responders.

Such programs as the Emergency Management Performance Grant (EMPG) Program and the Homeland Security Grant Program (HSGP) have done much to help public safety, law enforcement, emergency management, and a myriad of other professionals conduct a broad range of preparedness functions. From our neighborhood communities through all levels of government, we have acquired resources, achieved collaboration, and built systems to mitigate, prevent, prepare for, and respond to natural hazards and terrorist threats.

The current grants structure is complex and often contradictory. This creates unintended inefficiencies in investments and duplication of efforts. The current and continuing fiscal condition of our Nation requires us to invest every dollar more wisely than ever before. We want to gain efficiencies in our grants so that we can increase the effectiveness of our mission.

We cannot continue to segregate our efforts just because we did so in the past. We must integrate our efforts so that we are agile in confronting any threat to the homeland, whether it is natural, technological, or human-caused. We must build strengths and capabilities that are effective against many threats, reduce the consequences of many hazards, and thus reduce the risks to our Nation. We, therefore, require a comprehensive preparedness grants system to fulfill the requirements of those professionals with critical homeland security and emergency management responsibilities.

#### PRINCIPLES & VALUES

This Nation—its people and their vital interests—deserves and expects an effective and efficient National preparedness system providing safety and security. Therefore, this system must:

- *Support and enable the five mission areas of Presidential Policy Directive 8 (PPD-8).*—Prevention, protection, response, recovery, and mitigation.
- Build a culture of collaboration enabling a posture of preparedness for all hazards from nature, terrorists, or technology—capable of disrupting the social and economic equilibrium of our Nation.
- Be agile and adaptive to confront changing hazards, emerging threats, and increasing risks.
- Be unified on goals, objectives, and strategy among Federal, State, Tribal, local, and territorial partners and with the private sector, non-governmental organizations, and the public at large.
- Build and sustain a skilled cadre across the Nation that is well-organized, rigorously trained, vigorously exercised, properly equipped, prepared for all hazards, focused on core capabilities, and resourced for both the most serious and most likely threats and hazards. This cadre will be an asset to the Nation through mutual aid, other assistance between States and regions, or for National teams.
- Build, enhance, and sustain capabilities, self-reliance of the public, and resilience of our communities and Nation.
- Reflect the fiscal responsibilities and limitations of the present and the future. This Nation deserves safety and security, but it also deserves solvency. A State and local grant system must enable investments in capabilities that are of value to communities, regions, States, and the Nation.
- Continually encourage innovation and ceaselessly weed out waste and inefficiencies.
- Encourage States and communities to self-organize with their neighbors to protect vital supply lines and assets and infrastructure of mutual value and to enable swift, coordinated response.
- *Recognize that States, Tribes, territories, and local communities know their jurisdictions best.*—They must have flexibility to set priorities, design solutions, and adapt to rapidly changing conditions. This must be done with full accountability.
- Provide full visibility to States, Tribes, territories, and local communities of all Federal homeland security and emergency management activities, investments, and programs within their jurisdictions. This disclosure is essential for full understanding of capabilities to address threats, hazards, and risks.
- Reinforce the value of leveraging Federal investments with contributions from States, Tribes, territories, and local governments and demonstrate the day-to-day value to jurisdictions.
- Continue to encourage and enable wide participation in review of projects and investments.
- Recognize the complex interdependencies of our National systems, particularly the movement of goods, services, and people. The vulnerabilities of a jurisdiction often lie outside its borders and outside its ability to address them.

#### PURPOSE

We call upon Congress and the President to consider this proposal to reform State and local grants for the safety and security of our Nation. To this end, we seek to:

- Encourage States, Tribes, territories, and local governments to prepare and adopt comprehensive plans based upon their evaluation of threats, hazards, risks, and vulnerabilities facing them;

- Outline a program of grants to States, Tribes, territories, and local governments or combinations of governments improving and strengthening the Nation's homeland security and emergency management capabilities; and
- Encourage research, development, competition, and innovation enhancing the effectiveness and efficiency of emergency management and homeland security and the development of new methods for the prevention, preparedness, response, recovery, and mitigation of natural disasters and acts of terrorism.

This proposal presents a system enabling greater effectiveness in the mission with greater efficiency of resources. Over the past decade States, Tribes, territories, and local governments have created new organizational structures, gained invaluable experience, and increased our capacity to manage multiple threats and hazards.

The high incidence of natural disasters and terrorist threats in the United States challenges the peace, security, and general welfare of the Nation and its citizens. To ensure the greater safety of the people, homeland security and emergency management efforts must work together with shared responsibilities, supporting capabilities, and measurable progress towards a National goal. This unity of effort is essential to achieve the vital objectives of PPD-8 and success of the National Preparedness System.

This proposal outlines a system in which preparedness is a deterrent, prevention is achieved through collaboration, mitigation is a National value, and response and recovery encompass the "whole of community." But the system works only where the principles guide the plans and where ideas lead to action. This reformed grant system shares control with those on the front line, enables flexibility while strengthening accountability, and ensures fiscal sustainability. State and local governments cannot do this alone.

#### A COMPREHENSIVE PREPAREDNESS GRANTS SYSTEM

A truly comprehensive preparedness grants system must allow for each State to determine core capabilities, set priorities in a flexible manner, and measure performance and effectiveness. This proposal recommends the creation or continuation of grants to coordinate planning, measure effectiveness, develop and sustain a skilled cadre, and invest in effective and efficient projects.

##### *Planning*

- Conduct and maintain within each State a comprehensive Threat Hazard Identification Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and State officials.
- Develop a comprehensive preparedness strategy to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.
- The strategy will focus on identified gaps and contain goals and objectives to fill those gaps. The objectives will be prioritized and funds will be prioritized to fill the most important gaps accordingly. Identifying existing additional capability that is owned and maintained by other jurisdictions and readily available for response through mutual aid should be an important planning activity.

##### *A Skilled Cadre*

A skilled cadre is imperative within any comprehensive preparedness system and should be supported through a grants program. This skilled cadre includes emergency management and homeland security personnel. Since such expertise remains the backbone of any system, their responsibilities would include (but not be limited to):

- Build and support State-wide emergency management and homeland security all-hazards planning.
- Provide comprehensive and appropriate levels of training and conduct exercises for State and local personnel across the full spectrum of emergency management and homeland security responsibilities.
- Support the National priorities outlined in PPD-8 and the National Preparedness Goal.
- Conduct public education and outreach to further whole of community preparedness.

Within the skilled cadre grant, the existing EMPG would continue in its present form, including allocation method, match requirement, eligibility, management, appropriate funding, and flexibility. The existing policy continues that allows emergency management to administer EMPG if not the State Administering Agency (SAA).

A similar grant program will be established for State homeland security professionals affording the same opportunity to build and sustain a skilled cadre of personnel. This grant would be modeled after EMPG which has been proven highly ef-

fective due to the flexibility it provides along with accountability. EMPG currently maintains a 50/50 match requirement. Any match on the cadre-based grant for homeland security professionals should be instituted with a soft match option, and done so gradually over time in consultation with the States and professions involved.

#### *Investments and Innovation*

Many capabilities identified in the comprehensive planning system will require investment in longer-term projects and procurement to achieve needed levels of effectiveness. An investment grant program will enable decisions on priorities across the broad range of emergency management and homeland security functions. This also enables swift adjustments in priorities in light of changing threats or increasing risks.

Unlike the homeland security cadre-based grant in which the SAA determines the allocation of funds to State and local jurisdictions, the investment grant focuses on sub-grantee applications for projects and other investments based on similarly comprehensive planning efforts at the local or regional level. States should establish and maintain a multi-disciplinary review committee that advises on investments and projects.

Eligible applicants to the investment grant include all currently eligible grant recipients under HSGP, local governments or combinations of governments, urban areas, regions, or other State-level agencies conducting appropriate preparedness activities. States with urban areas currently classified as "Tier 1" by DHS will continue to receive funding specifically for those areas, upon completion of a comprehensive preparedness strategy that has been approved by the State. Funding that would have been allocated to other participants in the current UASI program should be placed into the investment grant.

Eligible expenditures for investment grants should encompass all functions of the currently separate programs and the priorities of PPD-8, including equipment purchase and transfer, construction of emergency operation centers or similar facilities, special response units, critical infrastructure and key resource protection, medical surge, protection and resilience, information sharing and intelligence, and grant management and administrative costs. Pre-disaster mitigation should be an eligible project under investment grants and due consideration given to disaster loss reduction and resilience initiatives. Substantial data exists to justify continued pre-disaster mitigation programs in determining any set of priorities, and the disaster mitigation community's interests groups must be intimately engaged in the grant prioritization process. Flood mitigation assistance and repetitive loss grants are not included as they are funded through the National Flood Insurance Program by insurance proceeds paid by policy holders. Furthermore, to continue supporting a culture of innovation, up to 5 percent of the total investment grant award may be distributed by DHS to unique and innovative programs across the Nation to encourage best practices.

#### AN OVERVIEW OF THE SYSTEM

- Each State conducts and maintains a comprehensive Threat Hazard Identification Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and State officials.
- A comprehensive preparedness strategy is developed to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.
- The State is awarded three allocations from DHS, including one for EMPG, one for the new homeland security cadre grant, and one for the new investment and innovation grant.
- Applicants will apply for funds from the investment grant based upon completed preparedness strategies. Applications are reviewed by a multi-disciplinary advisory committee, and the SAA makes awards as appropriate.

#### CONCLUSION

Our Nation faces enduring hazards, pervasive threats, and ever-changing risks. Our current system lacks the agility to adapt swiftly or convert ideas into action. We need the Nation to unite in a common vision of National preparedness, resilience, and self-reliance. This proposal enables States, Tribes, territories, and local government to leverage their own resources with the Federal investment to build this vision and be accountable for achieving it. We need all levels of government, supported by all professions and disciplines, to unite in this innovative National preparedness system.

Mr. BILIRAKIS. Thank you very much. We appreciate it.  
Ms. Walker, you are recognized for 5 minutes.

**STATEMENT OF HUI-SHAN LIN WALKER, EMERGENCY MANAGEMENT COORDINATOR, HAMPTON, VIRGINIA, TESTIFYING ON BEHALF OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS**

Ms. WALKER. Thank you, Chairman Bilirakis, Ranking Member Richardson, and distinguished Members of the subcommittee.

I am Hui-Shan Walker, the emergency management coordinator of Hampton, Virginia, which is part of the Hampton Roads region. Our region is home to the largest naval base in the world and has facilities housing all branches of the armed services, with a population of around 1.6 million. As president of the U.S. Council of the International Association of Emergency Managers, I appreciate this opportunity to testify before you today.

Efforts to secure the homeland for all hazards, including terrorism, must be collaborative, with participants from all levels and many disciplines. However, the proposed National Preparedness Grant Program, NPGP, included in the fiscal year 2012 budget request, was developed and presented without consulting Congressional authorization committees or inclusion of key local stakeholders—local elected officials, first responders, and emergency managers.

There is no disagreement at the local level that Homeland Security dollars should be spent where they are most needed in a transparent, efficient, and effective manner. There is also no question that, with diminishing Federal grant funding, that the current Homeland Security grant programs should be reassessed to ensure what funds are available, continue to support the capabilities, and to develop the capacities that are critical to our Nation.

However, we are very concerned that the NPGP is a vision with very few details on how the process work and what the impacts would be. The limited additional information from FEMA leads to more questions than answers.

This proposal collapses 16 Homeland Security grant programs into a State-centric block and competitive grant program. It is not clear if locals, who know best the threats and vulnerabilities in their area, will have the opportunity to meaningfully participate in the State-centric funding decision process being proposed. Local stakeholder input is vitally important to ensure that identified gaps at the local level continue to be met in a strategic and targeted methodology that ensures continuity of past efforts.

NPGP requires that all projects funded must be based on capability gaps identified by Threat and Hazard Identification and Risk Assessment, the THIRA. The State-centric approach does not clearly explain how local government officials, local emergency managers, and first responders will meaningfully participate in the THIRA process. In addition, for example, will a designated UASI still be able to spend allotted funding on the needs it had determined as most critical and which met FEMA requirements and guidance, or could the funding be reallocated at the State level to State-identified priorities in the State THIRA?

I would also like to point out that there are advantages to having multiple grant programs which address specific needs. Some essential programs have lower profiles and may not compete well in a consolidated grant program.

This week is the anniversary of the swarm of deadly tornados in Alabama that killed 241 and injured many more. The medical response capability built by 14 Alabama counties with direct funding from the Metropolitan Medical Response System saved the lives of many of the injured. This group of locals analyzed their needs, planned, and exercised to respond to mass-casualty events. Likewise, earlier this month, when a Navy F/A-18 jet crashed into an apartment complex in Virginia Beach this month, the Hampton Roads Metropolitan Medical Strike Team, funded by MMRs, was prepared to respond should there have been mass casualties, if needed.

Hampton Roads was eliminated from the UASI funding despite its large military community and vulnerability to hurricanes. However, it is a good example of a successful governance structure that has been built at the local level through regional collaboration. An urban area working group was formed with representation from the various disciplines involved in homeland security, including port authority and transit agencies, along with representatives from critical infrastructures, such as water utilities. The decisions for funding and implementation of projects have been made jointly to ensure that the region addresses its threats and gaps and leverages various Homeland Security grant programs to fill gaps.

These are just a few of the examples across the country that show the local steering groups comprised of multi-disciplinary, multi-jurisdictional leaders are able to determine the best way to allocate Homeland Security grant funds to meet gaps in their identified areas.

In conclusion, the details matter, and there are still too many unanswered questions on how the NPGP would actually work. We have great concerns about a State-centric program. We do believe the path forward should be a collaborative effort of all the relevant stakeholders at all levels. We look forward to participating further in this important conversation.

As you consider grant reform, we would urge you to consider the set of core principles developed by the 12 National organizations of locals, including elected officials, first responders, and emergency managers, which we have included in our statement.

I, again, appreciate you holding the hearing and giving us the opportunity to participate. Thank you.

[The prepared statement of Ms. Walker follows:]

PREPARED STATEMENT OF HUI-SHAN LIN WALKER

APRIL 26, 2012

Chairman Bilirakis, Ranking Member Richardson, and distinguished Members of the subcommittee, I am Hui-Shan Lin Walker, the emergency management coordinator for Hampton, Virginia. I have been a local government emergency manager for 12 years and before that worked for 5 years in a local chapter's American Red Cross Disaster Services as an assistant director and director. I have also served as president of the Virginia Emergency Management Association. Currently, I serve as the president of the U.S. Council of the International Association of Emergency Managers (IAEM-USA).

I appreciate this opportunity to testify before you on behalf of IAEM–USA. IAEM is our Nation’s largest association of emergency management professionals, with 5,000 members including emergency managers at the State and local government levels, Tribal nations, the military, colleges and universities, private business, and the non-profit section. Most of our members are U.S. city and county emergency managers who perform the crucial function of coordinating and integrating the efforts at the local level to prepare for, mitigate the effects of, respond to, and recover from all types of disasters including terrorist attacks.

Efforts to secure the homeland for all hazards including terrorism must be collaborative. However, the proposed National Preparedness Grant Program (NPGP) was developed and presented as part of the fiscal year 2012 budget without consulting with Congressional authorization committees or inclusion of key local stakeholders—local elected officials, first responders, and emergency managers. The budget proposal for the NPGP is a vision with very few details.

On March 30, FEMA provided a 2-page fact sheet about the program, then on April 16 held a stakeholders forum to have dialogue about the NPGP. Although we appreciated the opportunity to participate in the forum where additional information was shared, we consider it a beginning not an end of a collaborative effort with stakeholders to assess the programs, answer the multitude of outstanding process questions and help develop improvements.

At the local level, there is agreement that homeland security dollars should be spent where they are most needed in a transparent, efficient, and effective manner. These grant programs were established and have been administered under the principle of a collaborative balance between Federal, State, and local discretion in how the funding would be used to address preparedness issues. This balanced “whole community” system allows local leaders to determine the best way to provide emergency services to their citizens. Local steering groups comprised of multi-disciplinary, multi-jurisdictional leaders were able to determine the best way to provide vital emergency services to their citizens. Therefore, we have serious concerns about the FEMA fiscal year 2013 budget proposal to collapse 16 homeland security grant programs into a State-centric block and competitive grant program. This proposed consolidation will impact the greatest part of the “whole community”, the local community, as it will be severely challenged to maintain and sustain their current response capabilities.

The primary reason for this concern is that each one of the current grant programs was initiated and funded by Congress to address a specific need. The blending of grant money into a single program would cause the eventual lack of identity and those specific needs may go unaddressed. There are advantages to having multiple grant programs which serve different purposes. Some programs are essential but have lower profiles and may not compete well in a consolidated grant program. There is no question that with diminishing Federal grant funding that the current homeland security grant programs should be reassessed to ensure that what funds are available continue to support the capabilities and to develop capacities that are critical to our Nation. There has not been enough specificity in the proposed vision to address how the consolidation process would work and the impacts to the current grant programs as they are today.

#### EXAMPLES OF CAPABILITIES BUILT

At this time I would like to share examples of some capabilities that have been built efficiently and effectively over the past decade with homeland security funds that have had different recipients with varying requirements to address specific needs. As a local emergency manager from Hampton, VA, I am part of the Virginia Beach-Norfolk-Newport News, VA–NC Metropolitan Statistical Area (MSA) which is the fourth-largest metropolitan area in the southeastern United States, and the largest between Washington, DC and Atlanta. The 2000 Census estimated that 1.6 million residents live in Hampton Roads and ranked the region as the 31st-largest MSA in the country. Furthermore unlike many of the metropolitan areas across the country, Hampton Roads’ population is not centered in one city, but spread broadly throughout the region.

First, the Metropolitan Medical Response System (MMRS) funding was made available to 124 jurisdictions in 43 States to build local capacity for mass casualty events. It has been considered by many locals to be the cornerstone of their medical and responder team building across multiple agencies and disciplines. It was a small program which has great value but was cut in the fiscal year 2012 budget. MMRS funding was direct to local jurisdictions to build the capacity they needed for man-made and natural disasters; particularly to build the capacity they needed in the critical 24–48 hours. The program guidance required a steering committee of

multi-disciplinary, multi-jurisdictional leaders that were tasked to assess the specific medical response needs of the community. It was considered easier to use than some funds; the decision-making was at the local level and was flexible and adaptable to meet the local needs.

On April 6, a Navy F/A-18D jet crashed into an apartment complex in Virginia Beach, VA. The first responders and emergency managers in the region had been training for years with the military for such an event and the results were seen in the efficient and effective response. This incident could have been much worse and had casualties other than the seven injured. In the event of a significant mass casualty, Hampton Roads has a 470-member (207 member on-call group) Hampton Roads Metropolitan Medical Strike Team (HRMMST) that provides on-scene expertise and resources to the Incident Commander during a disaster. They were on standby during this incident. The HRMMST is a chemical, biological, radiological, nuclear, and explosives (CBRNE) trained medical emergency response team that maintains a redundant response capability of personnel, trucks, trailers, equipment, supplies, and communications. This capability was built and funded with MMRS grant funds.

Hampton Roads was designated an Urban Area Security Initiative (UASI) region from 2007-2011. The funding for UASI programs also allowed for capabilities such as utilization of radio caches and WebEOC for situational awareness and communication between the military, local first responders, and local and State emergency managers during the recent jet crash incident. Military communities have been mentioned as the most at-risk for terrorism by Secretary Napolitano and in a special report by Congressman Peter King. Hampton Roads has the largest Naval base in the world and has facilities housing all the branches of the armed services. As was seen during this recent incident, the military relies on the abilities of the local first responders. Unfortunately, the Hampton Roads region was eliminated from the fiscal year 2012 UASI funding despite its large military community and vulnerability to hurricanes.

Another example of the effectiveness of the MMRS program can be seen in the response to the swarm of devastating tornadoes that hit Alabama and killed 241 people April 27 last year. Huntsville/Madison County, Alabama used MMRS funds to develop plans and build medical response capability in 14 counties. Responders and medical teams trained as part of MMRS and the equipment and supplies which were purchased were deployed and used in the impacted areas including the most rural counties. Rough terrain vehicles which had been equipped with stretchers were used to bring victims from the debris fields to waiting ambulances. Each county has a cache of trauma and triage equipment that was used during the response. Patients were efficiently triaged and transported saving many lives.

Second, the Hampton Roads UASI has promoted regional collaboration through its governance structure. The HR Urban Area Working Group (UAWG) has representation from the various disciplines involved in homeland security including the Port Authority and Transit agencies along with representatives from critical infrastructures such as water utilities. The decisions for funding and implementation of projects have been made jointly to ensure that the region addresses its threats and gaps that have been identified through gap analyses conducted over the last couple of years. As a region through our collaboration, we have been able to leverage various homeland security grant programs with different recipients and requirements to fill gaps. An example is that UASI funds were used to train and equip 75 members of an All Hazards Incident Management Team (AHIMT) and Port Security funds were utilized to fund the mobile command unit to support the AHIMT. This resource is a deployable regional asset that through collaboration was funded even as grant funds were diminishing because as a region it was identified as a gap that needed to be filled. The proposed FEMA NPGP would negatively affect this regional collaboration by not leveraging the current effective governance structure established by UASI. Instead the new approach would authorize a competitive grant program that could pit homeland security partners against one another. There are many more examples of how homeland security funds have been used to address gaps in our local capabilities across the Nation to better respond to man-made and natural hazards, but I just wanted to highlight a few where a difference was made to our local communities.

#### CONCERNS AND UNANSWERED QUESTIONS ON NPGP PROPOSAL

There are still many unanswered questions and concerns regarding the NPGP that need to be addressed. A few that I would like to highlight are as follows:

- A significant change is that projects must be based on capability gaps identified by in a Threat and Hazard Identification and Risk Assessment (THIRA). The

- State-centric approach does not clearly explain how local government officials, local emergency managers, and first responders will participate effectively and efficiently in the THIRA process in order to address capability gaps at the local level. The local assessment of capability gaps is based on the needs of real responders who are best suited to make those decisions. In addition, there has been a lot of homeland security funds already dedicated to performing gap analyses for local regions over the past decade to assist in prioritizing where funds were dedicated to guide investments. How are those assessments that focused on Target Capabilities and Core Capabilities going to transition to the THIRA?
- Furthermore, with the competitive funding pool also based on the regional THIRAs at the Federal level, how do State and locals address their capability gaps in the event that their THIRA identifies conflicting priority gaps? Which THIRA will take precedence for funding and/or what is the process to resolve the differences?
  - The current law requires that 80% of the State Homeland Security Grant program funds support local identified gaps in capabilities. How will this be ensured through the wholesale consolidation of the current 16 separate homeland security grant programs into one which seems to ignore the requirements of the 9/11 Act? Local stakeholder input is vitally important to ensure that identified gaps at the local level continue to be met in a strategic and targeted methodology that ensures continuity of past efforts.
  - Will the funding support building all-hazards capabilities? Again, there is no clear guidance, just a vision without local stakeholder input. The NPGP emphasizes Nationally deployable assets, which seems to focus just on response alone, but there is an emergency management system that includes prevention, protection, preparedness, recovery, and mitigation with gaps that also need to be addressed. We should not forget the lessons of Hurricane Katrina.
  - How will the process work for the Urban Area Security Initiative (UASI)? We understand that a selected number of UASI jurisdictions would receive a designated amount of funding from FEMA through the SAA as is current practice. The UASI would prepare an investment justification (IJ) and provide it to FEMA through the SAA as is current practice. However, under the NPGP would the UASI be able to spend the funding on the needs it had designated as most critical and which met FEMA requirements and guidance through previous risk assessments and gap analyses or would the funding be reallocated at the State level to identified priorities in the State THIRA?

#### PRINCIPLES FOR PROGRAM IMPROVEMENT

In response to the proposed NPGP, 12 National organizations of locals including elected officials, first responders, and emergency managers have developed a set of core principles to guide grant program reform—principles which we would urge you to consider as you evaluate reform proposals.

- *Increased Transparency.*—It must be clear and understandable to the Federal Government and the public how the States are distributing funds, why they are making these decisions, and where the funds are going.
- *Greater Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.
- *Flexibility with Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.
- *Protect Local Funding.*—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- *Sustain Terrorism Prevention.*—The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counter-terrorism preparedness, threat analysis, and information-sharing activities.

- *Incentives for Innate Regionalization.*—FEMA’s proposal focuses on States and multi-State regions (similar to the FEMA regions). The homeland security grants must also support preparedness in metropolitan intra-State and inter-State regions.

## THE PATH FORWARD

The details matter and there are still too many unanswered questions on how the NPGP would actually work. A policy shift toward developing only those capabilities applicable to a National level event will greatly diminish the ability of local first responders to provide emergency services during the first critical hours or days of such an event.

We recommend that the dialogue continue with DHS/FEMA, the Congress, and all relevant State and local stakeholders. On April 24, a letter was sent by twelve National organizations of locals to Secretary Napolitano and Administrator Fugate suggesting that the Department not rush to make major changes this year, but let the changes being implemented in the fiscal year 2012 budget play out and be evaluated. This would give time for the Department to work with key local and State stakeholders in a collaborative way to develop reforms which incorporate the successful elements of the homeland security programs and identify changes which need to be made. We have attached this letter and would appreciate it being part of the hearing record.

I appreciate the opportunity to testify on this important topic and would be happy to answer any questions you may have.

ATTACHMENT.—LETTER TO SECRETARY NAPOLITANO AND ADMINISTRATOR FUGATE

APRIL 24, 2012.

The Honorable JANET NAPOLITANO,  
Secretary, U.S. Department of Homeland Security, 3801 Nebraska Ave NW, Wash-  
ington, DC 20528.

The Honorable CRAIG FUGATE,  
Administrator, Federal Emergency Management Agency, U.S. Department of Home-  
land Security, 500 C Street SW, Washington, DC 20472.

Dear SECRETARY NAPOLITANO AND ADMINISTRATOR FUGATE: Our organizations were very pleased to be able to have had an opportunity to participate in the April 16 stakeholders’ forum on the National Preparedness Grant Program proposal. As was discussed during the session, it was an excellent beginning for what we hope will be a collaborative process to assess the Department’s current suite of homeland security programs and craft needed improvements in them. We particularly appreciate the inclusive and thoughtful way in which FEMA Deputy Administrator for Protection and National Preparedness Tim Manning conducted the session.

We suggest that the Department not rush to make major changes this year. You are currently implementing the changes Congress made through the fiscal year 2012 appropriations bill—changes which gave the Department greater flexibility to focus grant programs on what it considers to be the highest priorities, while protecting program funding to the highest-risk urban areas and port and transportation infrastructure. We would suggest that you give this approach at least a year to play out and evaluate it before moving ahead with the significant changes proposed in the National Preparedness Grant Program.

We also suggest that you wait at least a year because it was clear from the April 16 meeting that many details relating to the NPGP have yet to be worked out and that we cannot expect they can be in a manner that will work for all parties in the time available this year. At this point we seem to have more questions than answers.

This will also provide time for your Department to work with our organizations and other stakeholders to develop reforms which incorporate the successful elements of past and current programs and identify new approaches which can have broad support.

Our organizations have developed a set of core principles to guide program reform—principles which we would hope you can support as well:

- *Increased Transparency.*—It must be clear and understandable to the Federal Government and the public how the States are distributing funds, why they are making these decisions, and where the funds are going.
- *Greater Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of

local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.

- *Flexibility with Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.
- *Protect Local Funding.*—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- *Sustain Terrorism Prevention.*—The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counter terrorism preparedness, threat analysis, and information-sharing activities.
- *Incentives for Innate Regionalization.*—FEMA's proposal focuses on States and multi-State regions (similar to the FEMA regions). The homeland security grants must also support preparedness in metropolitan intra-State and inter-State regions.

We hope that you will give serious consideration to our suggestions to move in a deliberate manner, to take time to evaluate how the current year's funding system is working, and to work with a broad group of stakeholders to develop proposals for the future based on a set of principles upon which many of these stakeholders have already agreed. If we can provide you any further information on this, please contact Mitchel Herckis, Principal Associate for Federal Relations, the National League of Cities[.]

NATIONAL ASSOCIATION OF COUNTIES,  
NATIONAL LEAGUE OF CITIES,  
THE UNITED STATES CONFERENCE OF MAYORS,  
U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS  
(IAEM-USA),  
INTERNATIONAL ASSOCIATION OF FIRE CHIEFS,  
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS,  
NATIONAL VOLUNTEER FIRE COUNCIL,  
CONGRESSIONAL FIRE SERVICES INSTITUTE,  
NATIONAL SHERIFFS' ASSOCIATION,  
MAJOR COUNTY SHERIFFS' ASSOCIATION,  
MAJOR CITIES CHIEFS ASSOCIATION,  
NATIONAL HOMELAND SECURITY ASSOCIATION.

Mr. BILIRAKIS. Thank you very much for testifying. I appreciate it.

Mr. Freed, you are recognized for 5 minutes.

**STATEMENT OF JUDSON M. FREED, DIRECTOR OF EMERGENCY MANAGEMENT AND HOMELAND SECURITY, TESTIFYING ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES**

Mr. FREED. Thank you, Chairman Bilirakis, Ranking Member Richardson, distinguished Members of the subcommittee.

I am Jud Freed. I am director of emergency management and homeland security for Ramsey County, Minnesota. I am chair of the Twin Cities Urban Area Security Initiative and vice chair of the Subcommittee on Homeland Security and Emergency Management at the National Association of Counties, or NACo. It is in that capacity that I appear here today, representing the elected and appointed officials of America's 3,068 counties. I can't express to you how honored I am to be here and have a chance to summarize my written statement.

America's counties echo the concerns voiced here last month by Mayor Nutter that the NPGP, as currently proposed, has not been adequately constructed and was developed without adequate input from local stakeholders. If realized as currently designed, it will generate even more conflict between the local and State governments at the expense of the strategic partnerships built at the cost of more than 10 years of work and \$35 billion in taxpayer funds.

While proposing that the NPGP be a new block grant may be a worthwhile concept and certainly deserves consideration, it must not be implemented at the cost of dismantling what has already been built and consigning local risk to a minor role.

In fact, the history of the States' use of block grants intended to support public safety has been mixed at best. As an example, the Emergency Management Performance Grant, or EMPG, is the only all-hazards program focused on capacity building at the local level. Despite the fact that it is vital to the basic emergency management fabric of the Nation, like the new proposal, EMPG has no requirements on the amount of assistance that States must disburse. As a result, of the 48 States with county government structures, the States keep more than half the funds, on average, and some States keep more than 60 percent of that money for State operations.

Fortunately, in my home State of Minnesota, our State has chosen to share a great deal more of the EMPG funds with locals than is the average. However, States like Minnesota, which might also pass through more than average in the NPGP, may find themselves at a disadvantage in capability building within their own organization, and this itself is a disincentive to further collaboration.

The new NPGP exacerbates this disincentive by adding both competitiveness, which is adjudicated as the individual States see fit, and the lack of passthrough requirements. So local governments must continue to have a significant role in this process, and Federal aid must be sustained.

It is aid that we ask for. We don't ask for full payment. Financially, we already pay for the vast majority of the mission, and we already own most of the equipment that is used Nation-wide in responses to all hazards. It is our local firefighters, our local law enforcement, our local EMTs and paramedics, our local public health, our local medical and public works personnel who are first on the scene and manage the long-term recovery. It is our local personnel who staff those State fusion centers and provide the information and the personnel needed for the large State teams that respond in a time of National need.

Now, fittingly, there is some reimbursement for local expenses during those brief deployments, but we locals pay for their training and everything else for the other 50 weeks out of every year. We build the public safety agencies at home that are robust enough to allow us to send our local personnel out to someone else at the time of need.

Now, if our mission is public safety merely at the local level, we can do that, but at the expense of being able to aid the rest of the country, and that is not what the Nation requires. It is for that reason, the ability of locals to collaborate and assist across our State and across the Nation, that we ask for the continuance of aid in general.

Now, as for the THIRA, it is a good concept, but it must be given some time to be developed, grow, and be implemented. Can we really believe that the various THIRA data that is going to be gathered over the next year will be adequate or accurate, given the short notice for compliance with these new rules? Any THIRA must include the input of local elected and emergency response officials, and FEMA should be able to audit States by comparing local risk assessment to the State risk assessment. Local governments should have the opportunity to challenge the State THIRA that inadequately reflects their needs and input.

What else would NACo and other stakeholders propose? Well, first, NACo acknowledges that during the almost 2 months that we have known about this proposal we have yet to solve a problem that has been 10 years in the making. Every year since the inception of the Homeland Security grants, the emphasis, guidance, and the methods for measurement have changed. Now, DHS says that with the new NPGP, that will put an end to these frequent changes. However, we assert that it will only stop the changes at the Federal level. So, instead of one constantly changing guideline in America, we will now have 50 of them, and we will still be unable to give you measurement.

So America's 3,068 counties ask that you maintain, for now, the current suite of grants and emphasize maintenance of the capabilities we have already built over the past 10 years as we work with all of our stakeholders to develop program reforms and new approaches and work with our States to develop a THIRA that is actually of value. Then we can all make informed decisions as to what we should emphasize and how. We also ask that you maintain the core principles for developing new programs that we outlined in my written statement submitted to you earlier.

In closing, I again thank you for the invitation to speak here today. NACo looks forward to working with this subcommittee, with Members of Congress in general, and with our colleagues and other stakeholders to build an effective and measurable homeland security enterprise in the United States.

[The prepared statement of Mr. Freed follows:]

PREPARED STATEMENT OF JUDSON M. FREED

APRIL 26, 2012

Chairman Bilirakis, Ranking Member Richardson, distinguished Members of the subcommittee, I am Judson Freed, director of the Office of Emergency Management and Homeland Security for Ramsey County, Minnesota; chair of the Twin Cities Urban Area Security Initiative, Government Affairs chair for the Association of Minnesota Emergency Managers; and vice chair of the Subcommittee on Homeland Security and Emergency Management at the National Association of Counties (NACo). It is in this later capacity that I appear here today—representing the elected and appointed county officials in our Nation's 3,068 counties. I cannot express to you how much I appreciate the chance to speak with you today, and how honored I am to be here.

America's 3,068 counties echo the concerns so eloquently presented to you last month by Mayor Michael Nutter of Philadelphia and the United States Conference of Mayors (USCM). Specifically, that the National Preparedness Grant Program (or NPGP) as currently proposed has not been adequately constructed, and was developed without adequate input from local stakeholders. As Mayor Nutter pointed out, if the NPGP is realized as currently designed, it will generate even more conflict between the local and State governments at the expense of the strategic partner-

ships built at the cost of more than 10 years and \$35 billion dollars of taxpayer funds.

On behalf of NACo, I make this assertion based on the information released by the Federal Emergency Management Agency (FEMA) and the Department of Homeland Security (DHS) about the NPGP, and after reading FEMA's Comprehensive Preparedness Guide 201 or guidance for the development of the Threat and Hazard Identification and Risk Assessment (THIRA) for Preparedness Grants released just a few short weeks ago. The formulas, distribution, and intent of funding is more unclear than ever. The level of input of local stakeholders in constructing the program and in the allocation of funds under the program as currently designed is limited at best and equally non-transparent.

While proposing that the NPGP be a new block grant administered by States may be a worthwhile concept and deserves consideration, it must not be implemented at the risk of dismantling what has been built and consigning local risk to a minor role—second to the needs of a State or region. The history of the States' use of block grants intended for support to local public safety has been mixed and tangled at best.

For instance, the Emergency Management Performance Grant (EMPG) is arguably the most effective all-hazard program focused on capacity building for all-hazards preparedness, response, recovery, and mitigation at the State and local levels.

As a State-administered block grant, EMPG is intended to be a pass-through to locals, and requires a 50% financial match by locals. However, despite the fact that it is vital to the basic Emergency Management structure of the Nation, the program has no requirements on the amount of assistance that States must disperse to support local emergency managers. As a result, in the 48 States with county government structures, there is a range of some States keeping more than 70% of the funds and some States holding on to only 30% of funds over the past 4 years—and on average, States retain 52%. And even so, counties across the Nation can demonstrate to you the capabilities being developed.

Fortunately, in my home State of Minnesota, the State has sub-allocated to local emergency managers much more of EMPG than in many other States. However, States like Minnesota, which do pass through much more than average, may find themselves at a disadvantage in capability building within their own organization. This alone is a disincentive to collaboration.

Let me further explain. Across all States, more than 2,000 State full-time employees are paid for in whole or part by EMPG funds (some 40 per State), compared to funding just 4,300 mostly part-time local personnel across more than 4,000 local jurisdictions (3,068 counties and a thousand-plus municipalities). While Minnesota counties have been fortunate that both Republican and Democrat Governors and State Directors of Emergency Management and Homeland Security are willing and politically able to resist the National trend and support us at something close to the 50/50 match—what if they are forced out of that political ability?

The new NPGP structure will encourage that disparity, and by adding both competitiveness (adjudicated as the individual States see fit) and lack of requirements (allowing self-interest and political pressure to trump risk and need) to the concept of the block grant, less will be done at the local level. As proposed, the NPGP will exacerbate the problems and competition, rather than solve the issues this subcommittee so rightly sees as needing attention.

That is the reason we are here today. Congress is unwilling to appropriate sustained funding to the suite of homeland security grants, and sending less to States. The States then pass through less and the locals get less. This is not to say that States do not do good work with their agencies or work with many local stakeholders. But it is to say that when money gets tight and there is no firm mandate to work cooperatively, less will be shared and our resilience may be compromised.

So, local governments must continue to have a significant role in the process, and Federal aid must be sustained. And it is aid we ask for, not full payment. Financially we pay for the vast majority of the mission, and we have virtually all of the assets in preparing, preventing, responding, and recovering from all emergency events, no matter the cause. OUR firefighters, OUR law enforcement officers, OUR emergency managers, OUR EMT's and medics, OUR public health, medical, and public works personnel are the first on the scene and manage the long-term recovery. And it is our personnel who go out other jurisdictions across the country in time of National need.

State fusion centers? Who is staffing them? Mostly OUR local people. U.S. Disaster Medical Assistance Teams, Disaster Mortuary Operational Response Teams, Search and Rescue teams, Emergency Medical Service Strike Forces? Those are OUR folks deployed to safeguard other communities. As one example, Minnesota's Incident Management Team members were local emergency managers deployed to

New York and Boston after Hurricane Irene in 2011. As another example, Ramsey County sent deputies, police officers, firefighters, and public health professionals to areas affected by Katrina in 2005—as did many local governments. Fittingly, there was some reimbursement for local expenses during those deployments, but local agencies pay for the other 50 weeks in any given year. We also train them, and we work to build public safety agencies at home that are robust enough to allow us to send help to others in times of great need.

If our mission is public safety merely at the local level, we can do that at the expense of providing aid Nationally. But that is not what our Nation requires. It is our job to take care of local needs; the States' jobs to support State-wide needs; and the Federal Government's job to support Nation-wide need and provide incentives for collaboration. It is for that reason—the ability of locals to collaborate and assist across the State and across the Nation—that we ask for Federal aid, and that is why it must be sustained.

How do we measure National need when it is always changing, and what is the solution? We too want to ensure that we build National capacity, but measurements must be flexible as no States, regions, or communities have uniform and identical risk and need.

What risks should we address? The THIRA for Preparedness Grants concept is an enhancement of old assessments, but must be given some time to be developed, grow, and be implemented in States, regions, and communities across the Nation. Can we really believe that the various THIRA data will be accurate given the short notice for compliance with new rules? Also, do local governments have the personnel capacity to produce an accurate THIRA? Not currently and this, too, will take time to build!

Again, the THIRA can be a great idea given time, but the proposed guidance is only close to real risk assessment in concept. Any THIRA must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.

So what else would NACo and other stakeholders propose?

First, we must acknowledge that during the roughly 2 months we have known about this new proposal, we have not yet solved an issue that was 10 years in the making. Every year, since the inception of the suite of homeland security grants, the emphasis of the awards, the guidance for expenditures, and the methods for measuring success at the local, State, and Federal level have changed.

According to the DHS' proposal—the NPGP will stop these frequent changes; however, we assert that they will only stop the changes at the Federal level. So, instead of one constantly-changing guideline in America, there will now be 50 of them. As we see in EMPG, each State and region will administer the NPGP differently. Further, as the NPGP is not solely based on allocation, risk, and need, its competitive component will pit States—and even regions within States—against each other for funds. And as we cannot ensure the level of transparency of the program in all States, we will still be unable to measure success.

We do know that when the assistance goes to local units of government, to fund State and Federal mandates as in the EMPG program, we can show effectiveness. In 2011, look at Missouri; look at Minneapolis; look at numerous other local responses to destructive tornados in communities last year. Look at the Twin Cities Urban Area Security Initiative response to the I-35 bridge collapse. The systems built over the years since 9/11 worked. Numbers? No. Measurable? Yes. Progress.

Therefore, America's 3,068 counties ask that you maintain, for now, the current suite of grants and emphasize maintenance of the capabilities we have built over the past 10 years as we work with all stakeholders to develop program reforms which incorporate the successful elements of past and current programs and identify new approaches. In the interim, that will give us more time to produce an effective THIRA.

Thereafter, we can provide Congress, DHS, and our communities with a realistic assessment of what the risks, capabilities, and gaps really are. Then, Congress and DHS can make an informed decision as to what should be emphasized and how.

Cooperative agreements are not bad, but they must be cooperative. Join local governments and a full range of first responders charged with preventing, protecting against, and responding when incidents—man-made and natural—occur, to craft a real solution even though it will take time. We need to identify, working with the States and with you here, what we mean by Homeland Security. Is it just terrorism? Then what about hurricanes, tornados, tsunamis, earthquakes, and other disasters?

Also, we ask you to maintain the following core principles to guide reform of the suite of homeland security grant programs:

- *Increased Transparency.*—The programs must be clear and understandable to the Federal Government and the public as to how the States are distributing funds, why they are making these decisions, and where the funds are going.
- *Greater Local Involvement.*—Local government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The THIRA process must include the input of local elected and emergency response officials, and FEMA must be able to audit States by comparing local risk assessments to the State-level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.
- *Flexibility with Accountability.*—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.
- *Protect Local Funding.*—Since event impact and response are primarily local in nature, grant funding should primarily support local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.
- *Sustain Terrorism Prevention.*—The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counterterrorism preparedness, threat analysis, and information-sharing activities.
- *Incentives for Innate Regionalization.*—FEMA's proposal focuses on States and multi-State regions (similar to the FEMA regions). The homeland security grants must also support preparedness in metropolitan intra-State and inter-State regions.

In closing, I again thank you for the invitation to speak today, and NACo looks forward to continuing to work with Congress, Members of this committee, and our colleagues and other stakeholders to build a realistic, effective, and measurable Homeland Security enterprise in America.

Mr. BILIRAKIS. Thank you so very much.

Thanks to all of you for being here. It is very important for us to hear from you before we make our decisions.

I now recognize myself for 5 minutes. My first question is for Mr. Davis.

Mr. Davis, you mentioned the draw-down issue in your statement. Knowing that the States are trying to work with FEMA to spend down these previously appropriated funds, FEMA issued guidelines earlier this year in an effort to provide flexibility to grantees and assist in the draw-down effort.

Has this been helpful to you? First question. Next, what is your view of the reduction of the period of performance? Will you be able to complete projects within the reduced time line, especially considering the limited opportunity for extensions?

So I would like to ask you, Mr. Davis. Maybe Mr. Koon might want to comment on that question, as well. You are recognized.

Mr. DAVIS. Thank you, Mr. Chairman.

If I could start with the second question first, because I think that it is a very important question. I think that, you know, the reduction in time for the performance of the grants, because we are reducing the amount of money we have to spend, I don't think that it is going to have that significant of an impact on it us.

I mean, the reality is, when we look at, say, the State of Colorado, we are talking about a total of \$5 million in grants. Two-and-a-half million of that is going to a UASI in Denver. So, really, we are talking about some significantly reduced grant funding, and we

can use that funding to sustain the things that we have established. I think that we will be able to comply with those shortened performance periods without a problem. I don't see that being a problem in Colorado.

With regard to your first question, I think that FEMA giving us additional latitude in how we spend the money is always a good thing. I think that we are—you know, the closer you get to the ground, the better able you are to see what the problems are and address them. Again, as I mentioned in my opening comments, I think that the State is in a position to see where that money should best be spent around the State.

Thank you, sir.

Mr. BILIRAKIS. Mr. Koon, do you wish to comment?

Mr. KOON. Yes, sir, Congressman Bilirakis. The flexibility that FEMA granted in the spending of those has been moderately helpful. There are still certain requirements in there that are keeping them within the lanes that I alluded to earlier.

Fortunately, when Florida allocates these dollars, we also allocate projects that are not funded. So for those projects that we will not be able to complete in time, we are able to go further down on the list and be able to execute some of those.

Still, however, based on the shortened time frame, there will be some projects that we will not be able to complete in time. Therefore, we will likely leave some dollars unspent as a result of the shortened time frame.

Mr. BILIRAKIS. All right.

Next question for Ms. Walker, Mr. Freed. From a local perspective, will the reduction in the period of performance impact your ability to complete certain projects?

Ms. Walker first, please. You are recognized.

Ms. WALKER. The time line, the reduction in force, our time line in expending the funding, we feel that we need to focus on the projects of where the money is spent, not how fast we spend it, but, you know, on the quality and the specific projects. We can always spend money on equipment very quickly, but at the same time there are some projects that are a little bit more complex that would take a little bit more time. The shortened time frame—

Mr. BILIRAKIS. Why don't you give me a specific example of that?

Ms. WALKER. For example, you can buy equipment, personal protection, PPEs, you can buy radio equipment very quickly, expend funding, but there are some infrastructure projects that may take a little longer. By the time the funding gets to the local level, it takes a little longer to implement those, especially if you are putting in communications capabilities that usually take a little longer. They are multi-year projects, and they are being phased in.

Mr. BILIRAKIS. Thank you.

Mr. Freed.

Mr. FREED. Yes, sir, Mr. Chairman. The other part that plays into all this are the legal delays that are introduced, as well. For instance, if you want to mount a videoconferencing monitor in your EOC to be able to talk to the other emergency operations centers, you need, in part, to do an environmental impact study, get all that approved by the various lawyers.

So when we start restricting down to 2 years or even less—because within, for instance, our State, in addition to whatever the Federal requirement is, the State has to close out their paperwork even before that—it makes it very, very difficult to do any real planning for the money. We end up then buying big bulk things that we know we can get done right away, rather than perhaps a slightly longer project.

Certainly, you can't extend projects above grant deadlines as they are now. It make it very difficult to plan further than this grant cycle to get anything actually accomplished. So it is a problem for us, sir.

Mr. BILIRAKIS. Thank you very much.

Now I would like to recognize Ranking Member Richardson for 5 minutes.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Again, thank you all for being here.

I want to talk a little bit about THIRA. Earlier this month, FEMA released the guidance for the Threat and Hazard Identification and Risk Assessment. Does this guidance provide the necessary information you need to conduct a comprehensive, accurate assessment? Do you believe that THIRA will provide sufficient information to the States to implement your strategic plans and allocate based upon the limited resources that you have been provided?

Why don't we start with you, sir?

Mr. DAVIS. Thank you, ma'am.

I think that THIRA is a good start. You know, it provides an algorithm that allows us to try and quantify the risk. What concerns me, though, is that it is—you know, as long as we have it entirely a numerical formula, it doesn't take into consideration certain other things.

For example, if we—part of that algorithm is the number of, say, for example, terrorist screening center hits, you know, we need to look at what the nature of those hits are. In Colorado, we have a lot of TSC hits because Denver is a port of entry at DIA. So if people are coming into DIA and then moving on to another city, really is that something that is adequately assigned to Denver?

I think that we have to make sure that we have an opportunity to have some human review of the numbers that we come up with in the THIRA in determining how we best allocate funding in Homeland Security grants.

Ms. RICHARDSON. Have you shared those concerns yet with the Department?

Mr. DAVIS. We have had the opportunity to talk about that through the GHSAC, and they were receptive, although, you know, this is—I mean, I think that this is something they are still working on.

Ms. RICHARDSON. Would anyone else like to speak to that question?

Mr. KOON. Yes, ma'am, Representative Richardson. In Florida and from my colleagues at NEMA, we absolutely believe that conducting THIRA is the right way to move forward. It will help us ascertain what we have accomplished in the last 10 years and also analyze and understand where our gaps are so that we can better spend our dollars in the years ahead and make sure that we close

that gap and achieve measurable results so that we can prove to the taxpayers that our dollars are being spent appropriately to achieve the National security that we are looking for.

We also believe that this has to be driven from the local level. I concur with what my colleagues said, that a THIRA needs to take into consideration from the local level up to the State level so that we can truly understand what the needs of the State are across the State and that it should be used, therefore, to drive the projects that you are funding in the years forward.

As to the guidance that has been provided by FEMA thus far, we are still analyzing that and trying to determine whether it, in fact, is going to be enough guidance for us to accomplish that by the end of the year.

Ms. RICHARDSON. Do you have a means to communicate with the Department?

Mr. KOON. Yes, ma'am, at NEMA we have frequent and on-going conversations with our colleagues at FEMA. They have been receptive on hearing our concerns.

Ms. RICHARDSON. Okay.

Ms. Walker.

Ms. WALKER. Yes, Ms. Richardson, thank you. The guidance that has been released, we still at the local level have great concerns that there is not enough guidance out there of how locals will get involved with the State THIRA. There has been a lot of assessments that have already been done in the past. Coming from a UASI region, we have done gap analysis, threat assessments to the target capability list and the core capabilities that have been out the last few years that we have been working toward. So what is the transition toward the THIRA, and how does that transition work so that all the work that has been done is actually seamless? That hasn't been cleared up.

Then some States are still, like Mr. Koon was saying, working through and analyzing the guidance from the THIRA. But right now there is no clear definitive that locals will be allowed to engage with the States; there is no requirement.

Ms. RICHARDSON. Have you shared that feedback with the Department?

Ms. WALKER. Yes. We have been working with FEMA on that and providing that feedback and having that dialogue, yes, ma'am.

Ms. RICHARDSON. Okay.

And you, sir?

Mr. FREED. Representative Richardson, the THIRA concept actually is—we believe it is a pretty good concept. What I am worried about in general is the time line for this initial go-through. With the short time that we have to produce the THIRA, particularly since none of us have ever done it this way before, what I am worried about is that the information that we generate will be somewhat less than accurate as we all sort of struggle with this new thing.

It would be a much better tack, I believe, if this was extended out for 1 more year and we didn't make it on this very, very short time line. There is just too much unknown about it to guarantee to you or to the Department of Homeland Security that everything

that we are going to give them is really accurate as opposed to best guess or simple guess.

Ms. RICHARDSON. Have you had an opportunity to share this feedback?

Mr. FREED. We have begun the sharing of that feedback with our colleagues, yes.

Ms. RICHARDSON. Okay.

Mr. Chairman, could I ask one last question of this panel?

Mr. BILIRAKIS. Absolutely.

Ms. RICHARDSON. Ms. Walker, Mr. Davis made his position clear in terms of the State-centric approach, for obvious reasons given his role. But I think it is important also for the committee if you could share why State-centric is sometimes problematic from a local level, just so we have both sides that have weighed in with their position.

Ms. WALKER. Sure, Ms. Richardson.

We believe that States are—they have been partners, we have been very good partners over the years, and that we need to continue that. But at the same time, with new guidance and the information that is coming out with the NPGP, it just makes it a little bit more challenging in the lack of clear guidance on how we can continue to work together. Some of the thoughts that we may have is that, you know, from a local perspective, which priority takes precedence? Can we come to an agreement on funding, and how do we support the priorities that might come out?

But as a local, we still continue to work with the States and also work with our Federal partners. I think the conversation needs to continue, to work out the details.

Ms. RICHARDSON. Mayor Nutter had testified that they were not as involved in the ultimate process on the front end. Would you find that to be the case?

Ms. WALKER. Yes. At this time, with this guidance that has come out, we want to be more engaged. The guidance came out prior to engaging locals.

Ms. RICHARDSON. Okay. Thank you.

Thank you, Mr. Chairman.

Mr. BILIRAKIS. Thank you.

I now recognize the gentleman from New York, Mr. Turner, for 5 minutes.

Mr. TURNER. Thank you, Mr. Chairman.

I just have a question for Mr. Koon.

You mentioned Tier 1 cities should be funded directly; also, transit and port authorities that cross over State lines should be able to apply directly to the NPGP. Can you explain why you think this is necessary? What would the mechanics be from where we are now?

Mr. KOON. Yes, sir. Thank you, Representative.

With regards to UASI funding, NEMA's proposal recommends that we continue to fund the Tier 1 UASI cities. We recognize the unique challenge that those largest cities provide with regards to securing them against threats to the homeland. We also recognize the fact that they play a vital role in America's economy and America's way of life. So we believe it is incumbent that we retain Federal funding, Federal-level funding, for those cities.

I say that as the emergency manager for a State that does not have a Tier 1 city, because we recognize that anything that happens to New York City, to Boston, to Chicago, to Los Angeles, would have economic ramifications across the country and would impact Florida's economy. So we believe that we should continue to fund Tier 1 cities separately from the NPGP projects.

With regard to the port and transit systems, in Florida our ports are directly adjacent to the surrounding communities; they are next to the retail infrastructure, to the housing infrastructure, to everything else that goes on there. So we believe that they should be considered as part of that overall system.

Rather than creating them as a walled fortress, they need to take into account the fact that the power comes from outside that port. The infrastructure that supports the communication, the labor pool, the roads, other infrastructure that supports that is a regionally-based system. We believe that that infrastructure can best be protected by considering that as an entire system as opposed to an individual entity within that system.

Mr. TURNER. Thank you.

I yield back, Mr. Chairman.

Mr. BILIRAKIS. Thank you very much.

I appreciate it. This has been very informative, a great discussion. Thank you very much for your testimony. I will go ahead and dismiss the first panel. Thank you.

I would like to welcome our second panel. Thank you again for your attendance.

Our first witness is Commissioner Richard Daddario. I hope I pronounced that right. Commissioner Daddario is the deputy commissioner for counterterrorism with the New York City Police Department. Welcome, sir. Prior to assuming this position, Commissioner Daddario served as the U.S. Department of Justice's attache in Moscow and as an assistant U.S. attorney for the Southern District of New York. Commissioner Daddario received his undergraduate degree and law degree from Georgetown University.

Following Commissioner Daddario, we will receive testimony from Mr. Robert Maloney. Mr. Maloney is the director of the Baltimore Office of Emergency Management. Before joining Baltimore OEM, Mr. Maloney served as the chief of staff of the Baltimore City Fire Department, an emergency medical services lieutenant, and a firefighter/paramedic. Mr. Maloney has served in the United States Naval Reserve, and thank you very much for your service, sir. Mr. Maloney is a graduate of Towson University and the Johns Hopkins University master's in public safety leadership program.

Next, we will receive testimony from Chief Hank Clemmensen. Mr. Clemmensen is the chief of the Palatine Rural Fire Protection District, a position he has held since 2001. Chief Clemmensen is also vice president of the International Association of Fire Chiefs. Chief Clemmensen has a bachelor's of science from Northern Illinois University and has completed graduate studies in public administration through Northern Illinois University.

Following Chief Clemmensen, we will receive testimony from Mr. Richard Wainio. Mr. Wainio is the Tampa Port director and chief executive officer, a position he has held since 2005. Mr. Wainio has worked in the maritime industry for nearly 35 years, including 23

years employed at the Panama Canal, and serving as the organization's senior economist, director of economic research and market development, and director of executive planning. Mr. Wainio earned his bachelor's degree from Davidson College and his master's in international management from the Thunderbird School of Global Management.

Finally, we will receive testimony from Mr. Michael DePallo. Mr. DePallo is the director and general manager of the Port Authority Trans-Hudson Corporation, a position he has held since April 1996. Mr. DePallo has also worked at Bay Area Rapid Transit District, the Massachusetts Bay Transportation Authority, and the Southeastern Pennsylvania Transportation Authority. Mr. DePallo served as the chair of the American Public Transportation Association's Security Affairs Steering Committee and chair of the Mass Transit Sector Coordinating Council. Mr. DePallo earned a master of city planning degree, specializing in public transportation, from the University of Pennsylvania.

I would like to welcome all of our witnesses. We look forward to your testimony. Your entire written statements will be entered into the record, and I ask you to summarize your testimony for 5 minutes.

Why don't we start with Commissioner Daddario? Welcome, sir. You are recognized.

**STATEMENT OF RICHARD DADDARIO, DEPUTY COMMISSIONER, COUNTERTERRORISM BUREAU, NEW YORK CITY POLICY DEPARTMENT**

Mr. DADDARIO. Good afternoon, Mr. Chairman, Ranking Member Richardson, Congressman Turner. Thank you for this opportunity to represent the New York City Police Department today before this subcommittee. My prepared remarks address this committee's interest in the proposal in the President's fiscal year 2013 budget request to consolidate grant programs into a new National Preparedness Grant Program.

As you know, New York City is committed to the fight against terrorism and commits enormous resources toward security. Twice attacked, often threatened, we cannot do otherwise, but we cannot go it alone; we need Federal assistance. The NYPD relies heavily on DHS Federal support, critical for its counterterrorism programs, terrorism investigations, and high-visibility operational deployments. DHS grant funding has played a crucial in helping the NYPD carry out its mission and keeping New York City and the New York City metropolitan area and the region safe. For this reason, any time significant changes in the FEMA grant process are proposed we want to be part of the discussion.

Today I will touch on a few concerns we have about the President's fiscal year 2013 budget request and the vision for this new program.

First, it is important that a clear line be drawn between funding to address terrorism and funding related to other risks, which are commonly referred to as "all hazards." On this issue, we think the focus for the city of New York must remain on terrorism rather than other hazards.

Given the threats New York City and the rest of the country continues to face, it is necessary to provide high-risk municipalities with targeted counterterrorism dollars. For this reason, it is absolutely essential that the newly-formed DHS grant program remain aligned with the 9/11 Act's objective of providing Federal grant funds to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.

Having said that, you will understand why we urge you to maintain the Urban Areas Security Initiative, the UASI program. It is necessary to have a stand-alone program that provides the highest-risk urban areas with targeted funding, and that is what UASI does. It directs limited Homeland Security grant funds available to the programs that are most effective in the cities that are at most risk. Moreover, the existing UASI governance framework works well and already reflects the principles of the Threat and Hazard Identification and Risk Assessment. The UASI framework builds and sustains region-wide capabilities. The framework assures that capabilities are cross-jurisdictional, readily deployable, and multi-purpose.

Now I will shift now to a couple of process issues, beginning with grant periods, where a rigid 24-month period is under consideration. Grant periods must balance the goal of efficiency with the need for flexibility. Building and sustaining capabilities involve long-term commitments. Grant cycles of 2 years with limited to no extensions are not realistic. They will prevent jurisdictions from undertaking innovative multi-year projects.

It is important to note that, in many instances, municipal procurement rules, for example, require the agency to have the funding in hand before they can even begin the contracting process. Procurement processes can take up to a year to complete. Moreover, a 24-month period will encourage municipalities to pay vendors the full value of any contract up front. They will not allow agencies to responsibly manage their vendors and contracts. For these reasons, it is imperative that the grant period remain at 36 months, with extensions provided as necessary and justified.

The next process issue relates to bureaucratic delay. Congress should seek to minimize the layers of bureaucracy involved in administering DHS grant programs. These layers of bureaucracy can create unnecessary cost and delay. For example, today the NYPD must go through two intermediaries before investment justifications for key security projects even get to FEMA. FEMA's responses have to go through the same layers. These layers can result in months and months' worth of delay on some of the most straightforward issues.

Finally, I want to make a pitch for operational programs. To the extent that Congress chooses to continue to set aside funding specific to port and transit asset protection, it is essential that these dollars not be limited to capital programs but include operational programs as well. I will give you an example. For example, the NYPD has been responsible for security of the subway for nearly 2 decades, but it is the MTA, not the NYPD, which is the direct grantee. That simply does not make sense.

Thank you. I will end here, and I will do my best to answer any questions you may have. Thank you very much.

[The prepared statement of Mr. Daddario follows:]

PREPARED STATEMENT OF RICHARD DADDARIO

APRIL 26, 2012

Good morning, Mr. Chairman, Ranking Member Richardson, and Members of the subcommittee. Thank you for this opportunity to represent the New York City Police Department before the Subcommittee on Emergency Preparedness, Response, and Communications. For the record, my name is Richard Daddario. I am the deputy commissioner of counterterrorism in the New York City Police Department.

My prepared remarks address this committee's interest in the proposal in the President's fiscal year 2013 budget request to consolidate grant programs into a new National Preparedness Grant Program. As you know, New York City is committed to the fight against terrorism and commits enormous resources towards security. Twice attacked, often threatened, we could not do otherwise, but we cannot go it alone. The NYPD relies heavily on DHS Federal grants to support critical counterterrorism programs, terrorism investigations, and high-visibility operational deployments.

DHS grant funding has played a crucial role in helping the NYPD carry out its mission of keeping New York City safe. For this reason, any time significant changes to the FEMA grant process are proposed, we at the NYPD want to be a part of the discussion.

Today, I will touch on a few concerns we have about the President's fiscal year 2013 budget request and the vision for the National Preparedness Grant Program (NPGP).

First, it is important that a clear line be drawn between funding to address terrorism and funding related to other risks, which are commonly referred to as all-hazards. On this issue, we think the focus must remain on terrorism, rather than other hazards. Given the threats New York City and the rest of the country continue to face, it is necessary to provide high-risk municipalities with targeted counterterrorism dollars. For this reason, it is absolutely essential that the newly-formed DHS grant program remain aligned with the 9/11 Act's objective of providing Federal grant funds to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.

Having said that, you will understand why we urge you to maintain the Urban Areas Security Initiative (UASI). It is necessary to have a stand-alone program that provides the highest-risk urban areas with targeted funding. That is what UASI does. It directs the limited homeland security grant funds available to the programs that are most effective; and the cities that are most at risk.

Moreover, the existing UASI governance framework works well and already reflects the principles of the Threat and Hazard Identification and Risk Assessment. The UASI framework builds and sustains region-wide capabilities: The framework ensures that capabilities are cross-jurisdictional, readily deployable, and multi-purpose.

I will shift now to a couple of process issues, beginning with grant periods where a rigid 24-month period is under consideration. Grant periods must balance the goal of efficiency with the need for flexibility. Building and sustaining capabilities involves long-term commitments. Grant cycles of 2 years with limited to no extensions are not realistic. They will prevent jurisdictions from undertaking innovative, multi-year projects.

It is important to note that in many instances, municipal procurement rules require the agency to have the funding in-hand before they can even begin the contracting process. And, procurement processes can take up to a year to complete. Moreover, a 24-month period will encourage municipalities to pay vendors the full value of any contract up-front. This will not allow agencies to responsibly manage their vendors and contracts. For these reasons, it is imperative that the grant period remain at 36 months, with extensions provided as necessary and justified.

The next process issue relates to bureaucratic delay. Congress should seek to minimize the layers of bureaucracy involved in administering DHS grant programs. These layers of bureaucracy create unnecessary costs and delay. For example, today, the NYPD must go through two intermediaries before investment justifications for key security projects even get to FEMA. And FEMA's responses must go through the same burdensome channels before they reach the NYPD. These layers can result in months and months' worth of delay on some of the most straightforward issues.

Finally, I want to make a pitch for operational programs. To the extent that Congress chooses to continue to set aside funding specific to port and transit asset pro-

tection, it is essential that these dollars not be limited to capital programs, but include operational programs as well.

Often, the agency charged with providing for safety and security of a transit or port asset is not the agency responsible for the capital projects associated with it. Take for example the New York City subway system. The NYPD has been responsible for safety and security of subways for nearly 2 decades. Yet it is the MTA, not the NYPD, which owns and oversees capital programs associated with MTA facilities.

Thank you. I would be happy to answer any of your questions.

Mr. BILIRAKIS. Thank you, sir. Appreciate it.

I now recognize Mr. Maloney for 5 minutes.

**STATEMENT OF ROBERT M. MALONEY, DIRECTOR, OFFICE OF EMERGENCY MANAGEMENT, BALTIMORE, MARYLAND**

Mr. MALONEY. Good afternoon, Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee.

I am Robert Maloney, the director of the Baltimore City Mayor's Office of Emergency Management and chairman of the Urban Area Work Group for the Central Maryland Region. I have the humbling responsibility of coordinating and administering both local and regional Federal preparedness grant funds. On behalf of Mayor Stephanie Rawlings-Blake, it is my pleasure to appear before you today to discuss proposed changes to the Department of Homeland Security grant structure.

We are fortunate in Maryland. Governor O'Malley and Baltimore Mayor Stephanie Rawlings-Blake believe in homeland security as a National priority. The Baltimore Urban Area Security Initiative represents the geographic areas of the Central Maryland Region. DHS places Baltimore in the top 25 percent of urban areas with respect to asset-based risk.

Each month, the emergency managers and public safety leaders in the seven jurisdictions of the Baltimore UASI come together to discuss regional public safety and homeland security issues. Together, we have made significant investments in equipment, trained our personnel, enhanced our technology, and upgraded our emergency operations centers.

But, more importantly, we have utilized these grants as the impetus to organize the appropriate stakeholders around one of the most important issues our Nation faces: Its homeland security. The value of the relationships fostered as a result of the infrastructure developed around UASI funds is inestimable. Our UASI has been able to unite public safety leaders across city and county borders. Other UASI groups have even crossed State lines.

The new proposed grant consolidation does not take into account the inter-jurisdictional and inter-State achievements made. Discarding the individual grant programs means discarding the infrastructure built around them and threatens the relationship cultivated around our collaborative commitment to National homeland security. Instead of fostering collaboration to build capabilities, the proposed consolidation will promote competition by having local jurisdictions compete within their own State to win funds.

Over the past several years, DHS has administered grants to my locality and region to build our capabilities. Over the past 2 years, Homeland Security grant programs have taken drastic cuts. In fiscal year 2011, the funds were cut by 50 percent. In 2012, the De-

partment of Homeland Security eliminated seven grant programs for fiscal year 2011 to adjust for additional decreases in overall funding. On top of these cuts, DHS has now proposed to consolidate the eight remaining grant programs into a single grant program known as the National Preparedness Grant Program.

State and local jurisdictions were forced to shift capabilities developed or maintained under eliminated funding streams to other programs. Before we have the chance to make sense of the impact of these cuts in a system of grants with limited flexibility, we are being asked to undergo an overhaul of the system with little State and local input.

We do not have evidence to indicate that consolidation is a necessary or appropriate step. In the current fiscal climate, these cuts have hit all of us very hard. We are now focusing on sustaining the capabilities that we have developed through these grant programs.

Despite the decrease in funding, it is imperative that all stakeholders understand the mandate for preparedness at the local level has not decreased. Since our mayor took office in 2010, Baltimore city alone has experienced a major blizzard, a tornado, several flooding events, Hurricane Irene, Tropical Storm Lee, and an earthquake. Now more than ever we need to make sure our investments are well-informed. Consolidation after a series of consecutive funding cuts is too much too soon.

We also have concerns about how the Threat Hazard Identification and Risk Assessment will inform local-level capability investments and how the State administrative agencies will develop additional grant writing and administrating capabilities in the next year. Again, little local or State input was requested to develop the process.

As a city, a region, and a Nation, we have worked very hard and utilized DHS grant funds to close many capability gaps over the past several years. Some of these investments include cell phone tracking, a State-wide interoperable radio system, a regional radio communications center, and training for our primary adult resource center, Maryland Shock Trauma.

Is there still a need for Federal Homeland Security funding to State and local jurisdictions? Yes. In fact, the need is increasing. Local jurisdictions are struggling to maintain basic services in Baltimore. We struggle simply to keep firehouses opening. This funding is critical now more than ever to maintain the long-term viability of our investments.

Is revamping the entire grant structure going to eliminate redundancy and ensure significant value attributable to all investments? Absolutely not.

Our systems reflect that we are more prepared, but we need to figure out what is working best and what is not working before we throw everything together and hope for the best.

Our Federal partners should know that the local jurisdictions do not have contingency plans or alternate source of funding. There is no money. Local and State officials need to be involved with figuring out how we assess our preparedness and develop cost-effective solutions. With a little bit of time, science, and ingenuity, together we will be able to say with confidence what the next best step is. Until then, I implore you to prevent an ill-informed and

hasty decision. We must continue to invest in preparedness, and discontinue cuts in funding critical to the development and sustaining our capabilities. I hope that you will continue to fund our programs, that we reconsider additional funding in the future, and delay the proposed consolidation until we have the appropriate evidence to inform such a major change.

Thank you for allowing me to appear before you today. I welcome any questions from the committee.

[The prepared statement of Mr. Maloney follows:]

PREPARED STATEMENT OF ROBERT M. MALONEY

APRIL 26, 2012

Good afternoon Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee. I am Robert Maloney, the director of the Baltimore City Mayor's Office of Emergency Management and chairman of the Urban Area Workgroup for the Central Maryland Region. I have the humbling responsibility of coordinating and administering both local and regional Federal preparedness grant funds. I am a veteran of the United States Navy. I served 8 years in the reserves as a corpsman for the United States Marines Corps and was deployed to Fallujah, Iraq in 2005. On behalf of Mayor Stephanie Rawlings-Blake, it is my pleasure to appear before you today to discuss proposed changes to the Department of Homeland Security (DHS) grant program structure. We are fortunate in Maryland. Governor Martin O'Malley and Baltimore Mayor Stephanie Rawlings-Blake believe in homeland security as a National priority. They work in concert to make certain all stakeholders spend homeland security grant program funding as efficiently and effectively as possible, utilizing a systematic and risk-based approach.

The Baltimore Urban Area Security Initiative (UASI) represents the geographic area of the Central Maryland Region, and consists of the city of Baltimore, the State Capital, and five of the six most populated counties in the State that reside outside of the National Capitol Region (NCR). The region has over 3 million residents and is the 19th-largest metropolitan statistical area (MSA) in the Nation. There are significant important Federal Government assets in the region, including the Aberdeen Proving Ground, Fort Meade, the National Security Agency (NSA), the United States Naval Academy, and the headquarters of the Social Security Administration and the Centers for Medicare and Medicaid Services. Baltimore is the home of 18th-ranked port in total cargo tonnage in the United States. DHS places Baltimore in the top 25% of urban areas with respect to asset-based risk. Additionally, its location on the Eastern Seaboard creates significant risk for hurricanes, storm surge, and flooding.

Each month, the emergency managers and public safety leaders in the seven jurisdictions of the Baltimore UASI come together to discuss regional public safety and homeland security issues. Under this work group, there are several functional subcommittees. These subcommittees include health and medical, law enforcement, emergency planners, urban search and rescue (USAR), communications, technology, and hazardous materials. Committee members develop projects to improve our safety, but more importantly, they work together as a region.

Because of the Baltimore UASI and the Urban Area Work Group, no jurisdiction in Central Maryland is preparing for or responding to an incident alone. The UASI grant program has promoted regional collaboration. Groups of stakeholders within Maryland have organized around the established funding streams. Their dedication to coordinated planning and response has served us well. We have worked to break down silos so that the appropriate people are in the room at all times. We have made significant investments in equipment, trained our personnel, enhanced our technology and upgraded our emergency operations centers. But more importantly, we have utilized these grant programs as the impetus to organize the appropriate stakeholders around one of the most important issues our Nation faces: Its homeland security. The value of the relationships fostered as a result of the infrastructure developed around UASI funds is inestimable. During an emergency, I can pick up the phone and call my neighbor. I can ask for help, resources, or just advice. My staff members can do the same with their counterparts. In the Baltimore Urban Area we've been able to provide funds to our private-sector partners for preparedness over and above any Federal or State mandate through our continued partnership philosophy. As a result of engaging the appropriate stakeholders in the whole community, the hospital emergency managers, the leaders of functional and access

needs communities, law enforcement leaders, and hazmat technicians can do the same. We are no longer just the city of Baltimore. We are a regional force ready to combat any threat or hazard that comes our way.

Our UASI has been able to unite public safety leaders across city and county borders; other UASI groups have even crossed State lines. They have done this only by organizing around these funding streams aimed at building regional preparedness. The new proposed grant consolidation does not take into account the inter-jurisdictional and inter-State achievements made. Instead of fostering collaboration to build capabilities, the proposed consolidation will promote competition by having local jurisdictions compete within their own State to win funds. A competitive process has the potential to incentivize localities to try to outdo one another, rather than work together. Grant programs should be used to encourage regional collaboration and build relationships between jurisdictions, not create a wedge between them. Discarding the individual grant programs means discarding the infrastructure built around them, and threatens the relationships cultivated around our collaborative commitment to National homeland security.

Over the past several years, DHS has administered grants to my locality and region to build our capabilities to prepare for, protect against, mitigate the effects of, respond to, and recover from an emergency or disaster event. Previously, DHS administered 15 grant programs for different sectors, threats, and purposes. These grant programs, including the State Homeland Security Grant Program, the Port Security Grant Program, and the Urban Area Security Initiative Grant, have been critical in the development of our local level capabilities in a variety of functional areas, including health and medical, law enforcement, urban search and rescue, and interoperable communications.

Over the past 2 years, homeland security grant programs have taken drastic cuts. In fiscal year 2011, the Homeland Security Grant Program funds were cut by 50%. These funding cuts hit the State Homeland Security Grant Program and Tier II Urban Area Security Initiative Grants the hardest.

In fiscal year 2012, the Department of Homeland Security eliminated seven grant programs from fiscal year 2011 to adjust for additional decreases in overall funding. The eliminated grant programs included the Metropolitan Medical Response System (MMRS), Citizen Corps Program (CCP), Regional Catastrophic Preparedness Grant Program (RCPPSP), Emergency Operations Center Grant Program (EOCGP), Driver's License Security Grant Program (DLSGP), Freight Rail Security Grant Program (FRSGP), and Intercity Bus Security Grant Program (IBSGP). These cuts have caused limited resources to be spread incredibly thin. For example, the Port of Baltimore, one of the largest on the East Coast, is now competing for funds out of a pool of only approximately \$30 million, and still has to find a 25 percent match. On top of these cuts, DHS has now proposed to consolidate the eight remaining grants into a single grant program known as the "National Preparedness Grant Program."

States and local jurisdictions were forced to shift capabilities developed or maintained under eliminated funding streams to other programs. Before we have the chance to make sense of the impact of these cuts and shifts in our capabilities in a system of grants with limited flexibility, we are being asked to undergo an overhaul of the system. It seems the proposed overhaul, the National Preparedness Grant Program, was developed without robust local input or boots-on-the-ground expertise. While I appreciate the challenges for FEMA of managing different grants on multiple systems that originated from multiple agencies, I am here today to tell you we are worried that we do not have the evidence to indicate that consolidation is a necessary or appropriate next step.

In the current fiscal climate, these cuts have hit all of us very hard. Instead of taking steps to make improvements or close existing capability gaps, we are now focusing on sustaining the capabilities that we have developed through these grant programs. It is imperative that all stakeholders understand the mandate for preparedness at the local level has not decreased. Since our Mayor took office in early 2010, Baltimore city alone has experienced a major winter storm, a tornado, nursing home and downtown hotel evacuations, several flooding events, Hurricane Irene, Tropical Storm Lee, and an earthquake. We are not alone. Over the past 59 years, the Nation has averaged 35 major disaster declarations per year. However, in 2011 the United States experienced 99 major disaster declarations, up from 81 major disaster declarations in 2010. The threat of a major emergency or disaster event in the United States is increasing, but our funding level is decreasing. Now, more than ever, we need to make sure our investments are well informed. Before you take additional measures to cut costs, we need to be aware of the impact of the measures already taken. Consolidation after a series of consecutive funding cuts is too much, too soon.

We also have concerns about how the Threat Hazard Identification and Risk Assessment (THIRA) will inform local-level capability investments. THIRA is a tool that was introduced by FEMA this year to assess various threats and hazards, and the vulnerability of and consequences to communities to those hazards. The results of the THIRA process are supposed to establish an informed foundation for planning and preparedness activities. Since THIRAs are required at the State level, locals may have less of a voice to express what is really needed on the ground. The lack of clarity regarding the implications of THIRA on Federal funding allocation decisions is also disconcerting. For example, if a particular region is in need of an asset and two neighboring States both want to develop the asset, who is going to decide which State is awarded the funds necessary for development? The use of THIRA needs to be informed by State and local input prior to its use in funding allocation decisions.

Moreover, grant consolidation shifts most of the burden of grant administration to the State level. The proposed consolidation includes both a baseline State allocation and competitive allocation. States will be required to apply for funds, decide how to disperse funds, and manage these dispersements. Additional State-level capabilities in grant writing and administration will need to be developed to manage this workload. Concerns about the capacity of State Administrative Agencies to build these capabilities over the next year are widespread among my peers at the local level. Again, little local or State input was requested to develop the process, making concerns about the utility of implementation paramount.

As a city, a region, and a Nation, we have worked very hard and utilized DHS grant funds to close many capability gaps over the past several years. We have developed cell-phone-tracking capabilities allowing law enforcement the ability to pinpoint the location of a specific cell phone, enhancing efforts to locate an individual. We have implemented LINX, a shared database tool that crosses jurisdictional, regional, and State lines, to allow law enforcement to have the same data on individuals when working long-term and immediate cases.

During the 1990s and the early part of the 21st Century, provisions for interoperable communications between jurisdictions that did not share a geographic boundary were limited. The need for interoperable communications was a core lesson learned from the response to the terrorist attacks of September 11. Since then, Maryland has invested \$48 million of its own funds to support the development and implementation of an interoperable State-wide radio system. DHS funds have supported the Central Maryland Area Radio Communications (CMARC) Project Team to enhance this city and State capability priority regionally. The original goal of CMARC was to develop a regional radio system for interoperability that would leverage existing infrastructure, improve coverage and supplement the capacity of existing "operable" radio systems under the control of local jurisdictions. CMARC has since added several State agencies, including the Maryland Transit Administration (MTA), Maryland Institute for Emergency Medical Services Systems (MIEMSS), and Maryland Department of Natural Resources (DNR) as interoperability partners. An upgrade to the Network Management System (NMS), scheduled for completion by the end of the 2012 calendar year, is being made possible by grant funds. This upgrade will provide IP based voting capabilities region-wide and allow control of all CMARC local jurisdiction radio resources from the regional back-up 9-1-1 Center in Central Baltimore County. The Maryland Institute for Emergency Medical Services Systems (MIEMSS), the State agency charged with oversight of emergency medical services, will be equipped with a Radio Gateway Unit. Additionally, on-street portable radio coverage will become available for critical infrastructure such as BWI-Marshall Airport, Fort Meade, NSA, the I-95 corridor in Howard County and the Amtrak Northeast train corridor in Anne Arundel County. Implementation and sustainment of the system is made possible by DHS grant funds. While Maryland has plans to continue to invest in this system, it has not been developed Nation-wide. We have not yet closed this capability gap, but grants are being slashed. Continued funding cuts threaten the investments we have already made, and have the potential to prevent the realization of a Nation-wide interoperable communications system.

The Central Maryland Region has also utilized DHS funds to create robust capabilities in the health and medical functional area. Prior, the Baltimore Urban Area had few resources to deal with mass casualty events beyond ordinary day-to-day capabilities. Such an event would overwhelm the region's hospital systems. There were no standard interagency standard operating procedures (SOPs) within metro Baltimore to pre-identify staff, hospital beds, or other resources that can be deployed following a catastrophic event. The establishment of an alternate care site (ACS) post-disaster would be ad hoc and undersupplied. Recognizing this capability gap, the Baltimore UASI utilized grant funds to convert an old gymnasium building

scheduled for demolition into a “Turn Key” Surge Center. Regional hospital emergency managers and emergency medical services leaders worked with academic experts to develop SOPs and guidelines to allow for seamless activation and operation of the facility across multiple partners. In tandem, common equipment was procured and pre-deployed to the ACS facility for eventual use in an emergency. Work surrounding the ACS continues. Current objectives include arrangement of pre-designation and pre-approval of the facility as an ACS by the Maryland Office of Health Care Quality, development of MOUs with public and private partners for critical elements of site operation such as security and mortuary services, and development of protocols for triggering direct EMS transport during a public health emergency. DHS grant funds continue to support the development of additional ACS sites, as well as sustainment and environmental maintenance of existing facilities. A loss of funds could result in the loss, or deterioration, of this regional institution that has demonstrated to close a capability gap.

The Central Maryland Region also was without sufficient ability to track patients during a major incident. The need for a family reunification and patient location system became evident after a series of incidents involving over 20 patients separated from family members. In addition to family reunification, such a system was also necessary for law enforcement to locate individuals during an investigation and for public health officials to document patients who were in direct contact with an infected individual, as well as track clients and medications at the points of distribution. Previously, Maryland conducted patient tracking by hand on paper. This system was not sufficient for a surge of hundreds, or even thousands, of patients. To close this capability gap, the Baltimore metropolitan area utilized DHS grant funds to procure an Electronic Patient Tracking System (EPTS) for use by Fire/EMS, Hospitals, Health Departments, Emergency Management, and State Agencies. The system allows for patients to be tracked from the scene of an incident to the hospital, and assists in patient reunification following a mass-casualty incident. Additionally, hospitals are able to access information on patients during transport. The result is unprecedented improvements in health care asset utilization, patient treatment, response time, and event documentation. Loss of funds will mean the loss of ability to sustain this important capability.

The combined utility of these investments have come to light in the UASI-funded Maryland Shock Trauma Project. Maryland Shock Trauma is located in Baltimore City, and is the only facility in the State of Maryland designated as a Primary Adult Resource Center (PARC). As such, it provides the highest level of trauma care, treating over 7,500 critically-injured patients each year with a 97% survival rate. The Baltimore UASI grant-funded a project designed to expand regional collaboration for medical surge. The project utilizes high-fidelity emergency medical services exercise and training simulations, coupled with an enhanced exercise and training platform that will maximize current Baltimore UASI-funded projects related to patient tracking, voice, and interoperable radio communications systems, and data communications. Upon completion this project will facilitate real-time enhanced on scene and transport patient care over current and planned video and data networks. The entire State of Maryland, as well as anyone who accesses our system through mutual aid, will benefit from the patient care enhancements related to the increased medical surge, exercise, and training capacities.

Could some of these investments be redundant? Perhaps.

Have all of our investments provided tremendous added value to overall National security? Maybe not, but most definitely have.

Is there still a need for Federal homeland security funding to States and local jurisdictions? Yes, in fact, the need is increasing. Local jurisdictions are struggling to maintain basic services. In Baltimore, we struggle simply to keep firehouses open. This funding is critical, now more than ever, to maintain the long-term viability of our investments.

Is revamping the entire grant structure going to answer these questions, eliminate redundancy, and ensure significant value attributable to all investments? Absolutely not.

As I have already discussed, there is evidence that our capability gaps have become smaller. Our systems reflect that we are more prepared. However, we do not know the magnitude of this preparation, the root cause of our successes and of failures, or the best way to move forward. I cannot stand here and tell you that we are more prepared because of one grant or another, or because of one purchase or another. DHS grant applications require applicants to discuss capability gaps; however, DHS has never provided a standardized, evidence-based tool to help local jurisdictions to analyze these gaps systematically. In result, we have limited data to show the impact, successes, or failures of our programs. Additionally, FEMA has recently begun the development of State Preparedness Reports in an effort to assess

National preparedness. However, the format of these State preparedness reports has changed over the past 2 years, with another proposed change in the data requested for this coming year. If we cannot even figure out how to assess our own preparedness, how can we attribute any one success or failure to any specific grant program? We need to figure out what is working and what is not working before we throw everything together and “hope for the best.” What I can stand here and tell you is that throwing all of these grant programs away, and the infrastructure and partnerships developed around them, is going to make things worse, not better.

We often throw around the word “homeland security,” with little regard to what “homeland” really means. Our homeland is comprised of a conglomerate of counties, parishes, and cities, in our UASIs, States, Tribal lands, and territories. It is made up of American citizens who live in these counties, parishes, and cities. Every day, something threatens their safety. Whether from a natural disaster, a terrorist threat, a criminal, or a simple personal health event, when these citizens, who are at the heart of our homeland, need protection they call 9–1–1 to activate their local first response system. This system is operated at the local level. Its utility is a product of the capabilities which that local government has developed. It is only as good as the training and motivation of the personnel and the quality of resources within it.

Our Federal partners should know that local jurisdictions do not have contingency plans or alternative funding sources to maintain capabilities should Federal funds be discontinued or rescinded. There is no money. Our Federal partners must realize that local level personnel are providing National-level homeland security. States and locals use DHS funding to develop National assets. For example, during Hurricane Katrina, we were able to send a UASI-funded USAR team and decontamination truck to the Gulf Coast. While this asset was developed and maintained in the Baltimore region, we were able to ensure that it contributed to the capabilities critical to our overall National emergency response mission when it was needed most. We rely on Federal funds to ensure provision of a service that benefits the whole of our Nation; the everyday protection of and rapid response to the needs of its citizens.

I hope that you will help us to maintain the capabilities we have developed, and help us to continue identifying and closing gaps. We are happy to participate in an evaluation of our programs and assessment of our preparedness. Only then will we know what programs are working, and what grants those programs are funded by. We will have a better understanding of the impact of our investments and the changes already made to our funding streams. Local and State officials, who are at the heart of the implementation of these grant programs, need to be partners in the development of assessment and evaluation methods. As we are the ones who will experience the impact, we need to be in the room to develop the solution. With a little bit of time, science, and ingenuity, together, we will be able to say with confidence what the next best step is. Until then, I implore you to prevent an ill-informed and hasty decision. We must continue to invest in preparedness, and discontinue cuts in funding critical to the development and sustainment of our capabilities. Grant guidance should have the flexibility to allow States and locals to maintain capabilities. I hope that you will continue to fund our programs, and delay the proposed consolidation until we have the appropriate evidence to inform such a major change.

Thank you for allowing me to appear before you today. I welcome any questions from the committee.

Mr. BILIRAKIS. Thank you, Mr. Maloney.

Now I recognize Chief Clemmensen for 5 minutes.

**STATEMENT OF HANK C. CLEMMENSEN, CHIEF, PALATINE RURAL FIRE PROTECTION DISTRICT, TESTIFYING ON BEHALF OF THE INTERNATIONAL ASSOCIATION OF FIRE CHIEFS**

Chief CLEMMENSEN. Good afternoon, Chairman Bilirakis—

Mr. BILIRAKIS. Good afternoon.

Chief CLEMMENSEN [continuing]. Ranking Member Richardson, and Members of the subcommittee. I am Chief Hank Clemmensen of the Palatine Rural Fire Protection District located in Inverness, Illinois, and the first vice president of the International Association of Fire Chiefs, the IAFC. I thank the committee today for the opportunity to present the views of the local firefighters and EMS re-

sponders in discussion about grant programs at the U.S. Department of Homeland Security.

Both the terrorist attacks of 9/11 and Hurricane Katrina revealed the important role that local first responders play in National catastrophes. Local fire, law enforcement, and others were the first on scene and the last to leave. In addition, the Nation relied upon the local first responders from across the Nation to aid in the response to these catastrophes.

Congress realized the importance of ensuring that local first responders are adequately staffed, trained, and equipped for the future incidents of National significance. So with the leadership of this committee, it has created grant programs at the U.S. Department of Homeland Security to assist the State and local governments in preparing for the next terrorist attack.

Over the past 10 years, Congress has provided over \$35 billion in grant funds to help State, territorial, Tribal, and local governments. The IFC believes that these grant programs have played a critical role in protecting American public. For example, the State Homeland Security Program helps a State-wide mutual aid system in Illinois that is activated almost 800 times a year. Tucson, Arizona, used the funds from the Metropolitan Medical Response System, MMRS, for the planning, equipment, and training needed for a multidisciplinary response to a mass-casualty event. This preparation played a major role in the effective response to the tragic January 8, 2011, shooting of Representative Giffords and 19 others.

The great success of the Federal Homeland Security Grant Program is that they provide an incentive for local fire chiefs, police chiefs, emergency managers, public health officials, and State and Federal officials to plan, train, and exercise together. This preplanning in coordination prevents confusion and saves lives.

In its 2013 budget request, the administration proposed consolidating the 16 Homeland Security grant programs into a new National Preparedness Grant Program, NPGP. The IFC was not consulted on this proposal. We have not seen enough details about the NPGP to present a thorough analysis to the committee; however, we would like to recommend seven principles for your consideration.

The reform of DHS grant programs must sustain existing emergency response capabilities. Taxpayer funding has created a robust National preparedness system. In light of declining Federal, State, and local budgets, we must put a priority on sustaining the system.

A reformed DHS grant program should support the principles of the regionalization and mutual aid between States, regions, and localities. Many local jurisdictions depend on mutual aid agreements to protect their citizens. DHS programs like UASI and MMRS reinforce the emphasis on mutual aid and cooperation between the local, State, and Federal officials.

Three, a reformed DHS program must encourage local stakeholders. Local governments know the risks, the vulnerabilities, and the capabilities of their communities. Their input is critical for determining the gaps in the preparedness system, allocating resources to build them.

Four, a reformed DHS program must allow flexibility with accountability. Different local jurisdictions have risk—know the dif-

ferent risks. They should have—or they should be allowed to use their funding in an accountable manner to protect their citizens.

Five, a reformed DHS grant program must protect local funding. Local funding—or local jurisdictions expect to respond to an incident in their communities and be self-sustaining for 72 hours before Federal help arrives. At least 80 percent of DHS grant funding should be used to equip, train, staff all local law enforcement, fire, and EMS management.

Six, a reformed DHS grant program should increase transparency.

Finally, a reformed DHS grant program must continue to support terrorism prevention. DHS grants should continue to support vital terrorism prevention and information activities.

In conclusion, the IFC looks forward to being a constructive participant in the discussion about the funding of DHS grants; however, we currently do not have enough details about the NPGP. We urge Congress to delay consideration of the NPGP for a year. Instead, Congress should direct DHS and FEMA to work with all State and local stakeholders to develop a detailed plan.

For 2013, we urge Congress to appropriate specific funding levels as authorized by law for UASI, MMRS, the State Homeland Security Program, and other suite of homeland security grants.

On behalf of America's fire and EMS chiefs, I would like to thank you for holding this hearing and look forward to answering any questions that you may have. Thank you.

[The prepared statement of Chief Clemmensen follows:]

PREPARED STATEMENT OF HANK C. CLEMMENSEN

APRIL 26, 2012

Good afternoon, Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee. I am Chief Hank C. Clemmensen, of the Palatine Rural Fire Protection District located in Inverness, Illinois, and the first vice president of the International Association of Fire Chiefs (IAFC). The International Association of Fire Chiefs represents the leadership of the Nation's fire, rescue, and emergency medical services (EMS), including rural volunteer fire departments, suburban combination departments, and metropolitan career departments. I thank the committee today for the opportunity to represent the views of local firefighters and EMS responders in the discussion about the grant programs at the U.S. Department of Homeland Security.

THE EFFECTIVENESS OF HOMELAND SECURITY GRANTS

The terrorist attacks of 9/11 revealed major weaknesses in the Nation's prevention, preparedness, and response system. Many of these weaknesses were confirmed by the catastrophic nature of Hurricane Katrina in 2005. In both cases, local fire, police, and EMS departments were the first on-scene at the event. To reinforce them, the Nation mobilized local resources from other States. Congress realized that an effective National response system depended on having local first responders adequately trained and equipped to respond to all hazards. Through the passage of legislation, Congress authorized grant programs at the U.S. Department of Homeland Security (DHS) to help the Nation's fire, law enforcement, and EMS personnel prepare for any future threat, either natural or man-made.

Over the past 10 years, the DHS has provided over \$35 billion in Federal grant funds to help State, territorial, Tribal, and local governments improve their planning, mitigation, preparedness, prevention, response, and recovery capabilities. On behalf of the Nation's fire chiefs, I would like to assure the subcommittee that these efforts have improved the Nation's emergency response capabilities.

Consider the following examples:

- In Illinois, funding from the State Homeland Security Program (SHSP) has helped Illinois strengthen its Mutual Aid Box Alarm System (MABAS), one of

the Nation's premier mutual aid systems. The system is composed of over 1,100 fire agencies and can mobilize approximately 38,000 firefighters and paramedics to respond to an event in the State of Illinois. Approximately 800 times per year, the MABAS is activated to help jurisdictions respond in their areas. In addition, the MABAS has been used to deploy resources to inter-State disasters, such as Hurricanes Katrina, Gustav, and Ike and last year's river flooding in Missouri and Illinois.

- Because of the support of the DHS grant programs, there are now 300 State and local teams with technical rescue capability. After the April 2011 deadly tornadoes, Alabama was able to rely on State and local resources for search and rescue operations, instead of requesting Federal urban search and rescue support.
- In Arizona, the Tucson area has received funding from the Metropolitan Medical Response System (MMRS) since 1999. This funding paid for planning, equipment, and training to help first responders, public health, private health, law enforcement, and emergency managers across Southern Arizona prepare for a mass-casualty event. The training, equipment, and exercises funded by the MMRS program played a major role in the effective interdisciplinary response to the January 8, 2011 shooting of Representative Gabrielle Giffords and 19 others.

The great success of the Federal homeland security grant programs is that they provide an incentive for Federal, Tribal, State, territorial, and local jurisdictions to work together. By planning, training, and conducting exercises together, local fire chiefs, police chiefs, sheriffs, public health officials, emergency managers, and State and Federal officials are able and ready to work together when an incident happens. This pre-planning and coordination prevents confusion, and directly saves lives.

The Nation's fire service realizes that spending cuts will be required to reduce the Federal deficit. Already we have seen the virtual elimination of the MMRS and Interoperable Emergency Communications Grant programs. While there is a temptation to cut the grants to State and local programs, we ask that Congress fully consider the effects of these cuts. In many cases, State and local jurisdictions do not have the funding to make up for cuts to these Federal programs. For example, the elimination of the MMRS program means that Tucson will no longer have a full-time MMRS coordinator, which will directly reduce the region's ability to respond to a future mass casualty event. Cuts to the State Homeland Security Grant Program will affect Illinois' ability to respond to tornadoes and flooding, and prepare for future events such as the May 2012 NATO summit. As Congress considers the future of the homeland security grant programs, there should be a focus on sustaining the Nation's emergency response capabilities.

#### THE NATIONAL PREPAREDNESS GRANT PROGRAM PROPOSAL

As part of its fiscal year 2013 budget proposal, the administration proposes consolidating the 16 homeland security grant programs into one program: The National Preparedness Grant Program (NPGP). The IAFC understands the administration's interest in ensuring that homeland security grants are distributed in an efficient and effective manner, and that taxpayer funds are used responsibly. Like many stakeholders that represent local governments and first responders, we were not consulted about this proposal before it was released as part of the fiscal year 2013 budget request. While we have received an overview of the program, it is clear that the DHS must still develop many details for the program, including how it will affect the Urban Areas Security Initiative (UASI) grants that assist many metropolitan fire departments.

Based on the information we have, it is hard for me to provide a detailed analysis of the NPGP proposal. However, I would like to recommend a few principles for the committee's consideration as it reviews the administration's proposal:

*(1) A reformed DHS grant program must sustain existing emergency response capabilities.*—America's taxpayers have spent over \$35 billion to improve the Nation's ability to respond to any future terrorist attack, hurricane, tornado, or other event. This funding has created a robust National preparedness system that is based on the capability to mobilize local first responders and deploy them to an affected area. Any reforms to the DHS grants programs should put a priority on sustaining this system.

*(2) A reformed DHS grant program should support the principles of regionalization and mutual aid between States, regions, and localities.*—Many jurisdictions around the Nation do not have the resources to single-handedly respond to a major catastrophe. For many years, fire and EMS departments have used mutual aid agreements to address this problem. By working together, fire depart-

ments can pool resources and protect their communities. In addition, the planning required for mutual aid agreements promotes coordination between jurisdictions and a wiser allocation of taxpayer-funded resources. In partnership with the Federal Emergency Management Agency (FEMA), the IAFC has reached out to all 50 States and the U.S. territories to develop State-wide mutual aid systems that are similar to the MABAS in Illinois. Twenty-four States have completed the process and are capable of deploying without assistance. In addition, 18 States are capable of deploying with assistance and are in the process of working to be deployable without assistance. We are encouraged by the focus on mutual aid discussed in the NPGP. However, DHS also must recognize that regional planning can take place at all levels: Between local jurisdictions; between areas within a State; between two or three States; or at the level of a FEMA region.

(3) *A reformed DHS grant program must engage local stakeholders.*—As fire chief of my community, I know that I can work with my counterparts in law enforcement, emergency management, and public health to determine the capabilities, risks, and vulnerabilities in my jurisdiction. The DHS' newly announced Threat and Hazard Identification and Risk Assessment (THIRA) process will help us with this task. However, I am concerned that the local THIRA that we complete will not be included in the State THIRA, which is required by December 31, 2012. We are concerned that State officials are not as informed about local threats, risks, capabilities, and vulnerabilities as the local officials that have the duty of protecting their communities. The DHS must clarify that State officials must include the information from local THIRAs in their submission. In addition, localities must have the ability to challenge a State THIRA, if it does not reflect the local communities' capabilities, vulnerabilities, and gaps accurately.

(4) *A reformed DHS grant program must allow flexibility with accountability.*—Because local jurisdictions are aware of the gaps in their preparedness system, they should be allowed to allocate grant funds to fill these gaps. Some jurisdictions may need to use grants to mitigate flood or wildland fire hazards. Other localities may need to prepare for a mass-casualty event, or enhance their terrorism prevention or information-sharing capabilities. However, public funds are scarce in this budgetary environment and should be used wisely. Greater multidisciplinary and regional planning, as both the VASI and MMRS programs encourage, will ensure a more accountable use of Federal grant funds.

(5) *A reformed DHS grant program must protect local funding.*—Local jurisdictions will be the first on-scene and expect to have to wait 72 hours for Federal assistance. So, they must have the necessary staffing, equipment, planning, and training to respond to any threat in their area for at least this time period. We are concerned that the DHS has not made it clear that at least 80 percent of the NPGP funds will be allocated to local communities, including law enforcement, fire and EMS, and emergency management. The American taxpayers' funds should be spent protecting their communities, not promoting larger State bureaucracies.

(6) *A reformed DHS grant program should increase transparency.*—Because the NPGP proposal seems to give a larger authority to the State Administrative Agencies, there must be a transparent and credible process for allocating funds. In order to ensure effective use of the DHS grants, Congress, the administration, and the American taxpayer must be able to see how, where, and why these grants are being spent. In addition, the DHS should provide more detail about how the competitive portion of the NPGP will work, who is eligible for it, and what criteria will be used for allocating the Federal grants.

(7) *A reformed DHS grant program must continue to support terrorism prevention.*—Currently, the DHS grants support intelligence fusion centers; information-sharing between Federal, State, and local officials; and increased law enforcement activities to prevent and deter terrorists. Any changes to the current DHS grant programs must continue to support these vital activities.

The IAFC believes that these principles serve as fair guidelines with which to evaluate the NPGP or any future grant reform proposal. The current DHS suite of grants, including the SHSP, the VASI, and the MMRS, are authorized in existing legislation, including the Implementing Recommendations of the 9/11 Commission Act of 2007 (Pub. L. 110–53) and the Post-Katrina Emergency Management Reform Act of 2006 (Pub. L. 109–295). As the authorizing committee that wrote these laws, we believe that the House Homeland Security Committee should be an active participant in any reform effort. The IAFC would like to be a constructive participant in this process.

## CONCLUSION

The current NPGP proposal does not provide enough detail, and it is hard to determine how it would measure up against the principles that I have described. Because the House and Senate Appropriations Committees are moving quickly this year to pass the fiscal year 2013 appropriations bills, we urge Congress to delay consideration of the NPGP proposal for a year. Instead, Congress should instruct the DHS to work with the State and local stakeholders, including fire, EMS, law enforcement, and other first responders, to develop a detailed plan for reforming the homeland security grant programs. In addition, we would recommend that Congress clearly appropriate specific funding levels for each of these programs, including the SHSP, the UASI, and the MMRS, in the fiscal year 2013 Department of Homeland Security Appropriation Act to ensure that each program is adequately funded.

On behalf of the leadership of America's fire and EMS departments, I would like to thank you for the opportunity to testify at today's hearing. The IAFC is committed to making sure that America's first responders have the equipment, staffing, and training that they need to protect their communities. We look forward to working with Congress, the administration and other State and local stakeholders to develop an accountable and effective grant program to meet this requirement. I look forward to answering any questions that you may have.

Mr. BILIRAKIS. Thank you, Chief. I appreciate it very much.  
Mr. Wainio, you are recognized for 5 minutes.

**STATEMENT OF RICHARD A. WAINIO, PRESIDENT AND CEO,  
TAMPA PORT AUTHORITY, TESTIFYING ON BEHALF OF THE  
AMERICAN ASSOCIATION OF PORT AUTHORITIES**

Mr. WAINIO. Thank you, Mr. Chairman. Thank you for the honor of providing testimony to the subcommittee at today's hearing. We certainly appreciate your long-term support of the Port of Tampa and the maritime industry.

I am pleased to be providing this testimony today on behalf of the American Association of Port Authorities and the Port of Tampa. The Port of Tampa is the largest port in Florida, both in terms of cargo tonnage and in terms of land area, as the port covers over 5,000 acres of the maritime activity.

The security issues faced by the port since September 11, 2001, have presented as daunting a challenge as this port has ever faced. We have gone to extraordinary lengths to implement a layered security approach that provides efficient and effective port security in a manner that is also as cost-effective as possible. That layered approach involves contracting with the Hillsborough County Sheriff's Office for 24/7 patrols of the port, as well as augmenting the port authority's own security department with private security services.

Since September 11, 2001, the Tampa Port Authority has spent approximately \$86 million for security infrastructure and operating costs. Although State and Federal funding help to defer some of these costs, the majority of this total has been borne by the Tampa Port Authority.

I will say that the partnerships we have with Federal agencies such as the U.S. Customs and Border Protection and in particular the U.S. Coast Guard have been absolutely indispensable in our ability to address the security needs of our port. That security protocol must be flexible enough not to choke off the very business it is designed to protect. So far we have been successful in that regard in not implementing measures that bottleneck the commerce of the port. This is important as the Port of Tampa is west central Florida's largest economic engine, contributing almost \$8 billion in

annual economic benefit to the region, and supporting in some fashion almost 100,000 jobs.

Port security grants are an essential component in assisting ports to meet important mandates under Federal law. These mandates assure a safe, secure environment required of the modern and ever-changing intermodal transportation system. These grants also support terminal operators and local first responders in their mission to work in partnership with ports to assure safe and secure port operations.

Many systems employed to support efficiently-operated secure port operations are expensive to procure and maintain. With this in mind the trend of reducing port grant allocations is troubling and counterproductive. It should be noted that much of this money also goes to projects that directly or indirectly support parallel Federal enforcement issues, such as cruise terminal security and the monitoring of high-value cargo.

Shortening the grant-procurement process by requiring ports to spend money at a more rapid pace will only contribute to the waste of precious dollars. Many delays in the procurement process are the result of mandates imposed by the program, such as environmental assessments that are time-consuming. While certain restrictions are important, they add to the time it takes to vet and procure important equipment for projects. Each port authority is also subject to purchasing guidelines that are necessary to prevent waste and corruption, but are also time-consuming.

There is a great debate about cost shares with many pros and cons. The reality is that many port authorities already spend a significant portion of their operating budgets on security-related expenses. In the case of the Tampa Port Authority, security expenses often exceed 30 percent of our annual operating budget. In tight budget times these cost shares may make the difference in a decision to procure necessary equipment and security infrastructure.

The plan to consolidate the Port Security Grant Program into one National Preparedness Grant Program ultimately administered by each individual State is extremely counterproductive. History has proven that interaction and oversight by the local U.S. Coast Guard captain of the port assured that funds were being distributed in a manner that best benefited each geographic area. The U.S. Coast Guard has the training, expertise, and the systems in place to assess risk, threat, and vulnerability and apply this information to grant submissions. Through no fault of their own, most States do not possess this capability. Further, as State homeland grant funding diminishes, States might be tempted stretch the intent of the port security grants to meet needs that may not be the most productive use of funds targeting the safety and security of the maritime transportation system.

While we understand that DHS has developed some improvements to their original grants model for the National Preparedness Grant Program, we believe Congress should determine the funding level for the Port Security Grant Program rather than DHS. This year Congress allowed DHS to allocate the funds, and the Port Security Grant Program was decreased by 59 percent to one of the lowest funding levels on record, \$97.5 million. These international maritime borders need to be a high priority. We are also concerned

that Secretary Napolitano will only fund the highest-risk ports. We must provide protection for all ports in order to avoid a soft underbelly of underprotected ports that terrorists could target.

In Florida we are fortunate to have a robust and well-organized regional structure to address terrorism and other issues known as the Regional Domestic Security Task Force. I am privileged to represent Florida ports as a member of the Domestic Security Oversight Council, which provides guidance and facilitates coordination to the RDSTF program. The DSOC also forwards funding recommendations to the Governor and legislature regarding the use of State Homeland Security grants. In this capacity I am aware of the diverse variety of disciplines and organizations that make these funding decisions resulting in local and State-wide impact. Because we currently have a separate funding source, the Florida ports are able to allow other well-deserving entities an opportunity for funding that is not related to maritime transportation, thus further defining the most important projects for consideration.

Unless port security grant funds are segregated by law, I fear that we will simply create a large pot of money at the State level being divided among a much larger group of disciplines, which will only serve to create a less-efficient and less-focused approach to funding necessary projects.

Ports represent a very unique and vital asset to the communities they serve, but they are also very complex with issues not often shared or understood by other Government agencies that compete for limited resources. I urge you to consider these important facts as you make decisions that could change a system that for the most part has provided considerable value to our ports and to our Nation.

Thank you.

[The statement of Mr. Wainio follows:]

PREPARED STATEMENT OF RICHARD A. WAINIO

APRIL 26, 2012

Mr. Chairman, I am Richard Wainio, port director and CEO of the Tampa Port Authority. I want to thank you for the honor of providing testimony to the subcommittee at today's hearing. We certainly appreciate your long-time support of the Port of Tampa and the maritime industry. I am pleased to be providing this testimony today on behalf of the American Association of Port Authorities.

The Port of Tampa is the largest port in Florida, both in terms of cargo tonnage and in terms of land area, as the port covers about 5,000 acres throughout our county. The security issues faced by the port since September 11, 2001 have presented as daunting a challenge as this port has ever faced. We have gone to extraordinary lengths to implement a layered security approach that provides efficient and effective port security in a manner that is also as cost-effective as possible. That layered approach involves contracting with the Hillsborough County Sheriff's Office for 24/7 patrols of the port, as well as augmenting the Port Authority's own security department with private security services. Since September 11, 2001, the Tampa Port Authority has spent approximately \$86 million for security infrastructure and operating costs. Although State and Federal funding helped to defer some of these costs, the majority of this total has been borne by the Tampa Port Authority. I will say that the partnerships we have with Federal agencies such as U.S. Customs and Border Protection and in particular the U.S. Coast Guard have been absolutely indispensable in our ability to address the security needs of our port. That security protocol must be flexible enough to not choke off the very business it is designed to protect. So far we have been successful in that regard in not implementing measures that bottleneck the commerce of the port. This is important, as the Port of Tampa is west central Florida's largest economic engine, contributing almost \$8 bil-

lion in annual economic benefit to the region and supporting in some fashion almost 100,000 jobs.

Port Security grants are an essential component in assisting ports to meet important mandates under Federal law. These mandates assure a safe/secure environment required of the modern, and ever-changing, intermodal transportation system. These grants also support terminal operators and local first responders in their mission to work in partnership with ports to assure safe and secure port operations.

Many systems employed to support efficiently-operated secure port operations are expensive to procure and maintain. With this in mind, the trend of reducing port grant allocations is troubling and counterproductive. It should be noted that much of this money also goes to projects that directly, or indirectly, support parallel Federal enforcement issues, such as cruise terminal security and monitoring of high-value cargo.

Shortening the grant procurement process by requiring ports to spend money at a more rapid pace will only contribute to waste of precious dollars. Many delays in the procurement process are the result of mandates imposed by the program, such as environmental assessments that are time-consuming. While certain restrictions are important, they add to the time it takes to vet and procure important equipment for projects. Each port authority is also subject to purchasing guidelines that are necessary to prevent waste and corruption, but are also time-consuming.

There is great debate about cost shares, with many pros and cons. The reality is that many port authorities already spend a significant portion of operating budgets on security-related expenses. In the case of the Tampa Port Authority, security expenses often exceed 30% of our annual operating budget. In tight budget times, these cost shares may make the difference in a decision to procure necessary equipment.

The plan to consolidate the Port Security Grant Program into one National Preparedness Grant Program ultimately administered by each individual State is extremely counterproductive. History has proven that interaction and oversight by the local U.S. Coast Guard Captain of the Port assured that funds were being distributed in a manner that best benefitted each geographic area. The U.S. Coast Guard has the training, expertise, and systems in place to assess risk, threat, and vulnerability; and apply this information to grant submissions. Through no fault of their own, most States do not possess this capability. Further, as State homeland grant funding diminishes, States might be tempted to stretch the intent of the port security grants to meet needs that may not be the most productive use of funds targeting the safety and security of the maritime transportation system.

While we understand that DHS has developed some improvements to their original grants model for the National Preparedness Grant program, we believe Congress should determine the funding level for the Port Security Grant program, rather than DHS. This year, Congress allowed DHS to allocate the funds and the Port Security Grant program was decreased by 59% to one of the lowest funding levels on record (\$97.5 million). These international maritime borders need to be a high priority. We are also concerned that Secretary Napolitano will only fund the highest-risk ports. We must provide protection for all ports in order to avoid a soft underbelly of under-protected ports that terrorists could target.

In Florida we are fortunate to have a robust and well-organized regional structure to address terrorism and other issues known as the Regional Domestic Security Task Force (RDSTF). I am privileged to represent Florida ports as a member of the Domestic Security Oversight Council (DSOC), which provides guidance, and facilitates coordination, to the RDSTF program. The DSOC also forwards funding recommendations to the Governor and Legislature regarding the use of State Homeland Security grants. In this capacity, I am aware of the diverse variety of disciplines and organizations that make these funding decisions, resulting in local and State-wide impact. Because we currently have a separate funding source, the Florida ports are able to allow other well-deserving entities an opportunity for funding that is not related to maritime transportation, thus further defining the most important projects for consideration. Unless port security grant funds are segregated by law, I fear that we will simply create a large "pot of money" at the State level, being divided among a much larger group of disciplines, which will only serve to create a less efficient and less-focused approach to funding necessary projects.

Ports represent a very unique and vital asset to the communities they serve, but they are also very complex, with issues not often shared or understood by other Government agencies that compete for limited resources. I urge you to consider these important facts as you make decisions that could change a system that for the most part has provided considerable value to our ports and to our Nation. Thank you.

Mr. BILIRAKIS. Thank you, Mr. Wainio. I appreciate it.

Mr. DePallo, you are recognized, sir.

**STATEMENT OF MICHAEL P. DEPALLO, DIRECTOR AND GENERAL MANAGER, PORT AUTHORITY TRANS-HUDSON (PATH) CORPORATION, TESTIFYING ON BEHALF OF THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION**

Mr. DEPALLO. Yes. Good afternoon, Chairman—excuse me, I have a problem with my throat too. Excuse me. Good afternoon, Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee. My name is Michael DePallo, and I thank you for the opportunity to offer testimony. I am the director and general manager of the Port Authority Trans-Hudson Corporation, or PATH, a subsidiary of the Port Authority of New York and New Jersey. Today I am testifying as the chairman of the Security Affairs Steering Committee of the American Public Transportation Association.

Mr. Chairman, according to the Mineta Transportation Institute, since 1970, more than 2,000 separate attacks have occurred worldwide on surface transportation, causing over 6,000 deaths and approximately 19,000 injuries.

The Government Accountability Office along with various Government agencies have reported on or testified to Congress that public transportation in America remains vulnerable to terrorist attack, and al-Qaeda remains interested in targeting the transit sector, and that more needs to be done to prevent and prepare for such potential attack.

While we have been very fortunate to date in not having a direct terrorist attack carried out in our transit systems, we have indeed foiled plots and arrested individuals who intended to attack our systems.

Let me especially note that PATH has experienced a tremendous devastation of a terrorist attack as a result of the horrific attacks on the World Trade Center in 1993 and in 2001. For this and many other reasons, I feel strongly that the Federal commitment to fortifying our systems must match the recognized risks and threats.

There is a tremendous need for security grants to secure and fortify our transit systems across the country. In 2010, an APTA survey of its members found security investment needs in excess of \$6.4 billion Nation-wide. This stated need contrasts with the recent trend in cuts to transit security grant programs, including the fiscal year 2012 allocation of \$87 million for transit security.

On behalf of APTA, I recently urged the Appropriations Committee to restore appropriations for the Transit Security Grant Program in the fiscal year 2013 and subsequent appropriation bills. APTA urges authorizing committees to reauthorize the rail and public transportation provisions of the 9/11 Commission Act in order to reemphasize the policy goals and reverse the declining security investment trend.

While there is good policy represented in the 2012 grant guidance and the fiscal year 2013 National Preparedness Grant Program, we do have some thoughts about elements of both. Specifically, we are concerned with the new 24-month grant period of performance for all projects, a reduction from the previous 3- to 5-year allowable expenditure period. We are also concerned with the elimi-

nation of the TSGP from the National Preparedness Grant Program, and we call for sufficiently funded, segregated grant program for public transportation security as envisioned in the 9/11 Commission Act.

Also, while some PATH assets are included in the Top Transit Asset List, and I would welcome this risk based on a funding approach, an approach that APTA agrees with, but speaking on behalf of a larger industry, including thousands of assets not listed on the TPAL, this narrow funding approach could preclude other important security improvements from receiving funding consideration with such limited transit security dollars available.

Apart from being a primary target for terrorism, transit systems must also stand ready and available to support our Nation's resilience in times of natural disasters as well. I therefore urge Congress to establish policies that would direct funds in transit systems to strengthen our ability to respond to such emergencies.

Finally, APTA supports the approach that Congress has consistently endorsed in legislation that allows grants to be provided directly to transit agencies as opposed to requiring that applications be made through their State administrative agency.

Mr. BILIRAKIS. Thank you, sir. Are you—

Mr. DEPALLO. In conclusion—

Mr. BILIRAKIS. Have you concluded?

Mr. DEPALLO. No, I haven't.

Mr. BILIRAKIS. Okay. That is okay.

Mr. DEPALLO. As I conclude, let me thank you for the opportunity to testify on these critical homeland security issues. There is no greater priority for public transportation systems than the safety and security of our passenger and workers. I urge you not to wait for the wake-up call of an attack on our system to provide us the support and program structure we need.

Transit systems across the country continue to stand ready, committed, and vigilant in utilizing available resources efficiently to protect our systems and our riders. We urge you to sustain the critical partnership between transit agencies, Congress, and the Department of Homeland Security. It helps to keep our Nation safe and moving towards economic prosperity. I welcome any questions you may have.

Thank you.

[The statement of Mr. DePallo follows:]

PREPARED STATEMENT OF MICHAEL P. DEPALLO

APRIL 26, 2012

Good morning Chairman Bilirakis, Ranking Member Richardson, and Members of the subcommittee. My name is Michael DePallo and I thank you for the opportunity to offer my testimony. I am the Director and General Manager of the Port Authority Trans-Hudson Corporation, or PATH, which is a subsidiary of The Port Authority of New York and New Jersey. PATH is the seventh-largest heavy rail operator in the Nation, providing 76 million passenger trips per year. It is the primary transit link between Manhattan, the hub of the world financial market, and neighboring New Jersey urban and suburban communities. Today I am testifying as a representative of public transportation systems across our country as I have the privilege of serving as the Chairman of the Security Affairs Steering Committee of the American Public Transportation Association (APTA) as well as Chair of the Mass Transit Sector Security Coordinating Council (SCC). The committee and Council include representatives from a number of high-risk, Tier I transit agencies from across the

country which collectively inform and guide our views. In accordance with the National Infrastructure Protection Plan, APTA has been tasked by Department of Homeland Security (DHS) to administer the on-going activities of the Mass Transit Sector Coordinating Council (SCC). I am honored to lead such groups.

#### ABOUT APTA

APTA is a nonprofit international association of nearly 1,500 public and private member organizations, including transit systems and commuter, intercity, and high-speed rail operators; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and State departments of transportation. APTA members serve the public interest by providing safe, efficient, and economical public transportation services and products. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems.

#### NEED FOR CONTINUED PARTNERSHIP

Let me start by clearly stating that the safety and security of our public transportation systems depends on a mutual commitment of Congress, our Federal agency partners and public transportation providers to work together in a strong and effective collaborative relationship. As partners, we must work together but also operate efficiently and strategically in our respective roles.

#### *Congress*

The transit industry asks that you carefully consider the significant security investment needs that persist for our agencies, our employees, and the riders we serve. We are very concerned about the recent decline in transit security funding where, presently in fiscal year 2012, we see an allocation of less than \$90 million for transit security. This level is woefully short of the industry's capital needs, and not enough to just address needs at my own agency. As recently as fiscal year 2009, Federal funding for transit security was set at nearly \$400 million. In 2010, an APTA survey of its members found security investment needs in excess of \$6.4 billion Nation-wide. These are funds that our agencies simply do not have, as overall funding constraints have led to service cuts, personnel layoffs, and fare increases. While there is no indication that our collective security concerns have diminished and the backlog of needed projects continues to grow, Federal security grant funds have declined precipitously.

Many have researched, written, and even offered testimony before this subcommittee on the history of terrorist attacks, most notably the work of the Federally funded and chartered, independent Mineta Transportation Institute (MTI), which has documented more than 2,000 separate attacks on surface transportation—1,223 involving bombs and incendiaries—since 1970. These attacks caused 6,190 deaths and approximately 19,000 injuries.

Additionally, the Government Accountability Office (GAO), along with the TSA Office of Intelligence, the TSA Office of the Inspector General and the Director of the National Counterterrorism Center (NCTC) have reported on or testified to Congress that public transportation in America remains vulnerable to terrorist attack, that al-Qaeda remains interested in targeting the sector, and that more needs to be done to prevent and prepare for such a potential attack. Late last year the NCTC testified that the “al-Qaeda core believed targets worthy of the group's focus included prominent transportation, infrastructure, economic, and political targets.” There is wide agreement that public transportation systems continue to be desired terrorists targets. While we have been very fortunate to date in not having a terrorist attack carried out in our transit systems, we have indeed foiled recent plots and arrested individuals who intended to attack our systems. We believe it is appropriate that the funding commitment to fortifying our systems match the recognized risks and threats.

#### *Department of Homeland Security*

To our agency partners within DHS, I am pleased that many working relations between transit agencies and DHS divisions have improved. Open lines of communication must continue and Federal agency funding priorities, instruction, and expectations of grant performance must be clear and consistent. These directives should also reflect the stated concerns, desires, and challenges of the industry; however, I would respectfully suggest this is not the case in regards to various elements of the fiscal year 2012 TSGP Guidance. For example, the guidance institutes a new 24-month grant period of performance for all projects. This is a reduction from the previous 3–5 year allowable expenditure period. I certainly appreciate the concerns regarding unexpended TSGP dollars as we all desire that security projects be imple-

mented in a timely fashion in order to provide the protections they are designed for. However, immediately reducing the time allotted to expend funding without fully addressing widespread agency administrative and grantee implementation hurdles seems counterproductive to efforts to expedite project completion. Also, as many security enhancement capital projects require multiple years to complete, a reduction in the time allotted to expend funding would also compel many grant recipients to shift funding to operational expenses versus capital infrastructure security projects. This would not be in the best interest of fortifying our systems against attacks, as the majority of the security needs identified in APTA's survey relate to capital projects.

Additionally, the fiscal year 2012 grant guidance states that this year's funding priorities will be based on a pre-designated "Top Transit Asset List" or TTAL. Some PATH assets are included on the TTAL and I would welcome this added benefit for funding consideration from this risk-based approach. APTA has testified previously that security investment decisions should be risk-based. However, speaking on behalf of the larger industry, including thousands of assets not listed on the TTAL, I recognize that this narrower funding approach could preclude other important security improvements from receiving funding consideration with such limited transit security dollars available. This underscores the need for increased funding. We must continue to work together to ensure that DHS has the resources to meet the extensive needs of systems across the country.

#### *Transit Agencies*

Threats against public transportation are growing in number, complexity, and scale. To prevent and combat these threats, we must continue to employ cutting-edge technology and processes to maintain and operate our security resources and assets. Equally as important, we must also establish and sustain sound, efficient administrative, planning, and management practices. Many may not see the operational-administrative connection in securing our transit systems, but the deployment of well-trained and equipped law enforcement officers or K-9 units, or operation of high-tech surveillance equipment, or the construction of a large-scale infrastructure fortification projects come only after months and months of planning, development, and administrative work. Planning, procurement, and project management are all precursors to successful security projects as well as sound evaluation and grant management systems. Public transportation systems are committed to effective and well-planned implementation of security initiatives and to serve as good partners in our National fight against terrorism with the Federal Government and Congress.

#### KEY IMPLICATIONS OF THE NEW NATIONAL PREPAREDNESS GRANT PROGRAM

As you know, the Department of Homeland Security has proposed to implement a new National Preparedness Grant Program (NPGP) along with several other programmatic changes to the current TSGP. The new program and proposed changes have raised concern within the industry. The most drastic change is the elimination of the TSGP—the exclusive pool of funding for our Nation's public transportation systems which, we all agree, are highly-desired terrorist targets. Additionally, under the proposal, while transit agencies would be eligible for security funding, they would have to apply for funding through their State Administrative Agency (SAA), and compete in this process with other State security priorities. This is a radical shift from the current program, where transit agencies are authorized to apply directly to DHS. We believe, under the proposed approach, that sufficient funding would not consistently reach transit agencies and severely dilute their security programs. As the leader of a multi-State agency, I also foresee a challenge coordinating with SAA's when an individual system's operations span multiple States, as is the case with many of large transit properties. This administrative change could actually add to delays in project implementation. We strongly urge DHS to reconsider this proposal and maintain a sufficiently-funded, segregated grant program for surface transportation security where transit agencies may prioritize their needs and directly apply for Federal funding.

The stated concept in making these changes through the new NPGP is "to develop, sustain, and leverage core capabilities across the country in support of National preparedness, prevention, and response." The transit industry stands ready and willing to coordinate with our partners in the emergency management and preparedness communities in planning appropriate responses to our Nation's natural and man-made emergencies. However, this was not the primary purpose behind Title 14 of the Implementing Recommendations of the 9/11 Commission Act (or the "National Transit Systems Security Act of 2007"). That title of the 9/11 Commission Act was enacted with the purpose of improving Federal investment in transit secu-

riety and the TSGP was created with the principal purpose of directing and increasing capital investments to fulfill the requirements of the security plans and risk assessments developed under the authority of the Act. Emergency preparedness planning, exercises, training, and equipment were all eligible uses of the funds authorized under the Act. However, they were subsets of a larger list of eligible uses principally focused on enhancing the security of the high-risk transit sector. APTA and its members urge this committee and the Congress to preserve the unique focus that the prior legislation placed on public transportation security investments by reauthorizing the transit and rail security provisions of the 9/11 Commission Act.

As DHS and many others in the homeland security policy arena discuss issues of resiliency and “all hazards” approaches to security and emergency management policy, transit agencies are increasingly looked to as instruments for disaster response and evacuation, and as such have repeatedly responded to major incidents ranging from 9/11 to Hurricanes Katrina and Rita. Congress and the administration should pursue policies which recognize the role of public transportation agencies (and their potential needs) in “all-hazards” response to the resiliency question, but do not minimize the other important needs that are specific and unique to our critical infrastructure.

#### CONCLUSION

As I conclude, let me thank you all for the opportunity to testify on these critical homeland security issues. There is no greater priority for public transportation systems than the safety and security of our passengers and workers. I urge you not to wait for the “wake-up” call of an attack on our systems to provide us the support we need. Transit systems across the country continue to stand ready, committed, and vigilant in utilizing available resources efficiently to protect our systems and our riders. We urge you to sustain the critical partnership between transit agencies, Congress, and the Department of Homeland Security that helps to keep our Nation safe and moving toward economic prosperity.

Mr. BILIRAKIS. Thank you, sir. I appreciate it.

Okay, I will recognize myself. Thank you, first of all, for your testimony. It is very valuable testimony, great input. I will recognize myself for 5 minutes, and my first question is directed to Mr. Wainio.

Mr. Wainio, last month at our grants hearing with Federal officials, Administrator Harmon and I discussed the delays caused by the EHP, the Environmental and Historic Preservation reviews, and that while FEMA has taken steps to improve the process, EHP reviews remain an obstacle. I wanted to see if you agree with that.

Ms. Harmon stated, on average EHP reviews have been reduced to 18 days. Has this been your experience? Has the time line for these reviews been expedited sufficiently? I would like to have your opinion on that, sir.

Mr. WAINIO. The short answer to that, Mr. Chairman, is no, that has not been our experience at all. We continue to experience very long delays; many, many, many months to have EHP reviews conducted and completed.

Mr. BILIRAKIS. So you say many, many months. How many months? How many days on the average?

Mr. WAINIO. One example.

Mr. BILIRAKIS. Give me an example.

Mr. WAINIO. We have a major construction project, and those are the types of projects that typically require these reviews. It is referred to as the SOC Storm Hardening Project. It was funded in 2009. It is still pending an EHP review.

Mr. BILIRAKIS. Unbelievable.

Mr. WAINIO. That also moves right into this issue of shortening the time frame to get projects completed. Obviously, if we short-

ened it from 3 years to 2 years, this project would be dead already without an extension.

So, you know, we continue to see significant delays occurring, and that is after FEMA actually requires the EHP study. Once that requirement is relayed by FEMA, you know, it can take months before the study actually takes place and gets completed. In some cases, with this particular project, we have been waiting for several years.

Mr. BILIRAKIS. In your opinion, how long should it take?

Mr. WAINIO. That is hard for me to say. It depends on the project, obviously—

Mr. BILIRAKIS. Sure, sure.

Mr. WAINIO [continuing]. And the complexity of the project. But, you know, certainly, I don't think it ought to take 2 years or more. We should be talking about something that can take—you know, can begin fairly quickly and be conducted in a period of a few months.

Mr. BILIRAKIS. Thank you.

Mr. DePallo, you want to weigh in on that?

Mr. DEPALLO. Well, we really haven't had that much experience in this as well, but I know in some of our projects, the time frame, I think 2 years is—would really create real serious problem in completing any types of projects.

Mr. BILIRAKIS. Okay. Next question is for Mr. DePallo and Mr. Wainio, but also, Mr. Daddario, I think you mentioned this also in your testimony, so you might want to comment as well. But the two of you expressed concern in your statement about the reduction in the period of performance in fiscal year 2012 and in the NPGP proposal. Can you please elaborate on some of the roadblocks to spending the funds, and then what impact will this reduction have on your ability to compete for these certain grants at these projects?

Mr. DEPALLO. Well, first of all, the 2-year time limit will create significant problems. For example, we have a tunnel-hardening project that requires a great deal of planning, design, equipment procurement, and construction. We operate the transit system that operates 24 hours a day, 7 days a week, and we carry hundreds of thousands of passenger each day. To try and do that in 2 years would be completely impossible. The 2-year limit will give us an opportunity just for operating funds only, only operating projects, and it will eliminate any significant capital projects.

Mr. BILIRAKIS. What other options might prove more effective than actually reducing the period of performance as a means to rapidly draw down the previous funding, the appropriate funding? What are other options are there out there, anybody?

Mr. DEPALLO. Yeah, well, I think eliminating the red tape and getting the funds to the organizations would do a great deal. In many cases it takes—it takes a great deal of time before we actually get the funds, so we are not able to draw down within a reasonable time period. So that also delays projects.

Mr. BILIRAKIS. Thank you.

Mr. Wainio.

Mr. WAINIO. Yeah, well, I would second that last comment from Mr. DePallo. In our case, and I assume in the case of many others,

you know, the funds are shifted from one Government agency to another, and the process of getting those funds actually to the grantee takes a good deal of time, and very little work, obviously, can go forward until we actually receive the grant awards.

You know, we—you know, once we receive those grant awards, you know, projects then start to be designed, specifications established, and the procurement process gets under way. If in the mean time it is a project that requires environmental assessments, you know, that then can take—you know, that EHP review, as I said, can take many months or longer.

You know, we have our own procurement processes that we have to follow. That takes us several months at least before we can actually make an award, once we are able to go forward. There is a lot of market forces that are beyond our control.

So, again, the entire process is long by its very nature, and 3 years is, in my view, for many of these complex projects, is a minimum time that you would need to get some of them done.

Mr. BILIRAKIS. Okay. Thank you.

Mr. Daddario, did you want to comment on that?

Mr. DADDARIO. The question I have is why—what objective is being served by a 24-month period? I think the concern is that you don't want money sitting out there without having any progress made toward the purpose of the grant. There are ways of measuring or assessing whether the recipient of the grant money is, in fact, making progress short of setting a 24-month period to spend it all, to put it all out the door.

So I just don't know if the 24—what really the purpose of it is, or whether this is the right remedy for the problem that somebody has identified in the grant program.

Mr. BILIRAKIS. Okay. Thank you very much.

What I will do now is yield to the Ranking Member, and if time permits, we would like to have a second round. So you are recognized for 5 minutes. Thank you.

Ms. RICHARDSON. Thank you, Mr. Chairman.

For all of the panelists here to testify, I just would like to go down the road, if you could say yes or no. If you could say for us whether you were provided the opportunity to give the Department of Homeland Security any of your thoughts on these proposed changes to the State and local grant programs.

Mr. DADDARIO. Yes.

Mr. MALONEY. No.

Chief CLEMMENSEN. Yes. Just as recently as last week we started to have some discussions.

Ms. RICHARDSON. But not prior to them putting the idea forth?

Chief CLEMMENSEN. No.

Mr. WAINIO. No.

Mr. DEPALLO. No.

Ms. RICHARDSON. Okay. Thank you.

Were you allowed to interact prior to the release of the idea?

Mr. DADDARIO. We tried to maintain a regular contact or a dialogue so that we could be heard. I think we need much more of a dialogue going forward so that we can get a sense of the details here.

Ms. RICHARDSON. But my question is you said you were able to provide feedback. Were you able to give that feedback prior to the Department announcing its changes to—

Mr. DADDARIO. It is after the change. It is after the program is designed or at least proposed, and then at that point we have an opportunity to weigh in and to let them know what we are thinking.

Ms. RICHARDSON. Okay. Thank you.

Also, Mr. Commissioner, there has been discussion here about the fusion centers and them possibly being modified. My question is: Do you find that the critical intelligence is being shared in an organized and timely fashion? Is there anything else that you would recommend to us regarding that?

Mr. DADDARIO. We don't have a fusion center in place for the New York City region. We work—my Bureau is responsible for the Federal relationship with the FBI, so I have 120 or so detectives and other senior officers at the JTTF. We also have some people embedded with the FBI and other Federal agencies in Washington, and it is through those relationships that we get the intelligence that we need. We think we are getting all of the—really all of the information that we need to design our security and counterterrorism programs at the moment.

Ms. RICHARDSON. Okay. For the other of you gentlemen, do you have fusion centers in your area, and if so, do you find them to be providing the information in a timely and organized fashion?

Mr. MALONEY. I would say the answer to that is yes. It is much more efficient than it was, you know, years ago. We receive informational bulletins from the various stakeholders at the Federal and State level that can pass it down to the local. So I would say most definitely there has been major improvements without exchange of information.

Ms. RICHARDSON. Thank you.

Chief CLEMMENSEN. In the State of Illinois, we have a State fusion center that the fire service has a seat on, and it has been a very positive change over the last 5 or 6 years, and we are getting more and more information.

Ms. RICHARDSON. Okay. You two gentlemen?

Mr. WAINIO. In the case of the Port of Tampa, we are not involved in that.

Ms. RICHARDSON. Okay.

Mr. DEPALLO. PATH is located in the New York region, so we don't have a fusion center.

Ms. RICHARDSON. Okay. Then my next question is, Mr. Wainio—

Mr. WAINIO. Wainio.

Ms. RICHARDSON. Okay. I will let you do it for me.

You gave an excellent description of the potential impact of cuts to UASI and port security, excellent, and I hope to use that and possibly work with the Chairman as we try to help in this area.

I wanted to afford Mr. DePallo the same opportunity, since you do work with the port authority, to specifically say if cuts—if further cuts were to occur to UASI and port security grants, how could that negatively impact your ability to sustain security?

Mr. DEPALLO. Well, we have a very significant security enhancement program. The goals are to deter, detect, and mitigate, and we receive extensive funding from the security grant program. To eliminate that funding will eliminate a lot of the current programs that we have.

We are currently working on programs to—mitigation programs for our underwater tunnels, which include interior and exterior hardening of the tunnel areas, floodgates. We also have an extensive program for closed-circuit television and access programs that include items, technology, such as video analytics and laser intrusion detection. All of these programs will go away. We will not be able to complete these programs without this funding.

Ms. RICHARDSON. Thank you, sir.

Mr. Chairman, could I ask one last question? I am now being called to the floor because I have an amendment coming up.

Mr. BILIRAKIS. Yes, absolutely.

Ms. RICHARDSON. Thank you, sir.

Mr. Commissioner, you have received grant funding from the Department for Terrorism Prevention Training. How do you ensure that your terrorism prevention training and programs are Constitutionally sound? Specifically, I am referring to the recent reports of potential civil rights violations in New York regarding surveillance activities.

Mr. DADDARIO. The question you are asking, I assume, refers to certain news articles that have raised questions about some of the programs that the police department has in place.

Ms. RICHARDSON. Yes.

Mr. DADDARIO. The programs—the officers that we have in my Bureau—as I said, I work with the Joint Terrorism Task Force. The department also has officers that work for other parts of the department on intelligence gathering. All of their activities are conducted in accordance with departmental rules that I can tell you, based on my own experience, are based—are drawn and based on the Attorney General guidelines and are consistent with, comparable to, the very same rules that the Federal Government applies for their work and the rules that our officers at the FBI apply in their work.

So all our officers are instructed with what their obligations are under the Constitution. We all take an oath to abide by the Constitution. I think all of our officers are certainly trained to do that. I think that by their natures, that is what they do, it is the job that they value. When we provide training, I know the training programs that we give out through the Bureau are almost entirely DHS certified, reviewed, and are in accordance with Federal guidelines. I have looked at many, almost all of them, and I have seen nothing at all that would indicate in any way that there is anything in any of those programs that would encourage or suggest to any officer that they do anything that would violate anyone's Constitutional rights.

Ms. RICHARDSON. Thank you.

Mr. BILIRAKIS. Sure. My pleasure.

Now I will recognize the gentleman from New York Mr. Turner for 5 minutes or so, sir, because I am going to ask some questions

after you. So take as much time as you would like within reason. You are recognized.

Mr. TURNER. Thank you.

Just a little more on Deputy Commissioner Daddario's response. To date, I don't think there is a single instance of civil rights violation by the NYPD. I think Commissioner Ray Kelly has done an outstanding job in setting out the right guidelines and protocols. They are published. He has recently put them in a very good speech at Fordham University Law School, and I would suggest that people read that before they are flying off with these accusations of civil rights violations. I think the NYPD should be commended for a fine effort.

That being said, Deputy Commissioner, you addressed the need to distinguish between counterterrorism security funding and all-hazard preparedness funding. You know, we can be reminded that homeland security and all else began September 11 in 2001 with that horrific attack. Is there a muddling of these terms? Is there a competition for funds? Could you elaborate on why the distinction is important?

Mr. DADDARIO. Yeah. We think it is important to have a category of money that is set aside solely for counterterrorism purposes, because if you blend it together, there is the danger that money that we think should be devoted to protection of cities like New York, other high-risk areas like New York, to counterterrorism, that some of that money may be diverted off through the competitive political process to other communities for all-hazard-type matters. So we think there should be—that is, to us, a possibility. To guard against it, we just think that it makes sense to have a certain block of money set aside solely to deal with the terrorism risk. It is not any more complicated than that, Congressman.

Mr. TURNER. Thank you.

A question for Mr. Maloney. You registered a concern that the Department of Homeland Security was doing the cuts and the proportion of cuts, and perhaps the allocation should be done by Congress. My only thought is if you think Homeland Security is bad, I don't think you want to go there. But if you have a suggestion on a better method for the distribution of grant funds to high-threat urban areas, I would be happy to hear it.

Mr. MALONEY. Well, Baltimore is very fortunate that we have survived and receive a set level of funding to fill the gaps that we have identified and reduce our risk. Many urban areas that were previously established are no longer established.

I am a firm believer in the UASI program. It unites areas around big cities. It increases stakeholder interaction and cooperation. It reduces redundant purchases and, I believe, puts the major urban areas in the best situation to play our role in National homeland security and our protection of our country, and also, you know, the homeland security.

When you asked the question about muddling, it is very interesting. There was a time when the preparedness dollars were geared towards terrorism activities, in my opinion, and when Katrina hit, there was a sense that they were preparedness dollars. There was a time when we were allowed to use Urban Area Security Initiative funds for Tamiflu purposes during H1N1. Now it

seems we are taking the priority off of terrorism again, although it doesn't seem like the threat has been reduced, and going back to more of an all-hazards approach. So I would just add that as well to the question you asked the Commissioner, Deputy Commissioner.

Mr. TURNER. Thank you. Thank you. I yield back.

Mr. BILIRAKIS. Thank you, sir.

I have a couple of questions. The first question is for the chief. In your testimony you noted a number of successes across the country that resulted from grant expenditures, including through the MMRS funding. We have heard about the impact of MMRS from numerous stakeholders. Are you concerned that the medical preparedness activities previously funded under MMRS will not continue to receive the funding now that FEMA has consolidated MMRS into a larger grant program?

Chief CLEMMENSEN. Yes, that is always a concern. The MMRS provides the equipment, the training, and exercise moneys that allow us to do the training that is necessary to prepare us for the catastrophes and things—incidents that happen around the country. Any time you start to take that money away, it creates consternation for us, because we have all of these tools, these assets, and we have to continue to feed those assets, and we have to continue to train with those assets. So it is a concern.

Mr. BILIRAKIS. Thank you.

For Commissioner Daddario, while the NPGP proposal does include a focus on prevention activities, it does not mention a specific percentage of funding for these activities. Under the current State and urban area programs, not less than 25 percent of the funding must be used for law enforcement terrorism-prevention activities. Should such a set-aside be included in any new reform proposals, in your opinion?

Mr. DADDARIO. We think yes.

Mr. BILIRAKIS. Can you elaborate a little bit?

Mr. DADDARIO. For the reasons that I tried to set out for Congressman Turner, and I don't think it is that complicated in terms of what the concern is. If the money is not a set-aside for that purpose, we think there is a danger that it will ebb away, flow away for other purposes, and that the money that we need to protect cities like New York, Baltimore, other high-risk areas will be diluted, our security will be degraded, and that is something which we think Congress should be very, very wary of.

The threat posture today is as great as it has ever been. You know, you may hear about al-Qaeda being—you know, the al-Qaeda core being whittled away, but the fact is that al-Qaeda is expanding its territory. There are more safe havens developing in the world from east to west all the way to Western Africa. So this is not the time to be thinking about setting money—taking money away from security against the terrorism threat. I think setting 25 percent aside for that purpose at a minimum makes a lot of sense. I think we should continue doing that for the foreseeable future.

Mr. BILIRAKIS. Thank you.

My last question for all of the witnesses. Many of you expressed concern about the ability for local involvement in the THIRA process. Now that the guidance has been released, have you received

information from your States on how this process will be completed and how local—we had some discussion with the first panel—but how local input will be incorporated? Have you received this information, any information, from your States? What procedures would you like to see in place to ensure local threats and hazards are considered?

I will start with you, Chief—I mean, excuse me, Commissioner, if you like.

Mr. DADDARIO. Yeah. I think the current system doesn't involve a process where the localities have a say in identifying threats and risks, as I understand that process, and I think that works.

We are concerned, and I think I have to get a better understanding of what FEMA has in mind going forward. I am concerned having the areas that are viewed as risks being defined from the Federal Government or by the State without adequate input from the city of New York and all of the constituent, you know, agencies that really are the best ones to know what they need to protect and where their assets are most at risk. So we want to assure that that local input is maintained, and I am simply not sure what they have in mind going forward.

Mr. BILIRAKIS. Thank you.

Mr. Maloney.

Mr. MALONEY. I would—I agree with his comments. I would also add, if the THIRA is required at the State level, we are going to have a difficult time as locals. I believe will have less of a voice to express what is really needed on the ground.

There is a lack of clarity on the implications of THIRA on the Federal funding allocation decisions. For example, if a particular region is in need of an asset, and two neighboring States both want to develop that asset, who is going to decide which State is awarded the funds necessary for development? The use of THIRA needs to be informed by State and local input prior to its use in funding allocations.

I think with any risk assessment, it is another tool in our toolbox, but there are various risk assessments that we use, and this would be one more. To kind of label this as the end-all, be-all now, without the local input in the development, and without some very robust guidance documents that have not been produced yet, I think it is way too early to do that, and we should—we should be prudent and wait.

Mr. BILIRAKIS. Chief.

Chief CLEMMENSEN. I think the theme of my colleagues on the right are that it is a little unknown yet how this is all going to work together. However, it is the local jurisdictions that really understand their local risk, and there is no ability or accountability for the States to ensure that these local viewpoints or threats are going to be included in the State THIRA, and that creates a lot of issues at the local level for us. It is just too—it is unclear yet what we are going to do.

Mr. BILIRAKIS. Mr. Wainio.

Mr. WAINIO. The system you are talking about does not impact the ports. We are continuing to do our risk, threat, and vulnerability assessments with the U.S. Coast Guard.

If I could just sum up once again, Mr. Chairman, that in a nutshell what we would like to see here from the port perspective is that Congress determines the funding levels, and that those funds are then allocated to the proper projects through the U.S. Coast Guard and FEMA working directly with the ports. We think that that process that basically has been in place now for the last decade has worked well, and we would like to see it continue.

It can be improved on in terms of processes. We can work with FEMA and the Coast Guard and others to speed things up perhaps a little bit, get things done more efficiently, but the process itself, as it now stands, works well. It has served us well. We would like to see it essentially continue.

Mr. BILIRAKIS. Thank you.

Mr. DePallo.

Mr. DEPALLO. Yeah. Most transit agencies throughout the United States, larger transit agencies anyway, have very sophisticated risk-assessment processes in place already.

As far as THIRA, we need to be able to get a handle on what they are really looking for. We haven't been able to do that yet. What we are going to be doing in the mass—as far as in mass transit, we are going to take this back to the Mass Transit Sector Coordinating Council, and pass the information as we get it through them, and come up with recommendations.

Mr. BILIRAKIS. Thank you very much.

I would like to thank the witnesses, of course, for their valuable testimony and the Members for their questions. The Members of the subcommittee may have some additional questions for you, and we ask that you respond in writing. The hearing record will be open for 10 days.

I really appreciate your testimony today and all of your input. Please don't hesitate to contact us. These are important decisions.

Thank you very much. Without objection, the subcommittee stands adjourned. Thank you.

[Whereupon, at 4:23 p.m., the subcommittee was adjourned.]

## APPENDIX

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### QUESTIONS FROM CHAIRMAN GUS M. BILIRAKIS FOR JAMES H. DAVIS

*Question 1a.* Secretary Napolitano has stressed the importance of having a National network of fusion centers and, starting with the fiscal year 2011 grant guidance, has required States and high-risk urban areas to submit at least one investment justification related to the area's primary fusion center. In your statement you noted that in Colorado you have used grant funding to support the Colorado Information Analysis Center.

While the grant guidance requires some level of investment in fusion centers, there is not a specific funding level required. Are you aware of the level of investment your fellow States are making in their fusion centers with grant funding?

Answer. Response was not received at the time of publication.

*Question 1b.* Would you recommend that any grant reform proposal include the requirement to maintain and sustain a State's primary fusion center?

Answer. Response was not received at the time of publication.

*Question 2a.* You indicated that States would like to play a greater role and have increased visibility in the administration of grant funds, particularly when it comes to the Port Security Grant Program and Transit Security Grant Program.

Do States currently have the capacity to administer additional grant programs?

Answer. Response was not received at the time of publication.

*Question 2b.* Would additional funding for management and administration, above the current allowable 5 percent, be required under the National Preparedness Grant Program proposal?

Answer. Response was not received at the time of publication.

*Question 2c.* Absent enactment of the National Preparedness Grant Program proposal, do you have recommendations for greater collaboration between SAAs and port authorities and transit agencies under the current structure?

Answer. Response was not received at the time of publication.

### QUESTIONS FROM CHAIRMAN GUS M. BILIRAKIS FOR BRYAN KOON

*Question 1a.* In your written statement, you indicated NEMA's belief that the THIRA process will have "limited effectiveness if implemented in the current grant system due to shortcomings in the planning process."

Would you please elaborate on that?

Answer. Response was not received at the time of publication.

*Question 1b.* What are the deficiencies in the planning process under the current programs?

Answer. Response was not received at the time of publication.

*Question 2a.* You indicated that States would like to play a greater role and have increased visibility in the administration of grant funds, particularly when it comes to the Port Security Grant Program and Transit Security Grant Program.

Do States currently have the capacity to administer additional grant programs?

Answer. Response was not received at the time of publication.

*Question 2b.* Would additional funding for management and administration, above the current allowable 5 percent, be required under the National Preparedness Grant Program proposal?

Answer. Response was not received at the time of publication.

*Question 2c.* Absent enactment of the National Preparedness Grant Program proposal, do you have recommendations for greater collaboration between SAAs and port authorities and transit agencies under the current structure?

Answer. Response was not received at the time of publication.

QUESTION FROM CHAIRMAN GUS M. BILIRAKIS FOR RICHARD A. WAINIO

*Question.* States have expressed concern over the lack of visibility into expenditures under the Port Security Grant Program and Transit Security Grant Program and would prefer that funding to flow through the States to avoid duplication or systems that do not work together. You, however, have expressed your concern about what that would mean for port and transit project and would prefer to remain as direct grantees.

Is there a way to foster greater coordination between port authorities, transit agencies, and States to address these concerns without changing the current structure that provides funding to you as direct grantees?

*Answer.* Response was not received at the time of publication.

QUESTION FROM CHAIRMAN GUS M. BILIRAKIS FOR MICHAEL D. DEPALLO

*Question.* States have expressed concern over the lack of visibility into expenditures under the Port Security Grant Program and Transit Security Grant Program and would prefer that funding to flow through the States to avoid duplication or systems that do not work together. You, however, have expressed your concern about what that would mean for port and transit project and would prefer to remain as direct grantees.

Is there a way to foster greater coordination between port authorities, transit agencies, and States to address these concerns without changing the current structure that provides funding to you as direct grantees?

*Answer.* Response was not received at the time of publication.

