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FEMA REAUTHORIZATION: RECOVERING QUICKER AND SMARTER

(113–35)

HEARING

BEFORE THE

SUBCOMMITTEE ON
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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FIRST SESSION

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Committee on Transportation and Infrastructure
U.S. House of Representatives

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Washington, DC 20515

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September 16, 2013

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Economic Development, Public Buildings, and Emergency Management
FROM:	Staff, Subcommittee on Economic Development, Public Buildings, and Emergency Management
SUBJECT:	Subcommittee Hearing on "FEMA Reauthorization: Recovering Quicker and Smarter"

PURPOSE

The Subcommittee on Economic Development, Public Buildings, and Emergency Management will hold a hearing on Wednesday, September 18, 2013, at 10:00 a.m. in room 2167 Rayburn House Office building to receive testimony from the Federal Emergency Management Agency (FEMA), the U.S. Department of Housing and Urban Development (HUD), Small Business Administration (SBA), and state and local emergency managers and tribal representatives involved in disaster recovery efforts in various jurisdictions. The purpose of the hearing is to review recovery efforts to Hurricane Sandy, the tornadoes in Oklahoma and other recent disasters to ensure effective coordination among federal, state, tribal, and local agencies in helping communities to recover in a quicker and smarter way. The hearing will also focus on how reforms enacted in the Sandy Recovery Improvement Act of 2013 are helping to address red tape and streamline the recovery process for recent disasters.

BACKGROUND

Hurricane Sandy

On October 29, 2012, Hurricane Sandy made landfall at New Jersey as a "post-tropical cyclone" with hurricane-force winds of up to 80 mph, colliding with a nor'easter creating what has been called "Superstorm Sandy." The superstorm brought with it storm surges of more than 11 feet, killing more than 100 people, destroying or damaging thousands of homes, and leaving more than 8 million people without power. The damage to transportation infrastructure immediately following Hurricane Sandy included approximately 600 million gallons of water that infiltrated the mass transit system and critical inter-city roads. States along the Eastern Seaboard were impacted from Florida to Maine, with the most destruction occurring in New

Jersey and New York. Prior to landfall, pre-storm emergency declarations were issued for Connecticut, Delaware, the District of Columbia, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, and West Virginia to facilitate preparation. Following the storm, major disaster declarations were issued for Connecticut, New York, New Jersey followed by Rhode Island, Maryland, Delaware, Virginia, West Virginia, and New Hampshire. The Sandy Supplemental/Disaster Relief Appropriations Act, 2013 included a total of $50 billion for Sandy to 19 federal agencies. As of August 19, $9.9 billion of that total was obligated and $5 billion outlayed by various agencies.

Moore, Oklahoma

On May 20, 2013, Moore, Oklahoma and surrounding areas were struck by an EF5 tornado with winds up to 210 mph. The 1.3-mile-wide tornado was on the ground for 39 minutes destroying 17 miles of 5 counties. The damages from the "mile-wide" tornado have been estimated at $2 billion; destroying 1200 homes, businesses, 1 hospital, 2 elementary schools, and killing 24 people, while leaving 377 injured. More than 61,500 people were directly impacted by the tornado and were left with power outages. Following the tornado, a major disaster declaration was issued for the State of Oklahoma.

Twenty Oklahoma counties have been approved for all categories of work under FEMA's Public Assistance Program. For Individual Assistance (IA) $14,339,962 has been approved including $9,826,801 for housing assistance and $4,513,160 for other needs. There are more than 15,000 households registered for assistance and 8,386 inspections completed. By September 9, local officials had cleared out 96 percent of the debris, totaling 1,166,376 cubic yards. $11.5 million of FEMA's Public Assistance funds have been obligated as of September 9. As part of the rebuilding and recovery efforts, SBA has approved over $45 million in low-interest disaster loans for renters, homeowners and businesses.

Federal Programs and Response to Hurricane Sandy

Department of Housing and Urban Development

On November 15, 2012, the President announced that he had tasked HUD Secretary Shaun Donovan to work with the impacted communities on identifying redevelopment plans, asserting that HUD's involvement would help streamline the process of rebuilding. While FEMA continued to lead the recovery pursuant to the Stafford Act, HUD would work with FEMA in accordance with the National Disaster Recovery Framework.

HUD's Community Development Block Grant Program (CDBG) provides communities with resources to address a wide range of housing, infrastructure, and economic development needs. CDBG provides annual grants on a formula basis to more than 1,200 units of general local government and states. In certain situations, Congress provides additional CDBG funding specifically for disaster recovery purposes (CDBG-DR).

Recipients for Sandy Recovery purposes

State/Local Government Grantee	CDBG-DR Allocation
State of New Jersey	$1,829,520,000
City of New York, NY	$1,772,820,000
State of New York	$1,713,960,000
State of Connecticut	$71,820,000
State of Maryland	$8,640,000
State of Rhode Island	$3,240,000
Total	$5,400,000,000

*HUD anticipates making awards to states and local governments in at least two rounds. The first round provides assistance to the areas most impacted and distressed by Hurricane Sandy.

Congress appropriated $16 billion for HUD CDBG-DR purposes under the Sandy Supplemental/Disaster Relief Appropriations Act, 2013, (Public Law 113-2, enacted January 29, 2013) (the Act). The initial allocation of $5.4 billion meets the Act's requirement that no less than 33 percent of the appropriation be allocated to grantees within 60 days of the law's enactment. As of July 31, $1.646 billion was obligated and $44 million outlayed.

Grantees may use CDBG-DR funds for a variety of disaster recovery activities including:

- Housing (includes rehabilitation, new construction, buyouts, mold remediation)
- Economic development (includes grants or loans for small businesses for working capital, machinery and equipment, real property repair/improvement)
- Infrastructure (includes repair, reconstruction, new construction, acquisition)
- Public Services (up to 15 percent of allocation includes activities such as job training, health services, housing counseling, day care); and
- Administration (limited to 5 percent by the Act).

By supervising CDBG-DR funds, HUD and the Hurricane Sandy Rebuilding Task Force, in coordination with Office of Management and Budget, are taking additional steps to ensure this money is used as intended. The Task Force has established a project management office to track spending and provide information to the relevant inspectors general. CDBG-DR grantees must use HUD's Disaster Recovery Grant Reporting System to establish the Action Plan activities, draw down funds, and report outcomes and accomplishments.

Federal Emergency Management Agency

FEMA's Disaster Assistance Programs

When, at the request of a Governor, the President declares a major disaster or emergency, the official declaration triggers certain federal response authorities and financial disaster assistance. In particular, when such a declaration is made, the President is authorized to direct any federal agency, with or without reimbursement, to assist state, tribal, and local governments and protect life and property. FEMA is responsible for coordinating federal agency response and ensuring the necessary federal capabilities are deployed at the appropriate place and time. In

addition, FEMA provides direct support and financial assistance to states and local governments and individuals as authorized under the Stafford Act.

FEMA's primary Stafford Act programs for disaster response and recovery in the aftermath of a major disaster are in the Public Assistance Program and the Individual Assistance Program. The Public Assistance Program, authorized primarily by sections 403, 406, and 407 of the Stafford Act, reimburses state, tribal, and local emergency response costs and provides grants to state and local governments, as well as certain private non-profits to rebuild facilities. The Public Assistance Program generally does not provide direct services to citizens.

The Individual Assistance Program, also known as the Individuals and Households Program, is primarily authorized by section 408 of the Stafford Act. The program provides assistance to families and individuals impacted by disasters, including housing assistance. Housing assistance includes money for repair, rental assistance, or "direct assistance," such as the provision of temporary housing.

Section 404 of the Stafford Act authorizes the Hazard Mitigation Grant Program (HMGP). HMGP provides grants to state, tribal, and local governments to rebuild after a disaster in ways that are cost effective and reduce the risk of future damage, hardship, and loss from natural hazards. FEMA also provides grants under HMGP to assist families in reducing the risk to their homes from future natural disasters, through such steps as elevating the home or purchasing the home to remove it from the floodplain.

Disaster Relief Fund

The Disaster Relief Fund (DRF) is the primary account used to fund many of the FEMA disaster assistance programs for state, tribal, and local governments and certain nonprofits following a declared disaster or emergency. In most cases, funding from the DRF is released after the President has issued a disaster declaration.

As of August 31, the following were the balances in the DRF:

FY 2013 CR Appropriation:	$7,008 million
FY 2013 Sandy Supplemental	$11,488 million
FY12 Carryover balance:	$1,020 million
FY13 Recoveries to date:	$840 million[1]
DRF Obligations as of 8/31/13	($10,152 million)
Sequestration	($928 million)
Balance	$9,276 million[2]

[1] Part of the $961 million estimated total recoveries projected for all of FY 2013 but not yet realized.
[2] This balance does not reflect a .132% rescission or transfers to USAID.

Hurricane Sandy FY 2013 Actual/Estimates
As of August 31, 2013
(In millions)

Category	Actual Spent/Obligated through June*	Estimated July to September	Fiscal year 2013 Totals
Public Assistance	2,971	1,080	4,051
Individual Assistance	1,872	31	1,903
Mitigation	80	32	112
Operations	404	(1)	403
Administrative	698	30	728
Total*	**6,025**	**1,172**	**7,197**

*Includes Sandy Emergencies

U.S. Small Business Administration (SBA)

SBA is responsible for providing affordable, timely, and accessible financial assistance following a disaster to homeowners, renters, non-agricultural businesses of all sizes, and private nonprofit organizations for disaster recovery. This financial assistance is available in the form of low-interest loans, and since the SBA's inception in 1953, SBA has provided more than 1.9 million loans for more than $49 billion dollars. SBA is not the first responder, but is primarily focused on providing low-interest, long-term loans as part of the recovery effort in coordination with other government partners at the federal, state, and local levels. FEMA is the first point of contact for disaster victims seeking assistance in a presidential declaration. Once registered with FEMA, applicants that meet the minimum income requirements are referred to SBA. There are three types of disaster loans available:

- Home disaster loans: Loans to homeowners or renters to repair or replace disaster-damaged real estate or personal property owned by the victim. Renters are eligible for their personal property losses, including automobiles.

- Business Physical Disaster Loans: Loans to businesses to repair or replace disaster-damaged property owned by the business, including real estate, inventories, supplies, machinery and equipment. Businesses of any size are eligible. Private, non-profit organizations such as charities, churches, and private universities are also eligible.

- Economic Injury Disaster Loans: Working capital loans to help small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, non-profit organizations of all sizes meet their ordinary and necessary financial obligations that cannot be met as a direct result of the disaster. These loans are intended to assist through the disaster recovery period.

SBA loan terms are authorized by law up to a maximum of 30 years. SBA sets the installment payment amount and corresponding maturity based upon each borrower's ability to repay.

SBA Loans Approved (Sandy)

New Jersey	New York	Total for all States[3]
$822.8M	$1.54B	$2.4B

Total SBA loans approved for Oklahoma from the May tornados is $45 million.

Last Congress, Subcommittee Chairman Barletta introduced and the House of Representatives passed, the Disaster Loan Fairness Act of 2012. The bill was intended to make SBA loans more affordable for borrowers, including homeowners, following a disaster. Specifically, the bill would have lowered the interest rate for borrowers with no credit available elsewhere to one-half of the prevailing rate and cap the interest rate at four percent. For those who could get credit elsewhere, the bill would have lowered the interest rate to three-quarters of the prevailing rate and cap the maximum interest rate at four percent. Chairman Barletta has reintroduced this legislation in the 113th Congress.

Sandy Recovery Improvement Act of 2013 (SRIA)

The intent of the Sandy Recovery Improvement Act (SRIA), enacted January 29, 2013, is to speed up and streamline Hurricane Sandy recovery efforts, reduce costs, and improve the effectiveness of several disaster assistance programs authorized by the Stafford Act, namely the Public Assistance Program, the Individual Assistance Program, and the Hazard Mitigation Grant Program. Key provisions of SRIA include:

- Expedited debris removal and public assistance alternative procedures: allows the use of cost estimates and consolidated projects.
- Federal assistance to Individuals and Households: allows FEMA to make limited repairs, instead of lease payments, for the purpose of providing housing when less expensive.
- Hazard Mitigation: expedites hazard mitigation projects by streamlining the environmental review, provides States with advanced hazard mitigation assistance, and provides for State administration of hazard mitigation grants.
- Dispute Resolution Pilot Program: establishes a limited dispute resolution pilot program to resolve disputes over assistance and drive projects to closure and avoid cost overruns.
- Unified Federal environmental review: requires the President to establish an expedited review for environmental and historic requirements for rebuilding damaged infrastructure.
- Individual assistance factors: requires FEMA to review and update factors for individual assistance disaster declarations to make them less subjective.

[3] CT, MD, NC, NJ, NY, PR, RI, VA, WV.

- Tribal requests for major disaster declarations: provides for disaster declarations for tribal governments.

WITNESSES

Mr. Joseph L. Nimmich
Associate Administrator for Response and Recovery
Federal Emergency Management Agency

Ms. Yolanda Chavez
Deputy Assistant Secretary for Grant Programs
Office of Community Planning and Development
U.S. Department of Housing and Urban Development

Mr. James Rivera
Associate Administrator
Office of Disaster Assistance
U.S. Small Business Administration

Mr. Glenn M. Cannon
Director
Pennsylvania Emergency Management Agency
National Emergency Management Association

Mr. Gayland Kitch
Director of Emergency Management
City of Moore, Oklahoma
U.S. Council for the
International Association of Emergency Managers

Mr. Michael Finley, Chairman
Confederated Tribes of the Colville Reservation

FEMA REAUTHORIZATION: RECOVERING QUICKER AND SMARTER

WEDNESDAY, SEPTEMBER 18, 2013

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT,
PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:07 a.m. in Room 2167, Rayburn House Office Building, Hon. Lou Barletta (Chairman of the subcommittee) presiding.

Mr. BARLETTA. The committee will come to order. First I would like to welcome our new subcommittee ranking member, Mr. Carson.

Mr. CARSON. Thank you.

Mr. BARLETTA. I look forward to working closely with him on these important issues. And I also want to thank Ranking Member Norton for a decade of service as either ranking or chairman of this subcommittee. I know she will continue to be active, an active member of this subcommittee. I look forward to working with her on these issues.

I also want to welcome Mr. Cannon, who will be on the second panel today. He is from my home State of Pennsylvania, and serves as director of the Pennsylvania Emergency Management Agency. I look forward to hearing from him today.

Before we begin, I want to take a moment to send our prayers to the people of Colorado. Just this past weekend, a major disaster declaration was issued for the severe storms, flooding, landslides, and mudslides that began on September 11th. Thousands of homes have been damaged or destroyed, and the search and rescue operations are ongoing. Tragically, there have been deaths and many still unaccounted for. We know, even after the storms have passed and the rescue and response operations are completed, these communities will continue to face a devastating situation.

They will be tasked to try and put their lives back together again, and rebuild their homes, businesses, and communities, a process that has been bogged down with red tape, creating a bureaucratic nightmare for communities already devastated by the loss of loved ones, and by the disaster itself. It is for this reason, earlier this year, we enacted the Sandy Recovery Improvement Act. That Act included key provisions to streamline the rebuilding process following disasters.

The purpose of the hearing today is to review how those reforms are being applied and implemented, and how they can help commu-

nities like those in Colorado rebuild faster. We will examine how these reforms are currently being used in the recovery efforts to Hurricane Sandy, the tornadoes in Oklahoma, and other recent disasters. We will also examine how we ensure effective coordination among Federal, State, tribal, and local agencies, in helping communities recover quicker and smarter.

Last October Hurricane Sandy made landfall and brought with it storm surges of more than 11 feet, killing more than 100 people, destroying or damaging thousands of homes, and leaving more than 8 million people without power. Communities and States all along the eastern seaboard were hit, including my home State of Pennsylvania. Just this May we saw Oklahoma hit by an F–5 tornado with winds up to 210 miles per hour and over a mile wide, devastating homes and businesses and leaving dozens dead, including children and infants.

We know we will have natural disasters. We know we can expect hurricanes, tornadoes, flooding, wildfires, and even earthquakes. We cannot stop them. But we can prepare, mitigate against, and plan for recovery to minimize their impact.

There have been a lot of lessons learned from previous disasters. Following Hurricane Katrina, we saw and continue to see, years after that disaster, the rebuilding still ongoing. When communities are devastated by disasters, and people have lost loved ones, their homes, the businesses where they worked, and their communities, we must do better at helping those communities recover and rebuild and put their lives back together again. A lengthy rebuilding process riddled with red tape serves no one. It not only prolongs the harm to those communities, but it results in higher costs. The longer it takes to recover, the more it costs to rebuild, and the more of an impact there is on the local economies.

While Congress enacted the Post-Katrina Act to reform preparedness and planning for disasters, recovery remained a slow, costly, and frustrating process. In January of this year, Congress enacted the Sandy Recovery Improvement Act of 2013. That Act incorporated many of the reforms this committee crafted to streamline and reduce costs in the recovery process. That bill included reforms to cut the red tape in debris removal and public assistance for public infrastructure and building projects by allowing States to choose to receive funding based on cost estimates and consolidate projects. The bill also required FEMA to finally clarify its criteria for the individual and household assistance, so that States can have a better idea when their constituents will qualify for aid.

We also worked to encourage more advance funding for mitigation, so communities can rebuild smarter and better. These and other reforms in that legislation should help ensure communities can rebuild faster and in ways that make the most sense for them. But while FEMA is the lead agency in disasters, we know their Federal partners are critical. HUD, for example, through its community block grant program, is a key component to the rebuilding process. SBA is critical in ensuring business owners and homeowners can obtain affordable financing in their rebuilding process.

I know how important these partners are. When my district was hit by Hurricane Irene and homes and businesses were flooded, I saw how important SBA loans were in the rebuilding process. I was

concerned and continue to be concerned about the affordability of SBA's loans.

When people have lost everything from a disaster, we must ensure we do what is possible to help them. That is why I introduced the Disaster Loan Fairness Act of 2013. That bill is intended to make SBA loans more affordable for borrowers, including homeowners, following a disaster. I hope to work with the SBA on solutions to this issue.

And I look forward to hearing from the witnesses today who represent all levels of Government—Federal, State, tribal, and local—to hear how the recovery efforts are going in recent disasters, how the Sandy reforms are being implemented, and recommendations on any further improvements to the process. I thank all of the witnesses for being here today.

I now call on the new ranking member of the subcommittee, Mr. Carson, for a brief opening statement.

Mr. CARSON. Thank you, Chairman. Good morning, and welcome to our distinguished panel of witnesses. I am very pleased to be here this morning for my first hearing as the ranking member of this subcommittee.

Chairman Barletta, I look forward to working with you as we advance issues of importance to the subcommittee, and hope we can continue to work in a bipartisan manner in which you have worked with the legendary Madam Eleanor Holmes Norton.

While new to this subcommittee, I am not new to emergency management. As a former law enforcement officer, I have experience as a first responder. I have also worked on homeland security issues, and I understand the need to prepare for disasters, as well as the challenges facing our emergency responders.

No place, including my district, is immune from potential disasters and emergencies. In Indianapolis, we have experienced severe windstorms, tornadoes, and floods. We are located close enough to the New Madrid seismic zone that my district could potentially be impacted by earthquakes. Unfortunately, I understand that disasters can sometimes result in the loss of life. My thoughts and prayers go out to those families and communities still struggling to recover from recent disasters, including the ongoing efforts in Colorado.

And I sympathize with our witnesses who are here today. Even as you are still mourning your friends and neighbors, after any disaster the recovery phase is a very important step, helping disaster survivors to heal and provide communities with an opportunity to implement long-term goals.

This morning's hearing on quicker and smarter recovery is essential to identifying any unnecessary delays during the recovery process. The challenges faced by one community may actually be faced by several communities. It is through hearings like this that we can identify problems, raise public awareness of the issues, and seek solutions to these problems.

Earlier this year, Congress passed the Sandy Recovery Improvement Act of 2013, known as the Sandy Reform Act. The Sandy Reform Act included many reforms to address issues raised in prior oversight hearings, and is intended to expedite and streamline the recovery process. It included several tools to ensure that FEMA op-

erates in a more efficient and logistical manner—and logical manner, for that matter—such as expanding on FEMA's cost-estimating authority, clarifying FEMA's authority to delegate certain authorities to States, and requiring FEMA to update its regulations for determining when individual assistance will be provided. I look forward to an update from FEMA on the status of implementation of these and other Reform Act provisions.

Finally, Congress appropriated over $60 billion for Sandy relief. And I am interested in hearing from different agencies about the status of these funds. So, thank you, Mr. Chairman, for calling today's hearing, and I thank the witnesses for your testimony.

Mr. BARLETTA. Thank you, Ranking Member Carson. And now I would like to recognize Representative Mullin of Oklahoma to introduce Gayland Kitch, director of emergency management, city of Moore, Oklahoma, who will be on our second panel. Mr. Mullin?

Mr. MULLIN. Thank you, Chairman. And it's an absolute honor to introduce Mr. Kitch this morning. The first time that we had an opportunity to meet was the day after the tornado that hit Moore. And, as you can probably expect, it was extremely hectic that day. And we had flown in, went to the command center, which was at a fire station. We walk in with the entire delegation, the Governor is there, and they introduce Mr. Kitch as the emergency management for Moore.

He spoke a little bit and went to the side and I walked over there to him and I asked him how he was holding up. And he told me something that I will probably never forget. He says, "Unfortunately, I have been through this twice already," because, see, Moore's been hit by now three major tornadoes. And he says, "Unfortunately, I have been through this twice." He says, "Fortunately, this is my third time to deal with this, and we know how to act." And man, did they ever.

Moore picked themselves up and was moving fast, the citizens of Moore, the emergency response of Moore was all moving, and it is because of the leadership that is absolutely irreplaceable when we have someone like Mr. Kitch in place. And it is an honor to have you here, it is an honor to have you here, it is an honor to hear what you have to say, and what you have learned, and from the mistakes that you learn. You know, we can all learn from our mistakes sometimes more than we can our successes.

And so, thank you. It is an honor to introduce you. Thank you for taking this trip to be here.

By the way, he said it is his first time to be to DC, too. So I hope you get to enjoy the time while you are here, sir. I yield back.

Mr. BARLETTA. Thank you, Representative Mullin.

We have two panels of witnesses today. On our first panel we have Mr. Joseph L. Nimmich, Associate Administrator for the Office of Response and Recovery, Federal Emergency Management Agency. We have Ms. Yolanda Chávez, Deputy Assistant Secretary for Grant Programs, Office of Community Planning and Development, U.S. Department of Housing and Urban Development; Mr. James Rivera, Associate Administrator, Office of Disaster Assistance, U.S. Small Business Administration.

I ask unanimous consent that our witnesses' full statements be included in the record.

[No response.]

Mr. BARLETTA. Without objection, so ordered. Since your written testimony has been made a part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Mr. Nimmich, you may proceed.

TESTIMONY OF JOSEPH L. NIMMICH, ASSOCIATE ADMINISTRATOR, OFFICE OF RESPONSE AND RECOVERY, FEDERAL EMERGENCY MANAGEMENT AGENCY; YOLANDA CHÁVEZ, DEPUTY ASSISTANT SECRETARY FOR GRANT PROGRAMS, OFFICE OF COMMUNITY PLANNING AND DEVELOPMENT, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; AND JAMES RIVERA, ASSOCIATE ADMINISTRATOR, OFFICE OF DISASTER ASSISTANCE, U.S. SMALL BUSINESS ADMINISTRATION

Mr. NIMMICH. Mr. Chairman, Ranking Member Carson, members of the subcommittee, good morning. As you have indicated, I am Joe Nimmich, the Associate Administrator for the Office of Response and Recovery at FEMA. I am here today to discuss how FEMA is assisting communities affected by Hurricane Sandy, the tornadoes in Oklahoma, the numerous floods in the East, Midwest, Alaska, and now Colorado, and how the new authorities provided by Congress under the Sandy Recovery Improvement Act of 2013 allow us to better help disaster survivors and communities rebuild.

I need to thank the subcommittee for its important role in providing the Agency with the additional authorities included in the Act. I was on the ground after the tornadoes hit in Oklahoma, and just returned from Colorado. I can report firsthand on FEMA's support to survivors and communities.

At FEMA, our entire team is committed to helping survivors get back on the road to recovery. And that guides our approach to everything we do, whether that be stabilizing an area in support of first responders, providing public or individual assistance, or supporting the rebuilding of long-term infrastructure in an affected area.

We are also pleased that our efforts in support of survivors of Hurricane Sandy garnered the support of the DHS's Office of Inspector General, which recently concluded in their report titled, "FEMA's Initial Response in New Jersey to Hurricane Sandy," that FEMA had performed well in the response to Hurricane Sandy in the State of New Jersey.

Outlined in the report—and I quote—"FEMA normally requires several days to deploy and position staff to areas of—for disaster response. In this instance, FEMA had facilities and staff in New Jersey when Sandy made landfall. FEMA's access to the resources allowed a fast and effective response. FEMA prepared well for the disaster, faced challenges with innovative solutions, quickly resolved shortfalls, made efficient disaster sourcing decisions, overcame obstacles, and coordinated its activities effectively with State and local officials. All disasters generate unexpected issues. But the FEMA disaster team was able to adjust and adapt to fulfill its mission efficiently and effectively."

FEMA's success comes not only from the all-out deployment of critical staff, but from creative and innovative ways to support sur-

vivors and communities. FEMA partnered with the National Geospatial Intelligence Agency to analyze satellite and aerial imagery to determine which areas were inaccessible, allowing immediate support to survivors. This partnership continues to grow, allowing FEMA to identify houses that were destroyed or had major damage, expediting individual housing support, not just in Sandy, but in Oklahoma and already in Colorado.

FEMA has improved its processes to establish disaster recovery centers, helping inform and register survivors for quicker assistance. In addition to the DRC's, FEMA now employs disaster survivor assistance teams who go door to door in many areas, helping residents who have lost power and Internet access sign up for the disaster relief that they need.

At the same time we are supporting the communities impacted by Sandy, we are actively implementing the Sandy Recovery Improvement Act, which authorizes several significant changes to the way FEMA delivers disaster assistance, making us more flexible and efficient. All elements of the Sandy Recovery Improvement Act are being implemented on time: public assistance alternative procedures for permanent work; public assistance alternative procedures for debris removal; and dispute resolution/arbitration are most apparent in affecting communities. And you will hear from Moore, Oklahoma, how the public assistance alternative procedures for debris removal has helped their recovery.

On one of the major provisions of the Sandy Recovery Improvement Act gives federally recognized tribal governments the option of requesting an emergency or major disaster declaration through FEMA to the President, instead of going through their representative States. To date, four tribal disasters have already been declared by the President.

Improvements in FEMA's response capabilities and Sandy Recovery Act improvements have played out in both Oklahoma and Colorado. On the 20th of May, the State of Oklahoma received a major Presidential disaster declaration, and within 12 hours of touchdown we had FEMA employees in place, helping. Our enhanced incident management teams were deployed and working in Colorado within a day of the start of the disaster, and well before the flooding finished.

Pursuant to the Sandy Recovery Improvement Act, FEMA also implemented the debris pilot program in Oklahoma to expedite the removal of debris, which allows the community to rebuild and recover more quickly. The program has been successful. As of September 4th of this year, 96 percent of the debris has been removed; 40 percent was removed within the first 30 days.

And just like after Sandy, we are focusing on helping communities build stronger. Oklahoma is already receiving expedited funds to pay for approved mitigation projects; $3.6 million in HMGP funding is obligated to date.

At FEMA we seek constant improvement to better support America's disaster survivors, the citizens, and first responders, through constant improvement. And by the authority given to us by Congress under the Sandy Recovery Improvement Act, we are confident that we can be more effective and efficient in each new event. Our ultimate goal, of course, is to support our fellow Ameri-

cans, providing survivors the assistance, flexibility, and incentives they need to start the recovery process.

We look forward to continuing our work with Congress towards this common goal. Thank you, and I am happy to answer any questions you may have.

Mr. BARLETTA. Thank you for your testimony, Mr. Nimmich.

Ms. Chávez, you may proceed.

Ms. CHÁVEZ. Good morning, Chairman Barletta, Ranking Member Carson, and members of the subcommittee. Thank you for the opportunity to testify regarding the Department's recovery efforts for Sandy and post-Sandy disasters. This morning I will address the following five areas: Federal agency coordination; the policies that HUD has implemented to ensure that community development block grant disaster recovery, or CDBGDR funds, do not duplicate assistance provided by other Federal agencies; as well as the policies we have implemented to prevent waste, fraud, and mismanagement. I will also touch upon the status of the allocations under the Disaster Relief Appropriations Act of 2013 and the areas in which we may improve recovery efforts.

In the aftermath of Superstorm Sandy, President Obama directed Secretary Donovan to lead the Federal response, and issued an Executive order creating the Hurricane Sandy Rebuilding Task Force. The task force has developed a comprehensive regional rebuilding strategy which includes recommendations for enhanced Federal coordination.

The Secretary and the Department also play a central role in the disaster—excuse me—in the national disaster recovery framework, or the NDRF. The NDRF is the coordinated governmentwide approach to recovery and rebuilding with HUD acting to implement the full range of Federal housing resources. Federal coordination is also at work in HUD's implementation of the Disaster Relief Appropriations Act. Eight days after the President signed the law, HUD announced an allocation of $5.4 billion to five States and the city of New York to begin the Sandy recovery effort. Less than 30 days later, HUD published a Federal Register notice outlining the requirements for the use of these funds.

The Department's aggressive implementation of the Sandy appropriation would not have been possible without close coordination with our partner agencies. HUD relies on data and the financial assistance provided by FEMA and SBA to determine the unmet housing, economic development, and infrastructure needs that remain to be addressed through CDBGDR funds.

However, as described in greater detail in my written testimony, HUD coordination with FEMA has extended beyond data sharing. Our work on Sandy has led to expedited historic preservation and—to an expedited historic preservation and environmental review process.

With substantial Federal resources flowing to individual communities and entire regions, HUD has established policies to ensure that our funds are being used to supplement and not replace recovery funds from FEMA, SBA, the Army Corps of Engineers, and other sources. The Department has published guidance to guard against the duplication of benefits, and provided training and tech-

nical assistance to help State and local governments comply with the law.

In order to prevent waste, fraud, and mismanagement, the Department has reinforced its own internal controls with the new cradle-to-grave plan for these funds that has been submitted to OMB, the GAO, and House and Senate appropriators.

Moreover, we have committed to an enhanced level of technical assistance and monitoring of Sandy grantees with biannual, on-site monitoring of each grantee. These efforts are only possible because of the $9.5 million in administrative funds provided by Congress under the Act. We also meet monthly with our Office of Inspector General to identify issues of concern, and work jointly on IG and HUD staff training.

I must note that, prior to the approval of a grantee's action plan, HUD must certify that the grantee has the policies in place to guard against duplication of benefits, and also certify to the adequacy of each grantee's internal financial controls and procurement practices.

The next allocation for Sandy grantees will be informed by FEMA data and focus on unmet infrastructure needs. We expect to announce that shortly. The Department has also allocated $514 million to 21 State and local governments for 2011 and 2012 disasters. This includes about $47.2 million to Luzerne and Dauphin Counties in the Commonwealth of Pennsylvania for recovery needs from Hurricane Irene and Lee.

We have also started to address 2013 disasters; $37 million was allocated to the city of Moore in the State of Oklahoma for recovery from this year's tornadoes. And $28.8 million has been allocated to State of Illinois grantees to address damage caused by heavy flooding in the spring.

Finally, providing increased flexibility to Federal agencies and improved data accessibility for both agencies and grantees will lead to a more timely Federal response.

Thank you for the opportunity to testify today. I am happy to answer any questions you may have.

Mr. BARLETTA. Thank you for your testimony, Ms. Chávez.

Mr. Rivera, you may proceed.

Mr. RIVERA. Good morning, Chairman Barletta, Ranking Member Carson, and distinguished members of the subcommittee. Thank you for inviting me to discuss SBA's role in Federal disaster response and recovery efforts. The SBA Office of Disaster Assistance is responsible for providing affordable, timely, accessible financial assistance to businesses of all sizes, homeowners and renters impacted by disasters.

Many disaster survivors have insurance, which covers part or all of the physical property loss due to a disaster. For those losses not covered by insurance, the primary form of Federal financial assistance is a low-interest SBA loan. Since SBA's inception in 1953, we have approved more than $53 billion in disaster loans to almost 2 million families and businesses across the country.

While SBA is not a traditional first responder agency, we are on the ground immediately following a disaster. We coordinate with Federal, State, and local partners to set up disaster and business recovery centers and deploy critical financial assistance.

In the aftermath of a disaster such as Superstorm Sandy and the devastating tornado in Moore, Oklahoma, SBA's primary role is to provide families and businesses with low-interest, long-term loans. These disaster loans are a vital source of economic stimulus that enables survivors to get back on their feet. Under our disaster loan program, homeowners may borrow up to $200,000, and business and nonprofit organizations are eligible for loans up to $2 million. These funds can be used to assist with many uninsured and otherwise uncompensated physical losses sustained during a disaster to repair, replace damaged physical property.

In addition to our disaster loan products, we also help small businesses recover through our Government contracting and business development programs. We aggressively seek to fill gaps in the market and provide survivors with access to capital, counseling, and contracting they need to rebuild their lives and their livelihoods.

Throughout my career at SBA, I have seen firsthand the benefits of the disaster assistance program, perhaps most notably in the wake of Superstorm Sandy. Due to the immense—due to the storm's immense footprint along the densely populated east coast, Sandy was one of the most destructive natural disasters in recent history. As such, I can assure you that SBA leveraged all of our resources to provide timely and effective assistance throughout the impacted States.

Working closely with our response and recovery partners at FEMA and HUD, as well as with State and local agencies, we used every tool available to assist the maximum number of families and businesses affected by the storm. SBA deployed over 390 disaster specialists to the region, setting up 146 disaster recovery centers with FEMA, and 38 disaster loan operations centers. SBA also established 49 business recovery centers, where survivors could apply for a disaster business loan and receive additional business counseling from our local resource partners.

Between our loan processing centers, call center, and on-the-ground staff, SBA had over 2,400 disaster employees dedicated to Superstorm Sandy. This is in addition to our local district office staff and extensive network of resource partners across the region. As a result of this increased presence, we were able to meet with over 130,000 survivors and respond to over 212,000 phone calls throughout the declaration period. We approved over $2.4 billion in loans to more than 36,000 homeowners, renters, and businesses, with an overall approval rate of 53 percent.

While we are proud of our response efforts, we are always looking for ways to better support those communities impacted by disasters. In recent years, SBA has made a number of improvements that have allowed us to better respond to disaster survivors.

For example, in order to create more transparent and user-friendly processes, we streamlined our loan application forms and implemented a redesigned electronic loan application. In fact, we successfully increased the use of the electronic loan application from 26 percent to 55 percent over the past two fiscal years. We also designated case managers for each approved application, so borrowers know their principal point of contact when they have a

question or need help through their loan closing disbursement process.

These reforms played a key role in allowing SBA to effectively and efficiently respond to disasters—to Sandy and subsequent disasters like the massive tornado that struck Moore, Oklahoma, and recently, the flooding in Colorado. Whether on the ground in the affected areas or at regional centers, we keenly focus on meeting the needs of the families and businesses impacted by disasters.

We know that recovery is a long-term process, and we are committed to ensuring that small business owners and their communities are able to emerge stronger than ever.

Thank you again for inviting me to testify this morning, and I look forward to answering any questions.

Mr. BARLETTA. Thank you for your testimony today, Mr. Rivera. I will now begin the first round of questions, limited to 5 minutes for each Member. If there are any additional questions following the first round, we will have additional rounds of questions, as needed.

Mr. Nimmich, I understand that you have been on the ground in Colorado. If you can, give us what is the current situation there. And can you update the subcommittee on the response efforts occurring regarding the recent disaster in Colorado?

Mr. NIMMICH. Mr. Chairman, the search-and-rescue events in Colorado continue today. There are still communities that are isolated, there is over 300 unaccounted for individuals. FEMA, as well, is supporting State and local responders with four urban search-and-rescue teams that are going to those communities door to door, to ensure that every survivor is located and then provided the necessary resources to start their lives over.

To date, there are over 8,000 registrants already in the FEMA's database, identifying themselves as potentially qualified for support, either from FEMA or Small Business Administration. And over 800 individuals have already been receiving support in terms of individual funding to take care of their immediate needs.

There are over 16,000 houses that are likely destroyed, and that there are 20,000 additional houses that are endangered. This will be a long-term recovery. We don't have a good handle yet on how much of the infrastructure is impacted. We do know that there are sewage and wastewater facilities that are likely destroyed at this point in time, sir.

Mr. BARLETTA. Mr. Rivera, I understand SBA is already on the ground in Colorado. Where are you in your operations there?

Mr. RIVERA. Yes, sir, Chairman. We were collocated with FEMA, and we joined them on the individual assistance side. We have deployed about 25 people so far. We are currently working with FEMA and the State to set up disaster recovery centers, and will also set up a couple of business recovery centers that include our small business development centers and our resource partners.

Mr. BARLETTA. Thank you. Ms. Chávez, has HUD begun its operations in Colorado? And, if so, can you update us on those?

Ms. CHÁVEZ. Sure. So we have started to assess damage to HUD assets. We are also working to collect the data as it is coming in from FEMA and SBA, so we can be ready to make a disaster recovery allocation to Colorado when we are ready. Data usually takes

a month or two to come in, but we are starting very early to start to collect that.

We are also ready to send TA providers to the State so they could start their recovery planning process, even before we make the allocation.

Mr. BARLETTA. Thank you. Mr. Rivera, my bill, the Disaster Loan Fairness Act of 2013, it would allow for market-based interest rates for Small Business Administration disaster loans for homeowners, renters, and businesses. My question to you is, how do you think this interest rate change would impact the disaster loan volume that the Small Business Administration would be able to support?

Mr. RIVERA. Chairman Barletta, we feel that the interest rates that are currently being provided are reasonable on the homeowner side and the business side.

For example, there are two rates, as you know. There is a credit elsewhere rate and noncredit elsewhere rate. On the home side it is less than 2 and 4 percent. On the business side it is 4 percent and 6 percent. From a credit worthiness perspective, we would have to do an analysis with the proposed bill and determine, you know, the number—how many more loans we could make, based on the interest rate adjustment.

Mr. BARLETTA. Do you believe the SBA would experience a significant amount of new activity with a market-based rate system?

Mr. RIVERA. We would have to go back and do the analysis. It is just hard for me just to determine, based on that, and then the impact that it would have on the subsidy rate. But from, you know, having to safeguard taxpayer funds and stuff, there would probably be some sort of an adjustment to the subsidy model, which may result in an increase in subsidy. Current subsidy rate is about 11 percent, and we haven't run the numbers as far as what impact that would have to the subsidy model.

Mr. BARLETTA. And what are you doing to ensure that the SBA loans are affordable? As I said, you know, when the floods hit Pennsylvania—I come from, as I told you, the coal region of Pennsylvania. And when people have lost everything that they have owned, it was pretty hard for me to go back there and tell them that I am from the Federal Government and, "I can get you a loan at 6-percent interest." They would probably beat the daylights out of me at that point.

So, what are we doing to make those loans more affordable?

Mr. RIVERA. So I clearly understand, from—where you are coming from. I was a former banker, I have been with SBA for 23 years right now. We are the most aggressive lender in town. There is no doubt about it. We try to make every loan. The credit elsewhere rate, as you are citing, the 6-percent rate, does go to a smaller percentage of the borrowers that we have who do have credit elsewhere. A lion's share of our loans are made at the 4-percent rate. And it is a fixed rate that we can make up to 30 years.

So, as I have mentioned before, we feel it is reasonable, and we try to make as many loans as we possibly can. On average, we are—as in Sandy, we are in about the 53–55 percent approval rate percentage.

And when we don't make those loans, what we do—as a result of Irene, when we had the discussion a couple of years ago—we do refer these declined business owners to small business development centers so they can help with repackaging their debt structure. And what we found, as a result of the SBDC connection, is that we do—we are able to provide more loans, because the SBDC's can work successfully with their current bankers and their debt structure from that perspective.

Mr. BARLETTA. Thank you. I would like to now recognize Ranking Member Carson for 5 minutes.

Mr. CARSON. Thank you, Mr. Chairman. Mr. Rivera, please describe the SBA's loan disaster program, such as the criteria used by the SBA to determine whether to grant an SBA loan, the debt-to-income ratio used, the loan recovery rate over the years, and the process used in the event of a default—the loan default rate.

Mr. RIVERA. OK. So, the process is we encouraged everybody in a Presidential declaration to start registering with FEMA. What we do is we provide FEMA with an income test table. And if they are below that income test table, those disaster survivors stay with FEMA and they go from—to the unmet needs program, where they get a grant immediately. If they are above that income threshold, they are referred to SBA. We encourage everybody to apply online with our electronic loan application. As I have mentioned, we have gone from 25 percent up to 55 percent. So it is a pretty seamless process, from that perspective.

When we look at an application, when we receive an application, we do an analysis. We look at income and debt. We actually use what is reported on an individual's Federal tax returns. We don't ask for copies of their tax transcripts—I mean Federal tax returns. We ask for them to give us authorization to get a copy of their tax transcript.

So, what is reported to the IRS is what we use, from an income perspective. We run credit bureau reports, and we also credit score those individuals. If somebody has a credit score that is in the lower 500s, what we end up doing is we decline them and refer them back toFEMA on the homeowner side. And, as I mentioned to Chairman Barletta, we refer the businesses to the small business development centers.

On average, you know, we make about 50 percent of the loans that we—that are—of the applicants that apply to us. Once we fully process and once we fully disperse the loans, we have our own—we are basically a disaster bank. We will hand off the relationship from our office to the Office of Capital Access that service the loans. They are very lenient, from the perspective—from a collection perspective. But we do follow private-sector collection practices. On average, home loan default rate is about 10 percent, and the business loan default rate is about 15 percent.

Mr. CARSON. Thank you. Ms. Chávez, what types of housing tools did HUD use in relationship to Sandy to provide housing to displaced residents, especially for low-income individuals? Did HUD have adequate authority to implement all the various housing options considered?

Ms. CHÁVEZ. Yes, we do. In fact, the Act provides for HUD to approve the jurisdiction's plan. So when State of New Jersey, New

York, New York City submitted their plans, they needed to ensure they were meeting the housing needs of low-income individuals, and also address damage to public housing units and include that as part of their plan.

So, their housing programs really include the spectrum of assistance to low-income individuals, development for multifamily rental housing, as well as assistance to homeowners.

Mr. CARSON. Thank you. Mr. Nimmich, FEMA's ability to use cost estimating was first authorized in the Disaster Mitigation Act of 2000, yet it was never implemented. That authority was expanded on in the Sandy Relief Act. What obstacles or challenges, in your mind, if any, have been identified that may impact implementation and use the cost of estimating authority?

Mr. NIMMICH. I think the biggest challenge is the uncertainty of a new program. We have already started and have actually implemented a program with Vermont that was signed on the 29th of August of this year. We are working very closely with Oklahoma. But any time you go from a well-established process of actual cost to a new process of estimation, where the grantee is ultimately responsible for the final cost of the improvement, or the replacement, there is a certain degree of uncertainty.

So, we are in an education program, sir, to make sure that they understand, and that we use very good cost estimates from both the grantee's perspective, as well as FEMA's perspective, to ensure that we have a capability of completing that project within the estimated cost.

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

Mr. BARLETTA. Thank you, Ranking Member Carson. I would like to recognize Mr. Walz for 5 minutes.

Mr. WALZ. Thank you, Chairman. And I would like to thank each of you and the folks who work in your agencies for being there at some of the most difficult times for our constituents across the country. And my district is no different. A 2007 flood, each of your agencies were there, providing that assistance and trying to work through the individual issues. And they are always challenging.

I have a specific question, Mr. Nimmich, to help me on this. We had an ice storm in April of this year. And, of course, those most often—the most devastating part is it pulls down our electric utilities. And my district, being rural Minnesota, just like a large part of the country, is served by rural electric cooperatives. And those cooperatives serve 12 percent of the population, but cover over 55 percent of the geographic land. So they are nonprofits, it is very, very narrow.

Well, in this ice storm, brought down lines, we applied to FEMA to try and get help. FEMA denied two of my cooperatives, Federated and Nobles, any help because of their determination that they did not have—I guess the word here is "appropriate board policy" on this. The problem we are having is the interagency fight. These cooperatives follow rural utilities, RUS, Department of Agriculture. The proposal is in there.

Now, this is not a question of whether there was maintenance on the line. That is not in question. It was done right. It wasn't in paper accordingly. Their confusion lies is their main funder is RUS loans. And they followed those procedures absolutely correctly, but

they are being denied the assistance that they were—they tried to appeal it, and the only thing we are hearing is a FEMA declaration that it wasn't appropriate board policy.

So, this creates great confusion amongst them. It created—again, cooperatives are so narrow, and their consumers are so narrow, their members, that one like this has a devastating impact on rates, 100-percent increases in some cases.

And so, I guess my question is—and I am not putting—yes, I am putting you on the spot a bit—maybe more for your staff. We still don't understand. Those rules were not given correctly. It was an interpretation after the fact. No one has ever questioned the service commitment or how these were done. And all documentation indicates the lines were completed within FEMA guidelines. In no instance was a conductor replacement done incorrectly. No one is disputing that. But it is like, "You didn't have the right set of paperworks in the policy, and because of that we are denying you."

So, my question is, what is our course of action? This is devastating to these rural electrics, it is devastating economically. And they feel they followed exactly what they should, they saw the Department of Agriculture as the authority propagating the rules, not FEMA. So how do we go about that?

Mr. NIMMICH. So, Mr. Walz, I don't have the specifics of why the denial was put in place. But I will offer you that we will answer that question for the record.

Mr. WALZ. I appreciate that. And again, I want to be very clear. I thank all of you. These are challenging. Every individual situation in every disaster is different in its own way. I am very appreciative of the chairman and the ranking member in this committee I think trying to streamline this and trying to understand that, and recognize each of your agencies are absolutely critical. But if we can do a better job at it, then we should continue to try and do a better job. So I thank you for that.

Mr. NIMMICH. Yes, sir. I recognize the sense of frustration. And it does become more difficult, as we move from State and public-owned utilities to privately owned utilities, and it becomes a gray area. But we owe you a better answer, and we will provide one for the record.

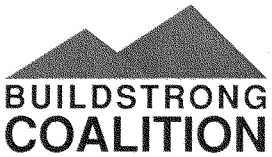
Mr. WALZ. I appreciate that. I yield back, Mr. Chairman.

Mr. BARLETTA. Thank you, Mr. Walz. I would ask unanimous consent to insert into the record a letter from the BuildStrong Coalition, thanking the committee for today's hearing, and encouraging us to consider mitigation strategies for saving lives, reducing property damage and Federal disaster costs. The Coalition consists of a variety of fire service groups, property insurers, and code councils.

[No response.]

Mr. BARLETTA. Without objection, so ordered.

[The information follows:]



September 18, 2013

The Honorable Lou Barletta, Chairman
Subcommittee on Economic Development, Public Buildings and Emergency Management
Committee on Transportation & Infrastructure
U.S. House of Representatives
585 Ford House Office Building
Washington, DC 20515

Dear Chairman Barletta:

The BuildStrong Coalition would like to thank you, Ranking Member Carson and the Subcommittee on Subcommittee on Economic Development, Public Buildings and Emergency Management for holding today's hearing on FEMA Reauthorization: Recovering Quicker and Smarter.

BuildStrong is a coalition of national business and consumer organizations, companies, and emergency management officials dedicated to promoting stronger building codes to help communities withstand major natural disasters while saving lives and taxpayer money at the same time.

Building Codes Save Lives, Property and Taxpayer Money

Overwhelming evidence exists to demonstrate that the adoption and enforcement of statewide building codes saves lives and greatly reduces property damage and the need for federal assistance resulting from disasters. The Louisiana State University Hurricane Center estimated that stronger building codes would have reduced wind damage from Hurricane Katrina by 80 percent, saving $8 billion.

In 2005, FEMA commissioned a study by the National Institute of Building Sciences' Multihazard Mitigation Council. The goal of the study, based on the work of more than 50 national experts, was to "assess the future savings from hazard mitigation activities." According to the study, every $1 dollar spent on hazard mitigation (actions to reduce disaster losses) provides the nation with about $4 in future benefits.

A study done for the Insurance Institute for Business & Home Safety (IBHS) found that losses from Hurricane Andrew, which struck south Florida in 1992 and caused more than $20 billion (in today's dollars) in insured damage, would have been reduced by 50 percent for residential property and by 40 percent for commercial property if those structures were built in accordance with Florida's 2004 statewide building code. Another IBHS study following Hurricane Charley in 2004 found that modern building codes reduced the severity of property losses by 42 percent and the frequency of losses by 60 percent.

More valuable research is currently being conducted by the IBHS at their research lab in Richburg, South Carolina. This research already has clearly demonstrated how the human and financial costs of natural disasters can be greatly reduced by building stronger homes. With relatively simple upgrades in construction such as strapping to create a continuous load path from the roof, through the walls, and into the foundation, thicker roof decking, and textured, rather than smooth nails, test homes were built to withstand 110 mile-per-hour winds with little damage. Test homes with the same floor plan that were not upgraded, were completely destroyed at wind speeds of only 95 mph to 100 mph. Taking steps to prepare in these ways before a disaster has a real effect in limiting the recovery afterwards.

Despite this correlation, most states have not enacted statewide building codes and related inspection and enforcement measures. State standards for construction, code-related inspection, and enforcement vary widely across the country. Where statewide codes exist, it is not uncommon to allow individual jurisdictions (e.g., cities of a particular class, or counties) to deviate from the state standards, occasionally resulting in a weakening of the model minimum standards.

Model building codes govern all aspects of construction and help to protect homes and buildings from the devastating effects of natural catastrophes. Uniform, statewide adoption and enforcement of model building codes by states helps to significantly reduce long-term risks affecting people, property, the environment, and ultimately the economy. The model codes, developed nationally in the U.S. by a consensus process involving construction experts and local building officials working together, are adopted and enforced at the state level to mitigate effects of natural disaster perils inherent to each state.

The Safe Building Code Incentive Act

The Build Strong Coalition strongly supports H.R. 1878, The Safe Building Code Incentive Act, legislation providing states with additional disaster relief funding if they enact modern building codes.

The Safe Building Code Incentive Act would create a financial incentive for states to adopt and enforce statewide building codes. Under the proposed law, states that adopt and enforce nationally recognized model building codes for residential and commercial structures would qualify for an additional 4-percent of funding available for post-disaster grants. The program would be administered by the Federal Emergency Management Agency.

Several states have learned the hard way – adopting and enforcing building codes after massive destruction that could have been prevented from natural disasters. As stated prior, this legislation will not require any additional appropriation to FEMA since it draws funds from the existing Disaster Relief Fund. In addition, the nature of the incentive does not mandate the adoption of statewide building codes on any states that wish to maintain their current patchwork structure.

The evidence supporting mitigation benefits proves this incentive to be a fiscally responsible method of enabling FEMA to assist in natural disaster recovery while working to prevent future damage. The Safe Building Code Incentive Act is a forward-thinking, mitigation-focused legislative proposal that will display Congress's leadership in the midst of a heightened period of natural catastrophes.

Conclusion

While mitigation will not prevent natural disasters, stronger homes and businesses will save lives and save private property, federal funds, and environmental damage. Further, building codes contribute to the resiliency of a community and the ability of a community to "bounce-back" quicker from a hazard event. As a community begins the recovery process, the quicker businesses can return to full operation and citizens can return to their daily lives, the greater ability the local economy has to recover and lessen the burden on assistance providers. Most importantly, stronger homes and businesses save lives.

Again, BuildStrong would like to thank Chairman Barletta, Ranking Member Carson and the Subcommittee on Economic Development, Public Buildings and Emergency Management for holding this important hearing.

Sincerely,

The American Institute of Architects
American Society of Civil Engineers
Allstate Insurance Company
American Insurance Association
Concrete Reinforcing Steel Institute
Congressional Fire Services Institute
Council of Insurance Agents and Brokers
Farmers Insurance Group of Companies
Federal Alliance for Safe Homes
Financial Services Roundtable
Firemen's Association of the State of New York
Florida Association of Counties
Florida Emergency Preparedness Association
Insurance Institute for Business and Home Safety
Independent Insurance Agents and Brokers
International Code Council
Liberty Mutual Insurance
MetLife
National Association of State Fire Marshals
National Association of Mutual Insurance Companies
National Council of Structural Engineers Association
National Fire Protection Association
National Institute of Building Sciences
National Ready Mixed Concrete Association
Nationwide Insurance
NeighborWorks America
Professional Insurance Agents
Property Casualty Insurers Association of America
Reinsurance Association of America
Simpson Strong-Tie Co
Solutia
Travelers
State Farm Insurance Companies
The Hartford
USAA

I would now like to recognize Ms. Edwards for 5 minutes.

Ms. EDWARDS. Thank you, Mr. Chairman. And it is great to see the leadership of this committee including our new ranking member, as well. And thank you all for—the witnesses today—for your testimony.

I was just recently at a family reunion and one of my cousins is still displaced from Hurricane Sandy and was just incredibly frustrated by the process of trying to figure out getting assistance and rebuilding, moving from, you know, one temporary housing location to another temporary housing location. And I sympathized with her, but I don't know what an answer is for a family like that. And you can imagine the challenges also still trying to maintain getting up and going to work every day, and trying to balance all of this.

And it is true that across this country, whenever we have a disaster, we expect that our Government, whether it is our local and State government or our Federal Government, to be able to, you know, respond in a time of need. And I find it very, you know, amazing that, you know, for all of the beating up on Government that goes on around here, and I look at the work that your agencies do and that so many of your workers do, and when it comes to a disaster, the first thing that we call for is Government.

And, thankfully, we have learned a lot over the last several years. I know your agencies have. I have seen on the ground—members of this committee actually went up to New York, New Jersey, to visit with some of the immediate responders and saw, on the ground, the coordination that goes on with FEMA, with various State and local partners and agencies. And we can see that there are problems, but there are also some things that are really working well.

I, you know, witnessed, for example, the coordination that is taking place that allows flexibility for FEMA to make determinations about what kind of mitigation assistance to offer homeowners who may be able to stay in their home, even though their home doesn't necessarily have water or electricity. That actually ends up saving us money, because you are able to engage in that kind of flexibility. So I really do appreciate the work that you do.

And I know in Maryland, you know, we were fortunate, where other people were not. Our Eastern Shore was skirted by Hurricane Sandy. We received about $8 million in assistance. You know, any State or jurisdiction always wants to receive more.

But my question just to you is, you know, when you think about the ability to pay and what is considered to calculate income and debt ratios, I am curious as to how you look at a business or a homeowner that has lost everything and still has, even with an insurance payment, still has a piece of a mortgage or a business loan to repay, and how you consider that in your determinations of income and ability to pay back a loan.

And I am also curious as to what kind of pressure is brought to bear on banks and financial institutions to make loans that, even if guaranteed by the SBA, for example, that it doesn't necessarily mean that the financial institution is going to make the loan. And so I wonder what you do in those circumstances to more strongly encourage those institutions to give up their capital to make these

loans that, in many cases, are like 100-percent guaranteed. Thank you.

Mr. RIVERA. Thank you, Congresswoman Edwards. The disaster loan program is—the SBA disaster loan program is a direct loan program, contrary to the SBA's 7(a) and 504 loan programs, which are—you know, it is a guarantee based on a percentage worked out with the bank.

In situations where we are working to respond to individuals——

Ms. EDWARDS. Is that 100 percent direct?

Mr. RIVERA. Yes, the SBA disaster loan program is direct. And that is the 11-percent subsidy cost that the—for—it is 11 percent, or 11 cents on every dollar is what we get from the taxpayers. It is a subsidized program, from that perspective.

The—we look at the 3 years prior to the disaster. So, in situations where somebody is completely wiped out or partially damaged, or whatever the uninsured loss is, what—we encourage them to apply with us, we will try to make the loan, and we can start the rebuilding process while they work with their insurance company to try to get, you know, back to where they were prior to the disaster, from that perspective.

If they have an existing SBA-guaranteed loan on the 504 side, we actually reach out to the lender and ask that they provide some sort of deferment period so there is no payments made during that 3-, 6-, 9-, 12-month period, where it goes from a recovery perspective. And also, we stage our first payment after the recovery has been completed. So, it takes them 3 months, 6 months, 9 months, 12 months to rebuild, we can go up to a couple of years if we need to, in order to make it as flexible as possible for the business.

Ms. EDWARDS. And what about for homeowners?

Mr. RIVERA. Homeowners, it is the same situation. Most insurance—I mean most homeowners' mortgage companies are—they are pretty straightforward. If they don't provide their monthly payment, they probably fall into foreclosure. In situations where there is walk-away states, we have discussions with the mortgage company and with the individual on what they plan to do and how they plan to proceed. But we follow the same—we request the same type of deferment process for individual homeowners that have existing mortgages, where they have lost their house.

Ms. EDWARDS. Is that—I apologize, Mr. Chairman, but is that also true? Because one of the things that I have heard are frustrations is about homeowners who are also business owners and they have used their home to get a second mortgage to subsidize—to—you know, to help them with their business, and they fall into this kind of in-between category.

Mr. RIVERA. So, you know, we treat them as—for example, there are a lot of home-based businesses. So, if you have a home-based business and you are damaged by a disaster, we will go ahead and make you a home loan on the physical side. And we can also make a physical business loan for any equipment that was lost, or anything regarding the home-based business, and then provide a working capital loan to help them with their—pay their fixed operating expenses during the disaster period while they recover.

Mr. BARLETTA. Thank you. The Chair now recognizes Mr. Mullin for 5 minutes.

Mr. MULLIN. Thank you, sir. Appreciate once again to be here. Sorry I have to run in and run out. That is the juggling of, I guess, being elected now.

My question is for Mr. Nimmich. Am I saying that right, sir?

Mr. NIMMICH. Nimmich.

Mr. MULLIN. Nimmich. OK, I am sorry. Can you explain how FEMA applies its policies to electric utility repair companies to applications for public assistance for electric cooperatives? How does FEMA manage the process so that regions that develop and apply standards that are outside FEMA's own policy? What is FEMA doing to address inconsistency of rulings and decisions between its regions?

Basically, what I am saying is that there has been a lot of inconsistency when FEMA has been needing to be called in for assistance with these co-ops. And when we are trying to get to a role that everybody is dealing with, we seem to have a lot of people injecting their own opinions on the role of FEMA.

Mr. NIMMICH. As I indicated to Representative Walz, when it comes to electric co-ops, you start into that gray area between publicly owned and privately owned entities.

I can't give you the specific answer at the moment, but I will answer your question, Mr. Mullin, for the record.

Mr. MULLIN. OK. The issue—let me address it—to be a little bit—bring it down to a different level. I am from Westville. I live right on the border. My back fence is literally Arkansas. Westville, Oklahoma-Arkansas back fence. When a ice storm came in, we were having issues with being able to bring in utility companies over the State line to help with repairs to our electric system because of an interpretation that we couldn't find—saying that we couldn't bring out-of-State contractors to help us in the repair if we were deemed to have the manpower to do it, no matter how long it was going to take.

That was an issue. When you are on a border—I can understand that if maybe you live in Oklahoma City. But when you live in a border town like ours, that creates some pretty big problems.

Mr. NIMMICH. Sir, so are you talking about the decision on whether we would fund the support or the resources from another State? Because the utilities usually have emergency management agreements, where they work with each other——

Mr. MULLIN. Right.

Mr. NIMMICH [continuing]. To support it. So I presume you are getting to the point you were denied payment because the decision was made that the utility could have affected its own repairs, as opposed to using an EMAC-type of support.

Mr. MULLIN. I don't know the details to it. We were told that FEMA wasn't going to pay for out-of-State contractors to come in and help us.

Mr. NIMMICH. OK, so that is part of the Federal coordinating officer's processes of determining what are equitable costs or not equitable costs. The question, I think, is that the cooperatives become a gray area. And I owe you an explanation of what is eligible and what is not eligible in costs for a cooperative, in terms of repairs to the electric system, and I will provide that for the record.

Mr. MULLIN. OK. Appreciate it. Mr. Chairman, I yield back.

Mr. BARLETTA. Thank you, Mr. Mullin. Mr. Nimmich, Pennsylvania was hit with severe weather and flooding during June and July. However, last month, Pennsylvania was denied a request for major disaster declaration based on FEMA's assertion that these storms were not part of the same weather system. Now, this conclusion directly contradicted the conclusion of the National Weather Service that indicated the same weather system caused these storms.

Now, disaster declarations have been issued for other States in which storms occurring over a period of time were a part of the same system.

My question is, what are the clear criteria that FEMA uses to determine if—whether events are part of the same overall system? And then how are they applied in this particular case?

Mr. NIMMICH. Chairman Barletta, we currently have the appeal from the State of Pennsylvania for that request for a major declaration, and it is in processing now. We work very closely with the National Weather Service in terms of identifying what are, in fact, complete cells or not cells. We have gone back to them for validation and make sure we have the right interpretation of that weather pattern at that time, and it will be reviewed as part of the process of the appeal.

Mr. BARLETTA. Thank you. How do you anticipate the reforms in the Sandy Recovery Improvement Act may be used in the wake of the recent storms and flooding in Colorado?

Mr. NIMMICH. Administrator Fugate has already had discussions with the Governor, and the Governor clearly is interested in the alternate public assistance procedures that would allow him to rebuild better and stronger, based on accurate assessments of what the damage is. We fully expect that both the debris and the alternate procedures, public assistance procedures, will be utilized by the State of Colorado, as the debris pilot was used in the State of Oklahoma for the Moore tornadoes.

Mr. BARLETTA. Mr. Nimmich, as you know, we are in the process of drafting a FEMA reauthorization bill. In the Sandy rebuilding strategy report issued last month it recommends cutting red tape, but gives little guidance to Congress as to how to do so. Are there additional authorities or reforms you believe are needed to improve—to further improve recovery and rebuilding efforts following disasters?

Mr. NIMMICH. Mr. Chairman, the authorities that this committee helped give us in the Sandy Recovery Act are a long way forward to being able to be more efficient, more flexible, and more capable of meeting States' needs. We are just at the part of implementing those particular elements of the Recovery Act, and we do not, at this point in time, have additional requests of the committee.

However, as we do work these procedures through, and identify areas where there may be additional capabilities, we will come back to the committee for that—or to provide that information.

Mr. BARLETTA. Now, as you know, earlier this year we enacted reforms to the recovery process through the Sandy Recover Improvement Act. That Act was intended to cut through the red tape and speed up the rebuilding process. How many applicants have accepted the public assistance pilot program?

Mr. NIMMICH. Thus far, Mr. Chairman, the State of Vermont, not having started any of the construction work on their damage from Hurricane Irene, has moved forward and accepted the alternate procedures.

The challenge we have is, as I have indicated, alternate procedures create a degree of uncertainty from what has been a standard process. So we are actively engaging with the State of New York, the State of New Jersey, Oklahoma, Colorado, Alaska, all of these States, to ensure they completely understand the new alternate procedures and are comfortable with them, so that we can move forward. That education process is taking some time.

Mr. BARLETTA. Are there any regulatory or legislative hurdles preventing applicants from not wanting to use the program?

Mr. NIMMICH. Not at this time.

Mr. BARLETTA. Ms. Chávez, FEMA mitigation projects meet a cost-benefit test in order to receive funding. HUD has billions of dollars for mitigation after Sandy. Does HUD require a cost benefit test? And, if not, how do you ensure taxpayer dollars go to the most beneficial projects?

Ms. CHÁVEZ. So the next allocation of Sandy dollars will be focused on infrastructure and, of course, on mitigation. And I think that when we issue the notice, you will be happy to see the requirements that we are placing on grantees to ensure that they analyze the cost benefit of the project.

But even in the regular projects, and what they are doing now with housing and small business, we do ensure that they are really addressing just the unmet need. So our grantees are required to look at all the financial assistance that has been provided, again, by FEMA, SBA insurance, any other sources, before they actually fund unmet need.

So, our disaster recovery funding is focused on ensuring that they are really addressing the unmet need and not duplicating benefits.

Mr. BARLETTA. Thank you. The Chair now recognizes Ranking Member Carson.

Mr. CARSON. Thank you, Mr. Chairman. Madam Chávez, when Congress enacted the Sandy supplemental appropriations bill earlier this year, we effectively required grantees to expend the funds within 24 months of the funds being obligated. In order to ensure that this process is transparent, please describe the process HUD uses to submit waiver requests to OMB, the type of data provided to OMB, and what information about the request, if any, that you share with the grantee.

Ms. CHÁVEZ. Sure. So, first of all, you know, we ask grantees to obligate the funds that they are going to need immediately. So, again, if they have a 2-year expenditure deadline on all allocations. So, although we may allocate a large portion of their grant, they only have to obligate with us, in terms of a grant agreement, the funds they are going to use immediately. Because as soon as they obligate, that is when the 2-year clock starts.

But in terms of the—to OMB, we have submitted our proposal on how we will be approving waivers as grantees request them from HUD. And we are clear that some activities take much longer, and will take much longer than 24 months. You know, housing

rehab is usually very fast. Of course, infrastructure can take years. So what we are asking grantees to do, as they start to request waivers—and, of course, that has not started yet—but when they do, is to outline the type of activity they are requesting the waiver, and the reasons why. So we have a whole system that—but the waivers will come through to HUD, and HUD will then review them and provide the approval.

Mr. CARSON. Recently there have been complaints by Sandy-impacted residents about mold growth in their homes. Does HUD have any program to help address these mold issues?

Ms. CHÁVEZ. CDBGDR, the recovery funds, can be used for mold remediation. And we have made that clear to grantees and provided a lot of guidance on that issue. And we are also going to reinforce it in the next notice, so the grantees are clear on that——

Mr. CARSON. Thank you.

Ms. CHÁVEZ [continuing]. Activity.

Mr. CARSON. Mr. Nimmich, FEMA has adopted wildfire mitigation policies for hazard mitigation grant programs and the pre-disaster mitigation programs. Has FEMA examined the debris removal program in forested areas, and evaluated how the debris removal program can be also used to mitigate wildfires?

Mr. NIMMICH. The debris removal program is associated with a disaster. There are wildfires that qualify, and then there are some that are not. We have not had a request, nor have we reviewed how the debris removal program may remove what is normally a Forest Service requirement to take out the undergrowth or the challenges of the fuel for the fire.

Again, debris has to be associated with the disaster. So it would be removing the burnt debris out, rather than a pre—the debris program would not take out the fuels that exist pre-fire.

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

Mr. BARLETTA. Thank you. I expect there will be additional questions that will be submitted for the record. And I welcome Ranking Member Carson to submit any that he has, as well.

I would like to thank you all for your testimony. Your comments have been very helpful to today's discussion. I will now call on our second panel.

I thank you. On our second panel we have Mr. Glenn M. Cannon, director of Pennsylvania's Emergency Management Agency, National Emergency Management Association; Mr. Gayland Kitch, director of emergency management, city of Moore, Oklahoma, U.S. Council of the International Association of Emergency Managers; and Mr. Michael Finley, chairman, Confederated Tribes of the Colville Reservation.

I ask unanimous consent that our witnesses' full statements be included in the record.

[No response.]

Mr. BARLETTA. Without objection, so ordered. Since your written testimony has been made a part of the record, the subcommittee would request that you limit your oral testimony to 5 minutes.

Mr. Cannon, you may proceed.

TESTIMONY OF GLENN M. CANNON, ESQ., DIRECTOR, PENNSYLVANIA EMERGENCY MANAGEMENT AGENCY, ON BEHALF OF THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION; GAYLAND KITCH, DIRECTOR OF EMERGENCY MANAGEMENT, CITY OF MOORE, OKLAHOMA, ON BEHALF OF THE U.S. COUNCIL OF THE INTERNATIONAL ASSOCIATION OF EMERGENCY MANAGERS; AND MICHAEL O. FINLEY, CHAIRMAN, CONFEDERATED TRIBES OF THE COLVILLE RESERVATION

Mr. CANNON. Thank you, Chairman Barletta and Ranking Member Carson, for the opportunity to represent the National Emergency Management Association this morning, along with my home State of Pennsylvania, at this important hearing today.

Sandy was a unique storm in that, since it was so widespread, it gave us the opportunity, as a Nation, to reflect back on what happened: improvements that can be made, how to implement those improvements, and an evaluation of the final products. I will cover these aspects today of Sandy and her aftermath.

As Sandy moved towards the east coast, Pennsylvania closely monitored the storm and its projected tracks. The U.S. Army Corps of Engineers continually generated models utilizing the National Hurricane Center storm track predictions to project the storm's path and the anticipated catastrophic damages. We quickly deployed swift water rescue teams and other rescue assets, sought a Stafford Act declaration from the President, and prepared for the worst.

Sandy's actual landfall occurred north and east of those projections. But flooding, widespread wind damage, infrastructure damages, extensive power outages, and transportation interruptions occurred throughout our State.

The damage we experienced and subsequent Presidential disaster declaration was significant for us, but nothing near what our neighbors in New York, New Jersey, and Connecticut experienced. We are all well aware of the scale and scope of the damage to New Jersey. But the true story of success there is in the tremendous response and recovery they mounted. I worked with my counterpart there to help put together this testimony today, and he gave me some thoughts which he would like me to share with you.

In the month following the storm, New Jersey quickly began focusing on long-term recovery challenges. The Governor's Office of Recovery and Rebuilding directed all stakeholders in State government to consider strategic approaches to rebuild a safer, stronger, and more resilient State. Now, 11 months after the disaster, New Jersey is still working to meet unmet needs. But by continuing to work with HUD, utilizing community development block grant funding, working with their new reconstruction, rehabilitation, elevation, and mitigation program, and traditional FEMA programs, I am confident that they will prevail. And, as you recognize, they recently had a set-back with a fire on their boardwalk, which undid much of their work.

So far in New Jersey, FEMA's assistance has amounted to $1.1 billion in Federal allocations, $388 million approved for housing and other needs assistance, $650.6 million in Federal share obli-

gated for public assistance, and $35 million in Federal share for hazard mitigation.

After the storm, however, is when the real change started to come about. Your committee and partners in Congress swiftly moved to pass critical disaster aid, as well as the Sandy Recovery Improvement Act. Once NEMA had adequate time to address all these sweeping changes, the association has enthusiastically come to support this legislation. We dedicated more than 7 hours of discussion time on the agenda at our mid-year forum, just 3 weeks after its passage. We also submitted comments to FEMA on the new individual assistance program and the strategy of reducing costs of future disasters. These comments on the strategy have been submitted, along with my statement, for the record.

But perhaps nowhere have we seen firsthand the success of your legislation than in Oklahoma. After the massive sweep of tornadoes in Oklahoma back in May, they were able to act as the first test bed for the alternate procedures pilot program for debris removal. With that, they were able to utilize the sliding scale for accelerated debris removal, take advantage of recycling revenues from that debris, reimburse straight time for labor costs, and allow an increased Federal reimbursement share for two communities that had in place debris removal plans before the event. These reforms are working and demonstrating how Government can work smarter in disaster recovery.

So far, we applaud FEMA for their efforts and look forward to continuing our work with them and you to ensure the Sandy Recovery Improvement Act is implemented smartly.

Thank you again for the opportunity to testify, and I will look forward to any questions you might have.

Mr. BARLETTA. Thank you for your testimony, Mr. Cannon.

And, Mr. Kitch, you may proceed.

Mr. KITCH. Chairman Barletta, Ranking Member Carson, and distinguished members of the subcommittee, good morning to you. My name is Gayland Kitch, and I am representing the United States Council of the International Association of Emergency Managers. It is an honor to provide testimony today concerning recovering quicker and smarter from disaster.

During my 22 years as the director of emergency management for the city of Moore, Oklahoma, I have seen violent tornadoes damage parts of my city on several occasions. I suspect many of you watched our large, violent tornado live on television on the afternoon of Monday, May 20th, of this year. Winds in this storm are estimated to have been over 200 miles per hour. The damage from this storm has been rated by the National Weather Service as EF5.

The tornado began near New Castle, Oklahoma, and moved northeast into Oklahoma City. It entered my city at our west city limits and tore a path of destruction one-half-mile wide as it continued to track completely through Moore. Some 14 miles from its beginnings, the tornado finally dissipated east of my city. In its wake, the storm left 24 fatalities and hundreds of injuries. It destroyed more than 1,300 homes within my city, 2 elementary schools, our hospital, post office, some 50 businesses, and several beautiful parks.

Unfortunately, my city has a history with tornadoes, with 6 separate events in the past 15 years. This history includes another F–5 tornado, which occurred on May 3, 1999. The highest winds ever recorded, 316 miles an hour, were measured in that storm. More than 800 homes and numerous businesses were rebuilt then, after that.

We deeply appreciate the continuing support that this subcommittee has provided to the emergency management community, particularly your strong support in strengthening FEMA and in streamlining disaster assistance. This has contributed greatly to our city's preparedness and ability to respond and recovery from events, such as our recent tornadoes.

For instance, emergency management performance grant funding received by the city of Moore allows us to emphasize mitigation and preparedness activities. Many of these activities have promoted awareness of hazards and disasters within our community, and raised the level of preparedness of both our residents and responders alike.

In 2009, the city of Moore and the Moore public schools sent a dozen responders and school administrators to FEMA's Emergency Management Institute. There we learned about the various hazards at our schools, and were trained on how to plan for emergencies occurring at our educational campuses. Many of the lessons we learned at EMI were put into action during this last disaster and in previous emergencies.

Our city strongly endorses the hazard mitigation grant program. After the 1999 and 2003 tornadoes, HMGP funding assisted many of our residents in constructing safe rooms in their homes. As a result of this, safe rooms are now a widely accepted preventative measure for severe winds in our city and, indeed, throughout Oklahoma. Nearly 15 percent of the homes in our city now have safe rooms. And nearly a quarter of those had funding assistance through HMGP. There is no doubt that these safe rooms saved many lives on May 20th.

HMGP funding has also allowed us to expand our outdoor warning siren system as our community has grown, and we know that these sirens were a key component in alerting our residents and guests of impending danger during our recent storms.

As others have noted earlier today, our city has benefitted greatly from participation in FEMA's alternate procedures pilot program for debris removal that was part of the Sandy Recovery Improvement Act. This program afforded us the opportunity for reimbursement on a sliding scale, emphasizing expedient removal of some nearly 12,000 truckloads of tornado debris. From experience with previous events, we already knew the value of quickly cleaning our city, which promotes our swift rebuilding. However, this pilot program will result in an overall savings to our city conservatively approaching $1 million. We do have some suggestions for improvement to the pilot program, and we are passing those along.

As I conclude, let me recognize not only FEMA and their programs, which have been so well supported by this subcommittee, but also the efforts of the thousands of volunteers from all over the Nation which have helped our community to pick up and dust ourselves off, as well as the many generous, heartfelt donations that

we have received. Added to the Federal and State assistance and our own native Oklahoma resilience, we will soon return stronger and better. And our new motto is, "We are more strong."

Thank you. I will be happy to answer any questions you might have.

Mr. BARLETTA. Thank you for your testimony, Mr. Kitch.

Chairman Finley, you may proceed.

Mr. FINLEY. Thank you, Chairman. And good morning to you, Mr. Chairman and Ranking Member Carson. It is a pleasure and honor to be before you today to offer this testimony on behalf of the Confederated Tribes of the Colville Reservation. I presently serve as chairman. And this is now my fourth year as chairman for our tribes. We are located in northeast Washington State, have a land base of approximately 1.4 million acres, which is slightly larger than the State of Delaware. About 800,000 of those acres is forest timber property, which—historically, we have been a huge timber tribe, and that has been our main source of income for a number of years.

Before I begin I would like to express my appreciation on behalf of the tribes for the subcommittee and the full committee's work on implementing the amendments to the Stafford Act, and—that—which allows tribes to make declarations directly to the President, rather than going through States. I am going to speak about an incident that occurred on Colville prior to those amendments being made. But I just wanted to recognize that at the outset, that we are extremely appreciative. It is something that the tribes have been looking for for a number of years. I personally have been working on that. And we are just now grateful that the committee was able to recognize those concerns and bring them forward into law. So we are greatly appreciative for that.

In July of 2012 we suffered a pretty devastating disaster on Colville in the form of a wind storm and flash flooding that took place on several hundred thousand acres of our lands, but the primary focus, or at least the devastation, was more apparent in the center part of our reservation in our community of Keller. In some areas, the winds exceeded 100 miles an hour, which—in our area that is pretty extreme, given the large stands of timber that we have. They were unaware to sustain those winds, and so, consequently, a lot of our prime timber property in that area either broke in half or fell completely down. It was scattered all over that entire area.

As you might imagine, we do have a lot of community members that live in that area. They experienced extensive damage. You know, some houses were destroyed by fallen trees, outbuildings were destroyed by fallen trees. And a lot of the infrastructure—power lines, et cetera—fell victim to that storm, as well. And so it took us a while to gather the pieces, so to speak. And, as I stated, this was prior to the amendments being made. So, luckily, we had a good relationship with the State of Washington, and we were able to work with them on having them include those portions of our reservation in the declaration that ultimately was approved.

But in doing the work on the ground, our technical people had a lot of difficulty working with FEMA. There were a lot of laws, there were a lot of policies that really didn't apply to tribal lands,

and especially with the incident that we were dealing with on the ground. It occurred at a—in a area—in areas where a lot of our tribal members would gather traditional foods. A lot of our members are subsistence gatherers still. And so a lot of those trees crossed roadways and pathways that took our members to these areas. And so, because of that, they were unable to get to those areas. And some of the areas today they are still unable to get to, because the FEMA debris removal that you mentioned, Mr. Ranking Member Carson, didn't apply, and it still doesn't.

And so, not only did that create a problem for our people there, it creates a problem for fire hazards. We try to do our best to protect our forests and make them a sustainable—and to create a safer environment that was more like the historic levels that we once experienced. But, unfortunately, with those areas not applying to the Federal trust lands that we have on Colville Reservation, we are unable to clean up a lot of that, and a lot of it remains on the ground today, even drier than what they were before.

Another problem we had was getting an emergency preparedness plan in place. And we were unable to access any Federal dollars for that. We ultimately use our own tribal dollars to get the preliminary draft out for that, and that is the draft we used when this disaster struck.

And so, we are still at a disadvantage. We need the training and we need the resources to better equip our emergency management personnel. And I think that it isn't something that we need, the FEMA sponsored or supported training. We just—which is the current FEMA model. We need resources to do it ourselves. And we strongly believe we can do it ourselves. And we did a tremendous job, given the limited resources we had at the time.

We also need to improve the coordination with other Federal agencies. During the course of cleanup and response, we ran into a situation to where some of the equipment we needed was readily available through the Bureau of Indian Affairs, but there wasn't an appropriate mechanism in place that allowed us to use those. And so, instead of using the warehouse that was full of the generators and all the back-up stuff that we needed, we had to seek outside sources to get those.

So, I think moving in the future, if this committee could work on implementing MOUs or what have you through the Department of the Interior with BIA to have more access to those resources in the immediate nature, I think that would benefit not just Colville, but a lot of other tribes around the country.

Same with the National Interagency Fire Center. Again, they had radio repeaters, generators, and stuff that they had on their shelves that, you know, we were willing to pay at cost out of our pocket. But there wasn't a mechanism within DOI that allowed for that accounting to take place.

And so, I think there are just small changes that could be made that can help not just our tribe, but other tribes nationwide, as they face similar disasters on their homelands.

So, earlier, when Mr. Walz mentioned that due to technicalities they were unable to access certain funding streams to help to clean up the mess or to pay for some of the costs that were incurred as a result of the disaster, you know, we faced a number of those on

many different levels. And a lot of those are explained in my original testimony that I had submitted to you. So I encourage you to please look over those and take those into consideration as you implement changes to the FEMA, moving forward.

And lastly, I just want to mention this because it was a great burden to me, as a tribal leader, and to many of us working on the ground, that if FEMA's public assistance team, when they arrived, just the mere fact that they are named "Public Assistance" gave the false hope to our people that they are there to provide some of the most basic needs, such as drinking water, supplies, and tangible relief. But that was not the case. They were there for the Government to assess the damages to decide whether or not they met the threshold.

Ms. Edwards had mentioned earlier that she had a family member that was experiencing problems getting housing. We have the same problem at Colville with some of the lands that were—that sustained damage on Federal properties. The individual assistance program does not cover those damages on trust lands, incurred on trust structures on our reservation. So many of our tribal members live on our trust lands: 1.2 of the 1.4 million acres is in trust on Colville. So you can imagine that a lot of those properties that did sustain the damage, they were unable to access those programs.

And so, again, here—we would highly encourage you to look at those changes and consider them as you make amendments.

With that, that concludes my oral testimony at this time. I would be happy to answer any questions. I appreciate your time.

Mr. BARLETTA. Thank you for your testimony, Mr. Finley. I will now begin the first round of questions limited to 5 minutes for each Member. If there are any additional questions following the first round, we will have additional rounds of questions, as needed.

Mr. Cannon, I saw firsthand how devastating Hurricane Irene was and how our State was impacted by that and Hurricane Sandy. Can you tell us where you are in the rebuilding process for both of those disasters?

Mr. CANNON. We suffered significant housing loss in Irene and Lee, and then exacerbated with Sandy. So we have been moving forward with temporary housing, sheltering, and then into the mitigation program. And we are in the process now of conducting the buy-outs for the areas that are flood-prone and have repetitive flooding. That process is extremely bureaucratic and time-consuming. The environmental and historic reviews consume significant time.

And, additionally, in northeastern Pennsylvania, there are a lot of mineral rights that were transferred to someone 100 years ago that is no longer in existence. And under FEMA's policy, when you buy out a property nothing can be on the surface of that ground again. And so, the fear that someone from 100 years ago might show up and put some structure to remove the coal prevents that house from being able to be purchased. So we have been doing a lot of work trying to deal with the mineral rights issues as it delays the mitigation process.

You are probably aware that in Sandy, you know, we had extremely difficulty with that declaration and that process. I tried to get people to understand that there is a river called the Delaware

River that is between New Jersey and Pennsylvania. On the New Jersey side of the river they were declared; on the Pennsylvania side of the river they were not declared. And there certainly is no wall that goes down the middle of the river that stopped the storm. So, to go back to the public and try to explain that is extremely difficult.

One of the most amazing issues was the denial of emergency protective measures for the communities that prepared for Sandy as a historic event. You know, never heard of before, unprecedented. We took great steps to prepare for that storm. Pennsylvania is a Commonwealth with 2,600 local municipal governments. People preparing for that event spent their public works overtime money, their salt budgets for the winter, all getting ready, and then we are not reimbursed for that. So, the next time I approach them in the next major event, they will say, "I am sorry, but I can't do as much as I did the last time, because we just can't afford it."

And so, it was an amazing adventure to see a denial of a declaration not based in law and not based on the CFR, but on a new standard of review that evaluated how you prepared based on the threat by the impact you had after the event. No one knows what the impact is going to be when you have the storm of the century that you are preparing for.

So it has been difficult, and we continue to file appeals, and we will attempt to take every option available. Because at the end of it, of that process, are the people who suffer from these storms and these events.

Mr. BARLETTA. Thank you, Mr. Cannon. As a former mayor, I certainly understand what is involved in being prepared for a storm and the costs that are incurred, especially when so many communities are cash-strapped and do what they can to try to prevent lives from being lost and property lost, which—I certainly understand what you are saying.

From your perspective, how well has Federal coordination with State and local governments worked in the recovery process?

Mr. CANNON. That has been outstanding. Once we have gotten past our disagreements on things, the actual work itself has been outstanding. And I think key to the successful major disaster operations is the position called the Federal coordinating officer. And the FCO cadre, being highly skilled, highly trained, highly experienced, you know, they tend to try as much as possible to eliminate bureaucratic obstacles and to get the actual resources on the ground that people need to do it.

And so, we have had a great working relationship. And together, between State resources and Federal resources, I think we have done a real good job on that recovery, working through those issues. But overall, it has been very good.

Mr. BARLETTA. Thank you. The Chair recognizes Ranking Member Carson for his questions.

Mr. CARSON. Thank you, Mr. Chairman. Mr. Finley, in your testimony you suggest the need for tribes to hire and train as emergency managers. Has your tribe sent staff to FEMA's Emergency Management Institute for training, or do you have any suggestions on how FEMA can improve outreach about the availability of such training programs?

Mr. FINLEY. I don't have the exact answer for that, other than I know I have talked with some of our emergency response individuals, and they had expressed concern over some of that training. And I didn't get into the exact details, but if you are interested in having that information I can certainly get that for you and make that available to you as soon as I possibly can.

Mr. CARSON. It would be helpful. Thank you.

Mr. FINLEY. All right. Thank you.

Mr. CARSON. Mr. Kitch, do you have data or an estimate of how many of the private homes that are being built, or rebuilt, are incorporating mitigation activities such as safe rooms or different roofing techniques into the rebuilding of their homes? And what is the city doing to encourage residents to incorporate mitigation activities in their effort to rebuild?

Mr. KITCH. Ranking Member Carson, thank you for the question. The—we are seeing a lot of the homes that are being rebuilt incorporating some sort of safe room or shelter within them.

Mr. CARSON. Good.

Mr. KITCH. We will be encouraging that. Some of the long-term recovery money that we are just now starting to receive we will be earmarking for assistance with safe rooms. And I know that several of the homes that we have already seen go up already have those in them. So——

Mr. CARSON. OK.

Mr. KITCH. So there is quite a bit of activity with that. And I can tell you there is a lot of interest in my community for that, even from folks who weren't.

Mr. CARSON. Thank you. Mr. Cannon, based on your description, it sounds as though the State of Pennsylvania engaged in extensive preparedness for Hurricane Sandy's landfall. How have the extensive preparedness activities affected the State's recovery effort?

Mr. CANNON. Well, certainly, where it really makes a difference is in the response to the event immediately. Because when you lean forward and prepare those resources, you can minimize loss of life and suffering.

But on top of that, making sure that we prepare in terms of each county and each local government's preparedness reduces the impact, as well. So, when you can get people to evacuate ahead of time, rather than in the middle of the night, when your shelter system is open and in place, when you have done hazard mitigation planning on the front end, all of that helps reduce the impact to these bad events. It is when nothing has been done, and people just are lost, that it makes the situation much, much worse.

Mr. CARSON. Well, given the number of storms experienced in Oklahoma, I found it quite interesting in your testimony that you stated that most of the Oklahoma communities do not have debris management plans. Do you think that this is commonplace? And, if so, what is the reason?

Mr. CANNON. I believe it is.

Mr. CARSON. OK.

Mr. CANNON. And it is within the Improvement Act that the new pilot program will incentivize the local government to have a debris removal plan. So, while that hasn't been the case in the past, I be-

lieve we will see significant numbers of communities with those plans in the future.

Mr. CARSON. OK. Thank you, Mr. Chairman. I yield back my time.

Mr. BARLETTA. Thank you, Ranking Member Carson. And the Chair recognizes Mr. Mullin for 5 minutes.

Mr. MULLIN. Thank you, Mr. Chairman. My question will be to Mr. Kitch. You know, the idea that you have recently had to go through this horrific event and more, I would be curious to know, like I said when I had the opportunity to introduce you, the mistakes that you made that you got to correct with your second time and your third time going through this.

On the first time I know you had to make mistakes. Not that they were detrimental mistakes, but they were mistakes. So could you share with this committee maybe some lessons that you learned, some things that you did different that maybe we could all take away and maybe apply them to different areas of the country if this ever happens again?

Mr. KITCH. Thank you, Representative Mullin. Some of the challenges that I think that we have identified out of this round of tornadoes, number one, is our sheltering. As we spoke about a moment ago, we are working more on individual safe rooms for the residents of our city.

For those who may not be from Oklahoma, we don't build basements there to a great degree, because the soils just don't allow that sort of thing to be done and—without the concrete cracking and them filling up with water.

We also have recognized that we have a significant issue in sheltering in some of our public buildings such as our schools. And we have an initiative right now in our State legislature. We have several State legislators who are attempting to gather interest in a large bond from the State that would require and allow funding for the building of shelters in each one of our schools for the children and the staff that work there.

The other challenge that we have definitely identified is that we are a little bit weak in our management of donations. We have received—you just cannot understand the amount of heartfelt donations that we have received from all over the country, and actually, from all over the world, that have come in by the truckloads. And the challenge there is that not all of the donations are necessarily appropriate for the type of event that we had, or the population of our city. And then the issue that goes along with, well, where do we put all of the stuff, how do we sort it, how do we make it available to those who do have needs, and what do we do with the rest of it.

So, there is some significant challenges. And I don't know that we have necessarily had mistakes as such, but the—there is definitely a lot of work to be done in front of us.

Mr. MULLIN. Did you by any chance come up with a solution? I mean did you donate some of material back to other shelters?

Mr. KITCH. The materials that we received—and are still receiving, I should add—were finally warehoused by the State. And my understanding is that they have, I think, taken care of most of that. And I am sure that a lot of that——

Mr. MULLIN. OK.

Mr. KITCH [continuing]. Went elsewhere to other disasters. I can tell you all of these shelters in Oklahoma were completely full of items. And even our nonprofits——

Mr. MULLIN. Right.

Mr. KITCH. We received, you know, truckloads of diapers.

Mr. MULLIN. Let me ask you one more question. Seeing that you have just gone through this disaster again, what kind of hurdles did you face with the coordinating between Federal and local situations that maybe could have helped speed up the situation to get help in areas of need?

Mr. KITCH. We have actually been very pleased with this round, with the response from FEMA and their Federal partners. Having done this before, it hasn't always been that way. But I can tell you that during this round of tornadoes, FEMA's—some of their streamlined programs have certainly helped.

And they have also streamlined some of their own procedures internally. I can tell you that within a day or two, that I had a—FEMA's single point of contact that was—he almost lived in my office with me for a while. And when he wasn't in my office, he was in our city manager's office. And he was our go-between for everything FEMA. And if we had a question, it didn't matter which part of FEMA we needed to deal with, he was our contact. And he—in addition to being just an outstanding gentleman to begin with, he completely streamlined that process for us. And I can tell you that my city management is so appreciative of that.

Mr. MULLIN. Thank you. Mr. Chairman, I yield back.

Mr. BARLETTA. Thank you, Mr. Mullin. Mr. Kitch, in your testimony you account what happened leading up to the tornadoes in May. One aspect in particular you highlight was the importance of alerting the public in as many ways as possible.

Our committee has a long history of overseeing the development of FEMA's integrated public alert and warning system, IPAWS, and we are exploring authorizing legislation as part of the FEMA reauthorization. Can you talk about how effective public alerts were, and did you utilize FEMA's alerting system?

Mr. KITCH. Mr. Chairman, the IPAWS system, or the alerting system, is just starting to come online in Oklahoma right now. My understanding was that there was some limited alerting through that on May 20th. My particular device did not receive that. I have an older device, and it is not quite there yet.

But I do know that there was some very limited use of that. So at this time it is probably not quite ready. At least—it is probably ready today. If we were to have the same event today, we would probably have a lot more to say about that. But it just wasn't quite deployed at the time of our tornado.

Mr. BARLETTA. You also mentioned in your testimony how critical emergency management preparedness grants are in preparing the city of Moore for disasters. Can you explain how these funds helped prepare your city?

Mr. KITCH. Absolutely. We have been a recipient of the emergency management performance grant for some many years, probably about 15 years, the entire time that we have had an emergency management full-time program. And without those funds,

first of all, we probably wouldn't have an emergency management program and an emergency manager. We would probably still be in the days of having a volunteer emergency manager that worked either at some other job or may not even have been an employee of our city.

The funds allow us to have the office, allow us to have the person, which then allows us to be more proactive in our city to write the plans that are necessary, to work with our citizens, to make trips to our senior citizens center, to work with the seniors on their preparedness activities. It is so critical to us.

And I can tell you, as a person that is very active in Oklahoma emergency management throughout the State, that we literally would not have nearly the number of emergency managers in our State that we do now without these funds. They are absolutely critical, particularly in our smaller jurisdictions.

Mr. BARLETTA. Mr. Cannon, the Sandy Recovery Improvement Act included an arbitration program to ensure there is a neutral process for resolving eligibility disputes between FEMA and the States. What do you think the benefits of these arbitration processes are, from a State's perspective?

Mr. CANNON. It is one of the things in the Act that we really appreciate and look forward to it being successful. One of the greatest weaknesses in the relationship between FEMA and States is the ability to, one, have transparency of the process, but, two, to have a forum in which to appeal those decisions.

When you file for a declaration and it is denied, your appeal goes back to the very person who denied you. And when you appeal that appeal, it goes back to that same person again. So you never have a chance to have a hearing on the issues.

Now, after Katrina there was also an arbitration procedure temporarily in the Post-Katrina Reform Act for Katrina and Rita. That since had expired. You included one in this Act that is for Sandy.

I think what we really need to is get some kind of a dispute resolution process that is permanent and ongoing in these relationships, so that we have a chance to understand why we were denied, but also to provide the argument on the merits that maybe something had been misinterpreted. There is no forum to do that. So I was—and most of my colleagues, as State directors, were very glad to see this arbitration section within the Sandy Improvement Act.

Mr. BARLETTA. Mr. Finley, are there additional reforms or clarifications in the law that are needed to further streamline the rebuilding process? And, if so, what would they be?

Mr. FINLEY. Yes. For tribal lands I think maybe needs—there need to be some explicit language that distinguishes beyond urban parks, trees, debris that cover areas, access to those urban park areas, access to fishing areas, that would include more of an inclusive understanding and appreciation of the tribal perspective, that there are many tribes in this country that still rely on subsistence gathering activities, and that those roadways and pathways that obstruct those areas should be viewed in the same context as those others who are explicitly considered within the laws that exist today.

Mr. BARLETTA. Mr. Kitch, how can we further streamline the rebuilding process?

Mr. KITCH. The—one of the areas that I think that needs just a little bit of work is in the hazard mitigation planning process. We are finding that very cumbersome. I know that my jurisdiction, along with our county and another jurisdiction in our county, have been working on our plan for nearly 2 years now. And it seems to be being bounced back and forth between our vendor and our FEMA folks and our emergency managers. So that would certainly be one way.

And the other way would simply to be continuing the support of the programs that we have now.

Mr. BARLETTA. Mr. Cannon, what would further—streamlining can we do for the rebuilding process?

Mr. CANNON. I think these are some good steps that you have already included. I think now—and I think Mr. Nimmich referred to it—the problem is right now it is just at the beginning. So they really haven't been tested and evaluated and implemented from real use.

And so, right now, everything is projecting that it is going to be better. But there is no doubt that when you are trying to provide assistance to people, the process just slows it down greatly. So we have to eliminate as much bureaucracy as we can from the decisionmaking process and the implementation process.

Mr. BARLETTA. Thank you. Ranking Member, a question?

[No response.]

Mr. BARLETTA. I would like to thank all of you for your testimony. Your comments have been helpful to today's discussion. I would also like to thank Ranking Member Carson on his first day. His experience in law enforcement will be a great addition——

Mr. CARSON. Thank you, Mr. Chairman.

Mr. BARLETTA [continuing]. To this committee.

Mr. CARSON. Thank you.

Mr. BARLETTA. I would ask unanimous consent that the record of today's hearing remain open until such time as our witnesses have provided answers to any questions that may be submitted to them in writing, and unanimous consent that the record remain open for 15 days for any additional comments and information submitted by Members or witnesses to be included in the record of today's hearing.

[No response.]

Mr. BARLETTA. Without objection, so ordered. I would like to thank our witnesses again for their testimony today. If no other Members have anything to add, this subcommittee stands adjourned.

[Whereupon, at 11:54 a.m., the subcommittee was adjourned.]

STATEMENT

OF

JOSEPH L. NIMMICH
ASSOCIATE ADMINISTRATOR
OFFICE OF RESPONSE AND RECOVERY

FEDERAL EMERGENCY MANAGEMENT AGENCY
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

"FEMA REAUTHORIZATION: RECOVERING QUICKER AND SMARTER"

Submitted
By

Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20472

SEPTEMBER 18, 2013

Introduction

Chairman Barletta, Ranking Member Carson and Members of the Subcommittee: Good morning. I am Joseph Nimmich, the Associate Administrator for the Office of Response and Recovery for the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA).

I am here today to discuss how FEMA is continuing to assist communities affected by Hurricane Sandy, the tornadoes in Oklahoma and the numerous floods in the Midwest and Alaska, as well as how we are using the new authorities provided by the Sandy Recovery Improvement Act of 2013 (SRIA). At FEMA, we are committed to helping survivors and that guides our approach to everything we do – whether that be stabilizing an area in support of first responders, providing public or individual assistance or supporting long term infrastructure rebuilding in an area that has been damaged. Wherever disaster may strike, FEMA is committed to help our fellow citizens heal their communities and move forward on the road to recovery.

Response and Recovery for Hurricane Sandy

On the evening of October 29, 2012, Hurricane Sandy made landfall in southern New Jersey, with impacts felt across 24 states. The storm battered the East Coast – particularly the densely-populated New York and New Jersey coasts – with heavy rain, strong winds and record storm surges.

In Sandy's immediate aftermath, more than 23,000 people sought refuge in temporary shelters, and more than 8.5 million customers lost power. The storm flooded numerous roads and tunnels, blocked transportation corridors and deposited extensive debris along the coastline.

At the direction of President Obama, FEMA coordinated the federal government's response and support for the critical emergency needs of affected states.

Hurricane Sandy led to 13 major presidential disaster declarations, and was the catalyst for one of the largest personnel deployments in FEMA's history. These declarations provided direct federal assistance to many communities through FEMA's Individual Assistance (IA), Public Assistance (PA) and the Hazard Mitigation Grant Program (HMGP).

FEMA coordinated with its interagency partners to provide federal resources to the response effort and to develop innovative programs to address power restoration, transportation, fuel distribution, and housing needs.

In the immediate aftermath, FEMA established the Energy Restoration Task Force at the President's direction to better coordinate federal, state, tribal, local and private sector efforts to restore power to the impacted areas as quickly as possible. The Task Force assisted in supplementing a massive private power restoration effort. Electric utilities from across the nation

executed mutual aid agreements to deploy more than 70,000 workers to the impacted areas – the largest ever dispatch of utility workers.

Today, FEMA works hand in hand with the Department of Energy, institutionalizing these lessons learned in emergency management from Hurricane Sandy and ensuring key energy issues are addressed quickly.

Additionally, the President authorized a temporary 100 percent federal cost share for emergency power restoration and emergency public transportation assistance, including emergency protective measures to secure public transportation infrastructure. FEMA also issued an interim final rule authorizing, for a limited time, the reimbursement of straight or regular time salaries and benefits of employees of Public Assistance applicants who performed disaster-related debris removal work.

To address the high cost of living in the region, FEMA increased the amount of rental assistance available to survivors in New York and New Jersey to 125 percent of the published Fair Market Rent rate. The necessary increase made an additional 3,000 rental resources available to survivors across New York and New Jersey.

On November 6, FEMA convened a Hurricane Sandy Catastrophic Disaster Housing Task Force to support the state-led task forces' efforts to plan for survivors' temporary and long-term housing needs.

FEMA also tapped into its Innovation Team to discover ways to deliver the services more efficiently – and those ideas were put to use. Following the storm, FEMA analyzed satellite and aerial imagery to determine what areas were inaccessible and expedited short-term rental assistance to residents that needed it most. In addition, FEMA employees – supplemented by DHS surge capacity force volunteers and FEMA Corps members, went door-to-door in some areas using tablet computers to help residents sign up for disaster relief without leaving their homes, even if they had lost power and internet access.

In the aftermath of the storm, FEMA provided 20 million liters of water, 16 million meals, nearly two million blankets and roughly 80,000 cots for survivors.

To meet survivor needs, FEMA deployed more than 1,700 Community Relations personnel to explain available programs and assist survivors registering for federal aid. FEMA personnel established a large presence of Disaster Recovery Centers (DRCs), including 37 centers in New York and 35 in New Jersey. FEMA call centers supported these field elements and survivors, while registering more than half a million survivors for federal assistance. All told, more than 17,000 federal personnel, including 7,500 FEMA staff were deployed to support response and recovery efforts.

The Individuals and Households Program (IHP) provides financial assistance and direct services to survivors to address their critical needs. As of September 5, 2013, FEMA has approved more than $1.4 billion in IHP assistance for Hurricane Sandy survivors.

The PA program awards grants to assist state, local, and tribal governments, as well as certain private nonprofits, with response and recovery efforts. As of September 5, 2013, FEMA has obligated nearly $2.8 billion in Hurricane Sandy PA grants.

FEMA is working closely with its partners to formulate project worksheet (PW) and process subgrants to address damage caused by Sandy. One of the ways in which FEMA is able to provide financial reimbursement to local governments is through Expedited Payments, which help local communities recover more quickly. These are commonly referred to as Expedited PWs. FEMA obligates a portion of the federal share of the estimated cost of work under Category A (Debris Removal) and Category B (Emergency Protective Measures), as estimated during the preliminary damage assessment. FEMA is also aggressively applying the Sandy Recovery Improvement Act programs, which I will discuss shortly.

Additionally, FEMA is supporting local governments whose budgets became strained as a result of the storm, offering Community Disaster Loan Program (CDL) funding for affected communities. The CDL program provides federal loans to local governments that are having difficulty providing government services because of a loss in tax or other revenue following a disaster. Thus far FEMA has provided 60 loans totaling $174 million to communities impacted by Hurricane Sandy.

The HMGP assists state, local, and tribal governments with implementing long-term hazard mitigation measures. In New York and New Jersey, FEMA mitigation staff continues to work closely with State Hazard Mitigation Officers to discuss the states' Hazard Mitigation Plans, types of projects available and how best to proceed with long-term hazard mitigation.

The Sandy Recovery Improvement Act (SRIA)

In January 2013, President Obama signed SRIA into law, authorizing several significant changes to the way FEMA delivers disaster assistance. SRIA is one of the most significant pieces of legislation impacting disaster response and recovery since the Post-Katrina Emergency Management Reform Act of 2006 and builds upon the Robert T. Stafford Emergency Relief and Disaster Assistance Act.

SRIA's various provisions are all intended to improve the efficacy and availability of FEMA disaster assistance and make the most cost-effective use of taxpayer dollars. FEMA is currently implementing the provisions of SRIA and the accompanying Disaster Relief Appropriations Act of 2013.

The agency has begun this work in earnest and has implemented or is nearing implementation for the following provisions from SRIA:

- Public Assistance Alternative Procedures for Permanent Work is a statutorily-authorized pilot program that provides substantially greater flexibility in project formulation and execution for applicants. Applicants accept grants based on fixed, capped estimates. Through this pilot, FEMA may accept project cost estimates that have been verified by licensed engineers, and the agency can fund an entire project based on the estimate rather than actual costs. Applicants may combine projects or pursue alternate projects without penalty. The alternative procedures are designed to expedite assistance, increase flexibility, lower administrative costs and speed recovery.

- Public Assistance Alternative Procedures for Debris Removal is a package of incentives to speed debris removal and encourage pre-disaster debris planning, including sliding scale cost share adjustments for rapid debris removal; a one-time, two percent additional cost share adjustment if an acceptable debris management plan is in place before the disaster; reimbursement for force account labor used in conducting debris removal; and provides for the applicant to retain proceeds from recycling debris. FEMA first implemented these procedures following the devastating tornadoes in Oklahoma in May 2013, and the statutorily-authorized pilot was implemented nationwide on June 28, 2013. The debris pilot will last for one year, with the option to extend the pilot if operations warrant. The pilot program will serve as a bridging strategy and data collection effort to inform the development of federal regulations promulgated pursuant to the Administrative Procedure Act, which affords interested members of the public an opportunity to participate in the rulemaking and submit comments. In determining whether to extend the pilot each year, FEMA will consult with DHS, the National Security Staff (NSS), and the Office of Management and Budget (OMB) not less than 90 days before the end of the one year pilot period.

- SRIA amended the statutory provision for HMGP to enable FEMA to: 1) set up a pilot program to enable states to administer certain aspects of the program if specific conditions are met; (2) provide not more than 25 percent of the amount of the estimated cost of hazard mitigation measures before eligible costs are incurred; and (3) streamline environmental and historic preservation review processes. FEMA issued guidance for all of these procedures in the spring of 2013.

- SRIA has given federally-recognized tribal governments the option of requesting an emergency or major disaster declaration to the President, through the FEMA Regional Administrator, instead of through a state. Thus far, FEMA has processed and the President has approved "major" disaster declaration requests from four tribes: the Eastern Band of Cherokee Indians, the Navajo Nation, the Standing Rock Sioux Tribe of North

and South Dakota, and the Karuk Tribe. With these declarations, Public Assistance and Hazard Mitigation Grant Program funding is being provided to the tribes.

- Dispute Resolution/Arbitration is a statutorily-mandated pilot program for Public Assistance disputes. A final rule implementing the program was published in the Federal Register on August 16, 2013. This program will be available for disputes of at least $1,000,000, where the applicant bears a non-federal cost share, arising from disasters declared after October 30, 2012, and the applicant has completed a first appeal with FEMA. Requests for arbitration may be made until December 31, 2015.

FEMA is currently developing specific implementation procedures for each new authority and will continue implementation through a combination of a grantee engagement potential rulemaking and/or the development of policy or other guidance documents.

Lessons Learned from Hurricane Sandy and FEMA's After Action Report

FEMA is also taking steps outside of the legislative process to improve its response to disasters, recently developing a Hurricane Sandy After-Action Report that reviewed all aspects of the Agency's preparations for, immediate response to and initial recovery from the October 2012 storm.

Administrator Fugate established the Sandy Analysis Team to develop the Agency's after-action report. The team compiled an event chronology, analyzed more than 40 FEMA component submissions on lessons learned from the storm, and interviewed more than 200 personnel from FEMA and other federal departments, as well as state and local governments.

The Hurricane Sandy After-Action Report identifies the Agency's strengths and more importantly provides recommendations to improve FEMA's response and recovery efforts. The report identifies four central themes for improvement:

- Ensuring unity of effort across the federal response: The severity of the storm underscored several areas for improvement related to FEMA's ability to coordinate federal operations, including integrating senior leader communications into response and recovery operations; coordinating resources through the Emergency and Recovery Support Functions (ESF and RSF respectively); refining the mission assignment process; and using analysis to drive operational decision-making.

  Next steps include developing appropriate training, exercises, and outreach programs to foster greater coordination and communication among ESFs and RSFs, making the mission assignment process as efficient and transparent as possible, and improving efficiencies in the way FEMA provides support to large-scale events. Additional recommendations address implementation of the Agency's Lessons Learned/Continuous Improvement Program (LL/CIP).

In support of this effort, FEMA/National Exercise Division recently supported the National Security Staff in their conduct of a Principals' Level Exercise (PLE) for Cabinet members to review their roles, responsibilities, and authorities within the National Response Framework (NRF), the National Disaster Recovery Framework (NDRF), and the National Continuity Policy (NCP). Conducted prior to the start of the 2013 hurricane season, the exercise examined issues identified during previous incidents including interagency coordination during the 2012 hurricane season and, in particular, Hurricane Sandy. The discussion-based exercise focused on two central issues: the actions and mechanisms required to ensure a coordinated and rapid delivery of Federal support prior to and following a major storm threatening the U.S. mainland and the actions and requirements necessary to ensure continuation of the National Essential Functions (NEFs) and Primary Mission Essential Functions (PMEFs) in each department and agency.

- Being survivor-centric: Leadership at FEMA adopted a "cut the red tape" posture to better serve survivors and communities, but opportunities remain, including meeting survivors' needs during initial interactions with FEMA; ensuring all survivors have equal access to services; and reducing the complexity of the public assistance program.

- Fostering unity of effort across the whole community: Sandy highlighted the need for FEMA to improve coordination with tribal governments and clarify how the agency interacts with local governments in disasters affecting large urban areas.

  Recommendations include anticipating cities' resource requirements and understanding their capabilities, coordinating directly with local jurisdictions when it supports a forward-leaning response, promoting better integration between states and large urban governments, including encouraging local and tribal participation in the Unified Coordination Group where appropriate, and preparing response teams to handle incidents where state, local and tribal jurisdictions require clarification of the roles and responsibilities or have differing priorities during an incident.

- Developing an agile, professional, emergency management workforce: In response to Sandy, FEMA completed one of the largest personnel deployments in its history. FEMA is committed to supporting disaster survivors and their communities through the most effective and efficient means possible. In support of this commitment, FEMA has sought to expand, improve and diversify its disaster workforce. One example of a successful improvement is the DHS Surge Capacity Force (SCF), which is comprised of volunteer employees from various DHS components that are activated during catastrophic or large scale events when required. Currently the SCF has 3,901 volunteers, all of whom receive basic FEMA disaster assistance training prior to deployment. Sandy marked the historic

inaugural activation of the SCF, with more than 1,100 SCF volunteers deploying in support of response and recovery efforts. The contributions of the SCF volunteers and other FEMA personnel in the areas of Community Relations and IA resulted in more than 182,000 survivors receiving more than $1.42 billion in assistance as of September 5, 2013.

Further, beginning in April 2013, FEMA undertook a one-year pilot project to restructure its Incident Management Assistance Teams (IMATs) to provide increased capability by representing more FEMA programs and interagency representatives and by leveraging the hiring flexibilities provided by the Robert T. Stafford Disaster Relief and Emergency Assistance Act. These three pilot teams will have 32 full-time, excepted service FEMA employees. These teams completed a rigorous 12 week training program and are prepared to deploy now. These teams will represent 13 different FEMA offices with the potential for including up to nine representatives from ESFs and interagency partners. ESF partners have begun assigning personnel to these teams. This broad range of program representation at the field level will provide FEMA and its Federal partners with increased capability to support its state and local partners in helping disaster survivors. At the completion of the one year pilot period, FEMA will review the pilot IMAT team performance in consultation with DHS, the National Security Staff (NSS), and the Office of Management and Budget (OMB) and determine whether the program should be revised or expanded.

FEMA is continuing implementation of the FEMA Qualification System, improving plans and processes to support the logistical and administrative needs of a large deployed workforce, and improving continuity of operations and devolution plans to account for large-scale deployments.

FEMA has established a senior-level Continuous Improvement Working Group to track implementation of the recommendations and next steps included in the report. Over thirty percent of the report's recommendations have been implemented already, with 90 percent expected to be completed by year's end.

Response and Recovery from the Oklahoma Tornadoes

From May 18-20, 2013, a band of severe weather – including several tornadoes – impacted Oklahoma, with an EF-5 twister touching down near the cities of Moore, Oklahoma City and Newcastle. These storms had wind speeds of over 200 miles per hour, leaving massive destruction.

On May 20, the state of Oklahoma requested and received a major presidential disaster declaration. The declaration, and subsequent amendments, authorized PA for twenty counties

and IA for one county. Eight counties received both IA and PA. The declaration also included the HMGP statewide.

Within 24 hours of the declaration, FEMA opened two Mobile Registration Intake Centers (MRICs) in the affected cities of Shawnee and Moore.

Less than two weeks after the initial band of storms hit, another EF-3 tornado struck, this time in the city of El Reno. It was reported by the National Weather Service as having a record-breaking width of 2.6 miles.

FEMA was there after both events, providing assistance and helping survivors on their long road to recovery.

In addition to the MRICs, FEMA deployed its newly formed Disaster Survivor Assistance Teams (DSATs) to go door to door to register survivors in the field. DSATs provide on-site registration, applicant status checks, expedited delivery of disaster assistance, on-the-spot needs assessment; and provide access to Federal, state, tribal, local and non-government entities offering survivor services as needed.

Geospatial mapping and imagery was also used to provide information to first responders and emergency managers about damaged areas, making FEMA's assistance to survivors quicker and more effective.

The state has received 138 requests for public assistance and 136 have been approved.

Pursuant to SRIA, FEMA also implemented a debris pilot program in Oklahoma to expedite the removal of debris. As of September 4, approximately 1,191,328 cubic yards of an estimated of 1,241,880 cubic yards of debris had been removed – with more than 40 percent of debris removed within the first 30 days and 96 percent of the debris removed in 90 days. This has allowed the community to start rebuilding homes sooner and the community to recover more quickly.

Under the pilot, communities also have financial incentives to remove debris in a timely manner after an incident and to have a pre-incident debris management plan. Twenty-two applicants have requested participation in the debris pilot program. Three of those applicants already had debris management plans in place, which allows for an increased federal cost-share.

FEMA continues to coordinate the ongoing recovery efforts to help survivors rebuild their communities and give residents the assistance they need to move forward.

Response and Recovery from the Flooding in Illinois

Federal assistance continues to flow to Illinois as the state recovers from storms and flooding that occurred there from April 16 to May 5. About $1.5 million has now been obligated to help state, local governments and certain private nonprofit organizations recover.

This federal assistance is available for debris removal, and materials – including gravel and sandbags – equipment, and overtime used in responding to the spring's severe weather event.

Thus far, more than 600 requests for Public Assistance have been submitted, with 40 counties eligible.

To date, $155 million has been disbursed to individuals and families for their recovery.

Response and Recovery from the Flooding in Alaska

FEMA is using the authority provided by Congress to authorities to implement innovative solutions to address unique challenges in Alaska and help communities recover and rebuild stronger in Galena and Eagle, where the promise of winter demands swift action.

When an ice jam caused flooding in Eagle 2009, the President declared a major national disaster and FEMA got to work, helping the community rebuild even stronger than before.

Shortly after the flood and with FEMA's assistance, the Village of Eagle moved from the water's edge in an effort to stop the repetitive losses from annual spring flooding. As a result, when another flood struck this year, there was no loss of life, injuries or damage to personal property.

FEMA works hard to meet the unique needs of survivors on the ground in Alaska, which offers many challenges to rebuilding affected communities.

For example, FEMA provided grants for communities whose fish wheels were damaged during flooding. Fish wheels are devices that Alaskans use to catch fish, a life-sustaining necessity for subsistence cultures in remote parts of the State.

After flooding in Galena this May, many of the town's buildings were swamped by as much as seven feet of water. Following a major disaster declaration, FEMA began to offer assistance, working with partners at the state, local, tribal and federal level including the Alaska Division of Homeland Security and Emergency Management, the National Weather Service, the U.S. Coast Guard and the U.S. Department of Defense to provide aid. That aid is available to state, tribal and eligible local governments for emergency work, debris removal and the repair and or replacement of facilities damaged by the flooding.

A major priority at the moment is to rebuild as much as possible before hard winter sets in. In addition to limitations brought on by colder weather, rebuilding is more challenging in Alaska than in other places in the U.S. because of the vast distances and limited road system, so materials must be brought in using planes or barges.

FEMA is also working with the Salvation Army and the Red Cross to prepare meals for those in need.

FEMA also coordinated with the state to setup a Disaster Recovery Center (DRC) in Fairbanks, which is staffed by disaster recovery specialists who provide information and answer questions for local residents.

To ensure it captures the local perspective that is so critical in Alaska, FEMA is also currently looking for local hires, including positions for applicant service program specialists, writing and resource specialists and administrative assistants.

Conclusion

At FEMA, we seek constant improvement to better support America's disaster survivors, citizens, first responders, and communities. We cannot make survivors whole after a disaster but by implementing lessons learned and by the authority given to us by Congress under SRIA, we are confident that more effective and efficient FEMA programs will provide survivors with the assistance, flexibility and incentives they need to speed recovery and become more resilient.

We look forward to continuing to work with Congress toward this common goal. Thank you.

Question#:	1
Topic:	FMAG 1
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)
Name:	Joseph Nimmich, FEMA Associate Administrator for the Office of Response and Recovery
Organization:	U.S. Department of Homeland Security

Question: Concerns have been raised recently about the process for approving applications for the Fire Management Assistance Grant (FMAG) program. Existing regulations set out both cost thresholds for individual fires and cumulative state cost thresholds. However, it also seems that various FEMA regions are using an arbitrary standard of 50, 100 or over 250 houses threatened as an inordinately large influence in deciding if a FMAG application will be approved. This standard is not stated in any federal guidance documents and may unfairly affect suburban and rural areas' applications.

What is the standard for approving an FMAG application?

Response: In order to approve an FMAG, the Regional Administrator must determine that the fire or fire complex threatens such destruction as would constitute a major disaster. The following four criteria from 44 CFR part 204.21 are used to evaluate the threat of a fire or fire complex:

(1) Threat to lives and improved property, including threats to critical facilities/infrastructure, and critical watershed areas;
(2) Availability of State and local firefighting resources;
(3) High fire danger conditions, as indicated by nationally accepted indices such as the National Fire Danger Ratings System; and
(4) Potential major economic impact.

In analyzing these criteria with respect to specific fires or complexes, Regional Administrators typically focus on threat to populated areas, in particular the number of residences and total population threatened, as well as the threat to public and private infrastructure. The Regional Administrators also examine the amount of firefighting resources expended on the fire at the time of the request, and also estimate the resources likely needed to control the fire. Finally, with respect to economic impact, in addition to population, homes, and infrastructure threatened, the Regional Administrator will also look at other potential effects on the area's economy, including impacts to local businesses and tourism.

Question#:	1
Topic:	FMAG 1
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)
Name:	Joseph Nimmich, FEMA Associate Administrator for the Office of Response and Recovery
Organization:	U.S. Department of Homeland Security

Question: What steps is FEMA taking to make sure that FMAG applications are considered equitably around the nation?

Response: FEMA holds regularly scheduled conference calls with the FEMA Regional Administrators to ensure adequate coordination and consistency in the FMAG program among the FEMA Regions.

Question#:	2
Topic:	FMAG 2
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: The current FMAG Program Guide was last updated in 2011 and listed on the FEMA website as being in "Draft" form. Does FEMA intend to review and update this document? When will it be released as a "final" document?

Response: The final draft of the FMAG Guide is in concurrence for the Administrator's approval to publish. We expect it to be approved and published by the end of the year.

Question#:	3
Topic:	wildland fires
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: Wildland fires can destroy large areas of vegetation, which increases the risk of flash floods during subsequent rainstorms. Unfortunately, the Hazard Mitigation Assistance grant program does not provide funding to affected jurisdictions quickly enough for them to take the necessary steps to mitigate the increased danger of flash flooding after wildland fires. Such mitigation activities are not eligible under the FMAG program. What assistance can FEMA provide to help local communities, such as those in California or Colorado, to quickly mitigate the danger of flash flooding after a wildland fires?

Response: The Hazard Mitigation Grant Program (HMGP) provides funding after a Presidential major disaster declaration for activities that provide a beneficial impact to the disaster area. The HMGP may provide assistance quickly after a disaster and is a potential mechanism for quickly mitigating the danger of flash flooding. FEMA recommends that states encourage local communities to identify potential projects in accordance with their local hazard mitigation plans so that they can quickly develop and submit applications to the state once a disaster occurs. States ultimately set their timetables for prioritizing projects and submitting HMGP applications to FEMA. Some States take as long as 18-months to submit their HMGP applications. There are also instances where States have submitted applications immediately after a disaster and FEMA has acted quickly. For example, after Hurricanes Irene and Tropical Storm Lee, FEMA was able to obligate $47 million dollars to the State of NJ within six months of the disaster (of which $28 million dollars was obligated within 90-days), to complete 237 acquisitions and 71 elevations. In Mississippi, two safe room projects were approved by FEMA within 2-weeks of the disaster declaration. FEMA implemented several HMGP initiatives after the President signed the Sandy Recovery Improvement Act of 2013 (SRIA) into Law on January 29, 2013. These initiatives are meant to reduce applicant burden and expedite HMGP application review. FEMA has made advance assistance, one of the SRIA HMGP initiatives, available to states after a declaration. These funds, when requested, can be used by States and local communities to collect data and develop projects, and facilitate the application process.

HMGP projects must meet all Federal, State and local laws and requirements. Also, Grantees must ensure that no Duplication Of Benefits (DOB) exists between the HMGP award and funding available for the same purpose as required by Section 312 of the Stafford Act. HMGP funds cannot duplicate funds received by or available to Applicants or subapplicants from other sources for the same purpose.

Question#:	3
Topic:	wildland fires
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Funding is only available for HMGP project applications that are cost effective and technically feasible. Cost effectiveness is determined by using a benefit cost analysis process, which relies on the probability of future damages occurring to specific structures. FEMA's benefit cost analysis for wildland fire mitigation projects is straight forward and easy to perform. The key for FEMA HMGP grant to be available is contingent upon how quickly the state can submit the grant application.

For flooding that occurs as a result of heavy rain, snowmelt or icemelt, or hurricanes, these probabilities can be calculated based on the frequency of past flood events, and their associated severity. Typical mitigation activities are structure elevation or property acquisition for open space. The same mitigation activities would be appropriate to minimize risk to structures that are susceptible to flash flooding as a result of wildfire. FEMA has tools that can map out the probability of burn recurrence intervals, however, it is extremely difficult to determine the probability for flash floods that would occur as a result of a wildland fire.

Question#:	4
Topic:	IG report
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: A recent IG report relayed to Tulane University cites private non-profits (PNP) hospitals and institutions of higher education should be following 2 CFR for Administrative provisions of grants (ex. procurement). For Hurricane Sandy, has 2 CFR vs. 44 CFR become an issue for these applicants? Should these types of applicants be following 2 CFR or 44 CFR?

Response: FEMA has not encountered difficulty with private nonprofit organizations requesting assistance as a result of Hurricane Sandy related to the appropriate authority which governs the administration and provision of disaster grants.

Applicants need to reference both 44 CFR and 2 CFR. Title 2 CFR contains Office of Management and Budget (OMB) guidance to obtain consistency and uniformity in federal agencies' administration of grants and agreements. Title 44 CFR is the regulatory guidance for the disaster assistance grants declared under the authority of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq. 44 CFR §13.22 references the cost principles applicable to organizations incurring the costs. These cost principles are published in OMB Circulars, which have been incorporated into 2 CFR. As an example, OMB Circular A-110 is located in 2 CFR Part 215 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations.

Question#:	5
Topic:	Cost
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: FEMA's Direct Administrative Cost Policy for applicants administering disasters has been causing confusion on a national level and in response to Hurricane Sandy. FEMA has failed to pay applicants costs associated with the requirements outlined in the memorandum issued September 8, 2009 by the Assistant Administrator for the Disaster Assistance Directorate (Elizabeth Zimmerman).

What do applicants need to follow in order to get reimbursed for these direct costs?

Response: Eligible direct administrative costs (DAC) are costs that can be tracked, charged, and accounted for directly to a specific project, such as staff time to complete field inspection and preparation of a project worksheet (PW). Eligible DAC must be in compliance with 44 CFR §13.22, and, by extension, OMB Circular A-87, and the costs must be reasonable and properly documented in order to qualify for reimbursement. Such costs cannot be assumed eligible if the costs are not tracked and documented in a manner that enables FEMA to determine if they are reasonable, necessary, and appropriate. Applicants need to document their costs (labor, equipment and material) and activities performed specific to the costs being claimed. If they used contractor support, they need to include their procurement process, a copy of the contract, and submit the request to the State and FEMA for review.

In order for FEMA staff to be able to evaluate DAC, grantees and subgrantees need to provide information about each activity in sufficient detail (specific description of administrative task performed, i.e. site identification, kick -off meeting, immediate needs, preliminary cost estimate, data collection & dissemination, travel expenses, etc.) to be able to properly assess the skill level of each person performing the activities, the suitability of that skill level to the activity in question, and the level of effort required to complete the activity.

Question: Can you provide this Committee with the amount of Direct Administrative Cost funding has been provided to applicants and sub-applicants since this policy was put into effect in 2009?

Response: A total of $258,762,443 has been provided to applicants since the policy was put into effect.

Question#:	6
Topic:	mitigation
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: Please address the role that mitigation plays in the ability for communities, families and businesses to recover or possibly withstand disasters. Also, what are some forms of mitigation that you have seen work well around the country? How do building codes help recover quicker and smarter?

Response: Mitigation plays an important role in the ability of communities, families and businesses to recover or possibly withstand disasters by substantially reducing the risk of future damage, hardship, loss, or suffering in any area affected by a major disaster. Forms of mitigation that have worked well across the country for reduction of risk from such hazards as flooding, earthquakes, hurricanes and tornados include elevation, retrofitting buildings, safe room construction, and property acquisition with structure demolition or relocation. To reduce risk from wildfires, creation of defensible space (i.e., removing or reducing the volume of flammable vegetation), ignition-resistant construction, and hazardous fuels reduction have proven effective mitigation measures.

The adoption and enforcement of building codes has had a positive impact in helping communities reduce physical flood losses and other hazard losses, that may have resulted from tornados or earthquakes. This in turn positively affects the land use planning and regulatory climate. Current model building codes, such as the I-codes, have flood provisions that are consistent with National Flood Insurance Program (NFIP) requirements for buildings and structures, and the model building codes are effective in reducing flood-related building damage because of specific design requirements, primarily the minimum elevation requirements and, in some cases, the inclusion of additional elevation (freeboard) and foundation improvements.

Benefits of building code adoption and enforcement are abundant, and include: generally increased property values, reduced losses during flood and other hazard events which reduce insurance rates over a 5- to 10-year period, and a more actuarially sound NFIP and insurance industry. Insurance losses are reduced for the properties required to comply with building codes because those properties sustain less damage.

Question#:	7
Topic:	Sandy Recovery Improvement Act
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: The Sandy Recovery Improvement Act directed the President to expedite and streamline the historic and environmental review process used for rebuilding after a disaster. Can you talk about how a streamlined process has been used in recovery efforts following Hurricane Sandy and how does it work?

Response: FEMA utilizes a variety of regulatory and policy tools to expedite its Federal environmental and historic preservation compliance responsibilities for disaster recovery projects. In the aftermath of Hurricane Sandy, FEMA concentrated its efforts on ensuring that these tools were synchronized with the approaches of other Federal agencies providing extensive assistance, in particular, the U.S. Department of Housing and Urban Development (HUD) for its Community Development Block Grant (CDBG) program. To that end, FEMA Headquarters and regional staff worked closely with their counterparts at HUD to establish coordinated Federal compliance reviews for FEMA and HUD funded projects in New Jersey and New York. For example, FEMA leveraged the documentation produced by HUD and its responsible entities in the two states for the purposes of complying with the National Environmental Policy Act (NEPA), while HUD utilized FEMA's programmatic agreements for historic preservation review as mandated by Section 106 of the National Historic Preservation Act (NHPA). Establishment of this "one stop shopping" for FEMA/HUD environmental and historic preservation review resulted in significant time savings for applicants seeking FEMA and HUD CDBG funding as well as for FEMA and HUD responsible entity staff, and their Federal, state, local, tribal, and territorial resource agency counterparts.

These successful coordination efforts are informing the development of a Unified Federal Review for disaster recovery projects, as directed by the Sandy Recovery Improvement Act. This effort is being overseen by a Steering Group consisting of the Council on Environmental Quality, the Advisory Council on Historic Preservation, and the Department of Homeland Security/FEMA, supporting the Steering Group is a work group which consists of representatives from over a dozen Federal agencies who perform disaster recovery functions. As required in the legislation, this process will be established by July 2014.

Question#:	8
Topic:	Public Assistance
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: While there may be disputes on its application, FEMA has clear thresholds on when a State may qualify for Public Assistance to rebuild. On the other hand, the criteria for Individual Assistance to people impacted by a disaster have not been as clear. The Sandy Recovery Improvement Act required FEMA to clarify its threshold for Individual Assistance. Where are you in that process?

Response: Due to the enactment of the Sandy Recovery Improvement Act (SRIA), FEMA is required to review, update, and revise through rulemaking the factors considered when evaluating the need for the Individual Assistance Program in a major disaster. The stated intent of the legislation is to speed the declaration process and provide more objective criteria in evaluating the need for Individual Assistance.

Through the rulemaking process, FEMA will seek input from numerous stakeholders, as well as the general public. The rulemaking process is ongoing.

Question#:	9
Topic:	HMGP
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Lou Barletta
Committee:	TRANSPORTATION (HOUSE)

Question: The Hazard Mitigation Grant Program (HMGP) provides funding at local and state levels for the implementation of measures that will prevent further loss from future natural disasters. In 2012, FEMA released guidance for Pennsylvania property buyouts after Hurricane Irene and Tropical Storm Lee which indicated that any property with leased subsurface mineral rights was ineligible for acquisition under HMGP. Due to the extensive number of properties with leased mineral rights in Pennsylvania, West Virginia, and other states, many residents would have no longer qualified for the property acquisition under the program impacting the ability of the State and property owners to effectively mitigate against future disasters. What has FEMA done to resolve this issue? Are any changes expected to this previous guidance and, if so, when?

Response: Under HMGP, FEMA provides hazard mitigation assistance for applicants to acquire property for open space to reduce the risk of harm to people and property from flooding.

In Pennsylvania, as in other parts of the country, FEMA is committed to the HMGP goal of assisting in acquiring as many eligible properties as possible to mitigate the risk from flooding. FEMA makes every effort to find ways to determine a property is eligible for acquisition consistent with the applicable regulations and HMGP Guidance.

Property with leased mineral rights may be eligible for acquisition if certain criteria are met. By statute and regulation, acquisition of land where an encumbrance exists that is incompatible with conserving the natural, beneficial (open space) functions of the floodplain is not eligible under HMGP. Section 404(b) of the Stafford Act, 42 U.S.C. § 5170c(b); 44 C.F.R. §§ 80.17(b); 19(a). Any incompatible easements or other encumbrances to the property must be extinguished before acquisition. 44 C.F.R. § 80.17(b). FEMA has determined that an encumbrance that provides a right for surface access to the subsurface resource is incompatible with open space requirements. Hazard Mitigation Assistance Unified Guidance (2013), Addendum, A.9, p. 14. Applicants may extinguish provisions in leases that allow for surface access to the subsurface resource which may enable a project to meet eligibility requirements.

FEMA recognizes that there are cases where a long dormant lease may exist that allow action incompatible with open space. If evidence during the review process indicates long-dormant subsurface rights (usually in excess of fifty years or beyond the reach of a standard title search) and the identity of the subsurface owner is unknown or is otherwise not reasonably ascertainable, FEMA is prepared to approve the acquisition

Question#:	9
Topic:	HMGP
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
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notwithstanding the risk of future claims. It is also important to note that in such circumstances the Commonwealth must accept risk as well because as grantee for a particular HMGP buyout, it agrees to be responsible for "enforcing…the deed restrictions to ensure that the property remains in open space use in perpetuity." 44 C.F.R. § 80.5(b)(7).

Question#:	10
Topic:	DR-4061
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Nick J. Rahall II
Committee:	TRANSPORTATION (HOUSE)

Question: I am encouraged that FEMA is continuing to work with the City of Logan, West Virginia, on the application that it submitted in response to DR-4061 under the Hazard Mitigation Grant Program for five residential structures on Pine Street. The failure and subsequent closure of the road leading to the structures presents a serious hazard for residents who have been dealing with this precarious situation since March 2012. I hope that FEMA will be aggressive in identifying a way to provide relief to these citizens as quickly as possible. Please provide me with an update on the status of the City of Logan, West Virginia, DR-4061 Hazard Mitigation Grant Program application for five residential structures on Pine Street?

Response: From March 15 to 31, 2012, severe storms, flooding, mudslides and landslides caused severe damage in Logan County, West Virginia. This included damage to Pine Street in the City of Logan. Under the Public Assistance Grant program, FEMA prepared Project Worksheet (PW) 42 for the repair of the roadway, including the eroded embankment. In lieu of the restoration of the roadway, the City submitted a request on August 23, 2013, to the State for an alternate project to utilize the funding to acquire and demolish five residential properties located on Pine Street, and the State forwarded the request to FEMA on August 28, 2013.

After reviewing the request, FEMA waived Section VII.N.8. of FEMA Policy 9525.13 Alternate Projects, for the City's request for an alternate project for PW 42 to use the funding for the acquisition of the five residential properties on Pine Street in lieu of restoring the roadway, subject to agreement by the State and the City in the PW that the roadway will be abandoned and will not be eligible for Public Assistance funding in any future major disaster or emergency declarations. FEMA has also approved the use of alternate project funds to pave seven City-owned streets.

Question#:	11
Topic:	flood insurance
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Nick J. Rahall II
Committee:	TRANSPORTATION (HOUSE)

Question: On October 1, West Virginia households and businesses will receive notice that their flood insurance premiums will increase. Many residents cannot afford the premium increases, or the cost of flood prevention repairs and improvements to their properties. Further, the flood maps used to provide the basis for these rate increases are outdated and do not accurately reflect flood risks. What can FEMA do administratively to address the affordability of these rate increases?

Response: The Biggert-Waters Flood Insurance Reform Act of 2012 reauthorized and reformed the National Flood Insurance Program. Included among the significant programmatic changes implemented by the legislation are revisions to the premium rate structure designed to make the National Flood Insurance Program more actuarially sound by phasing out certain subsidies and grandfathered rates over time. Although the legislation does not authorize FEMA to take any action to address affordability of insurance, it calls on FEMA to work with the National Academy of Sciences to complete a study on affordability. The initial phase of the study is underway, but it will take some time to complete. FEMA recognizes that one of the consequences of the legislation is that some populations with high risk of flooding may be adversely impacted, particularly low to moderate income policyholders, but FEMA lacks the statutory authority to implement an affordability program.

FEMA regularly reviews flood maps to determine whether they require updating. When the Agency determines that it is appropriate to update a map, it coordinates closely with affected communities to develop maps that show communities and citizens their true risk of flooding. The flood maps are developed by well-respected and credentialed engineering companies on behalf of the communities, with significant community input over the course of the process. The RiskMAP system enables communities to provide scientific data and information as part of the development of the map, and the National Flood Insurance Act provides for appeals if a community or affected individuals disagree with a proposed map. In addition, through the Letter of Map Revision (LOMR) and Letter of Map Amendment (LOMA) process, communities and individuals are able to provide FEMA with additional information after a map is final, and if the information demonstrates a change in the flood risk, FEMA will change the map accordingly. Our goal is to build sound maps that help drive resilient communities.

Question#:	12
Topic:	The Colville Tribe
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Nick J. Rahall II
Committee:	TRANSPORTATION (HOUSE)

Question: The Colville Tribe submitted testimony describing the lack of support that the tribe received from the Bureau of Indian Affairs (BIA) during response to their June 2012 emergency, including that the BIA had supplies and equipment on hand that were needed by first responders and survivors in the response and immediate recovery effort yet the tribe was unable to access the items. What, if anything, can FEMA do in its lead role under the National Response Framework or other authority to help ensure that a situation like this does not occur again?

Response: Stafford Act assistance is available if the President determines that an event is of sufficient severity and magnitude to warrant an emergency or major disaster declaration. In the case of a Stafford Act declaration, FEMA may coordinate the allocation of disaster response resources. As such, the complete range of Federal resources and capabilities will be made available to assist in dealing with the emergency or major disaster and FEMA may use its sourcing mechanisms to aid the distribution of requested goods and services. Requests are processed through the National Response Coordination Center and are delivered by the most appropriate member of the interagency able to provide the required resource or capability.

Further, FEMA will reach out to the Bureau of Indian Affairs to discuss the particulars of why they were unable to provide the requested assistance and follow up with Rep. Rahall's staff.

Question#:	13
Topic:	pet preparedness
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Dina Titus
Committee:	TRANSPORTATION (HOUSE)

Question: Administrator Nimmich, one of the major challenges we face when it comes to preparing and responding to disasters is the fact 68% of American households, myself included, are pet owners.

Often times, pet owners with limited options to evacuate with their pets are fearful of leaving them behind when voluntary or mandatory evacuations are called by officials; creating a public safety situation.

Understanding that FEMA entered into an agreement with the Humane Society in 2010 to promote household pet preparedness when it comes to disasters, what are you seeing in practice that ensures that families with pets have access to emergency shelters and other resources so they will not consider staying in an unsafe situation?

As we look to the next authorization for FEMA, are there things specific to federal disasters and pets that we as a committee should consider?

Response: FEMA continues to engage with a broad range of partners, including the Humane Society of the United States, the National Animal Rescue and Shelter Coalition [NARSC] and the National Alliance of State Animal and Agriculture Emergency programs [NASAAEP], to increase individual and family preparedness related to the rescue, care and sheltering of household pets and service animals. One area requiring further examination is, improving options available to household pet owners during a disaster-related evacuation to ensure there are adequate resources to aid in evacuation of people and their pets when they cannot do so without assistance. Support for evacuation planning support could include researching methods to ensure availability of more equipment and/or vehicles to aid in transport of household pets (whether purpose built or modifications to existing transport resources), or support to enhance evacuation plans. We will be working with our partners to analyze where the gaps in this process may exist, explore potential solutions, and look to enhance coordination of search and rescue with regard to people and their pets.

In the aftermath of Hurricanes Isaac and Sandy and the recent flooding in Colorado, FEMA has observed improved integration, communication and coordination between Federal, State and local partners working with local and national humane and animal welfare organizations to meet the needs of owners and their household pets during the Response phase of disasters. In the days following Hurricane Sandy, FEMA, State and local authorities, working with NARSC and NASAAEP, coordinated the delivery and

Question#:	13
Topic:	pet preparedness
Hearing:	FEMA Reauthorization: Recovering Quicker and Smarter
Primary:	The Honorable Dina Titus
Committee:	TRANSPORTATION (HOUSE)

distribution of over 420 tons of pets food and other pets supplies. We are currently developing planning guidance regarding distribution of emergency supplies, to aid jurisdictions in strengthening or creating their emergency distribution of supplies plans part of this effort includes outreach to the animal response community to build on the successes of recent operations, and work with the emergency managers across the nation to ensure integrated plans to make supplies available to people with pets following disasters.

FEMA will continue to support the whole community in seeking ways to improve and strengthen the safeguards for people and their pets. FEMA will continue to engage with our partners to evaluate the plans and processes in place an determine how together we can ensure that their household pets and service animals have access to the resources needed to save and sustain their lives from the initial response and through their recovery from major disaster and emergencies.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

Written Testimony of Yolanda Chávez
Deputy Assistant Secretary for Grant Programs, Office of Community Planning and Development, U.S. Department of Housing and Urban Development (HUD)

Hearing before the House Subcommittee on Economic Development, Public Buildings and Emergency Management

FEMA Reauthorization: Recovering Quicker and Smarter

Wednesday, September 18, 2013

Chairman Barletta, Ranking Member Carson, and Members of the Subcommittee, thank you for the opportunity to testify today regarding disaster recovery efforts related to Superstorm Sandy and other post-Sandy disasters. As the Deputy Assistant Secretary for Grant Programs in the Office of Community Planning and Development at the Department of Housing and Urban Development (HUD), I am responsible for overseeing key programs that promote affordable housing and community development, including the Community Development Block Grant (CDBG) program and CDBG-Disaster Recovery (CDBG-DR) grants. These grants have played a critical role in helping communities recover from and rebuild after natural disasters like Superstorm Sandy.

In my testimony today, I will cover five subjects: 1) federal agency coordination on Sandy and post-Sandy disasters; 2) how HUD is ensuring that disaster recovery funds are being used only to meet unmet needs not addressed by other federal agencies or other sources of assistance; 3) efforts by the Department to minimize waste, fraud and abuse of disaster recovery resources; 4) the status of allocations made pursuant to the Disaster Relief Appropriations Act, 2013; and 5) areas in which federal recovery efforts could be improved.

Federal Agency Coordination on Sandy and Post-Sandy Disasters

President Obama directed HUD Secretary Donovan to lead coordination of the Federal action relating to Superstorm Sandy rebuilding efforts, and issued an Executive Order on December 7, 2012, designating him as chair of the Hurricane Sandy Rebuilding Task Force. The Secretary also plays an important role in federal

disaster recovery in his capacity as HUD Secretary under the National Disaster Recovery Framework (NDRF).

The NDRF addresses the short, intermediate, and long-term challenges of managing disaster-related recovery. It recognizes the key role of States, Territories, tribes and local governments in such efforts, and provides flexible guidelines that enable Federal disaster agencies to collaborate and cooperate effectively with these entities.

Under the NDRF, HUD plays an important role in recovery from major disasters like Sandy. It is involved in carrying out several Federal recovery support functions, which provide the coordinating structure for Federal efforts to support state and local governments and tribes by facilitating problem solving, improving access to resources, and fostering coordination among all participants in recovery efforts. The Department is tasked under the NDRF as the coordinating agency for the housing recovery support function, and is charged with coordinating and facilitating the delivery of Federal resources and activities to assist local, State and Tribal governments in the rehabilitation and reconstruction of destroyed and damaged housing and the development of other new accessible, permanent housing options, where feasible.

The Secretary's responsibilities as chair of the Hurricane Sandy Task Force were carried out in coordination with the NDRF and have involved cooperating closely with FEMA and the other agencies already involved in recovery efforts. The goal is to coordinate Federal support as State and local governments have identified priorities, crafted individual rebuilding plans, and have begun implementation.

Federal agencies have acted in partnership through the Task Force, sharing best practices, coordinating rebuilding efforts and developing smarter and more efficient mechanisms to enhance mitigation efforts and resiliency in communities recovering from disaster. The President's executive order called for the Task Force to develop a comprehensive regional rebuilding strategy, which was delivered to the President on August 19, 2013. The strategy offers a series of recommendations and identifies the appropriate agencies and vehicles to further strengthen federal efforts to rebuild the Superstorm Sandy-impacted region.

CDBG-DR Allocations

With respect to HUD's CDBG-DR program, the Disaster Relief Appropriations Act, signed by President Obama on January 29, 2013, provided $16 billion in CDBG-DR funding to address Superstorm Sandy and other qualifying events that occurred in 2011, 2012 and, prospectively, 2013.[1] The Department has since moved aggressively to implement the law and to ensure that the specific requirements of the Act, as crafted by Congress, are fully met.

[1] Since these funds were appropriated in FY2013, they were subject to sequestration. This has reduced the amount of CDBG-DR funds available under the Act to $15.2 billion, a 5 percent reduction.

On February 6, 2013 – eight days following the President's signature - the Department announced the first allocation of $5.4 billion of funds under the Act, to five states and the City of New York to support their efforts to recover from the damage caused by Superstorm Sandy. By March 5, 2013, the Department published a Federal Register Notice outlining the requirements for the use of these funds.

The Department has approved – again, in record time - action plans for all five states – New York, New Jersey, Connecticut, Rhode Island and Maryland – as well as for the City of New York with recovery efforts well underway in each of these jurisdictions..

HUD/FEMA/SBA Coordination

This unprecedented unified recovery and rebuilding effort was made possible in part through enhanced coordination with other federal agencies under the auspices of both the NDRF and the Task Force. HUD is also working closely with our longstanding partners, FEMA and SBA, in the implementation of the Disaster Relief Appropriations Act. HUD relies on data and the financial assistance provided by FEMA and SBA to determine the unmet housing, economic revitalization and infrastructure needs that remain to be addressed using CDBG-DR funds. As I will discuss later in my testimony, this collaboration among federal agencies plays a critical role in determining the full range of resources needed to address both short- and longer-term needs of communities impacted by a disaster.

HUD and FEMA coordination, however, extends beyond data sharing. We have, for instance, worked closely with New Jersey and New York State to address short-term concerns related to environmental permitting and review inefficiencies in disaster recovery. In developing our response to Sandy, FEMA and HUD recognized that a single federal review, sufficient for both agencies, could expedite the review of housing recovery projects in the State of New Jersey. To that end, FEMA, HUD, and their local counterparts worked together to find efficiencies in environmental review requirements associated with housing recovery projects that leveraged both HUD and FEMA funds. The efforts of HUD and FEMA in New Jersey will avoid the delay that could otherwise be caused by sequential and redundant reviews of housing projects, thereby expediting housing recovery in New Jersey. HUD and FEMA are also pursuing similar approaches to expedite environmental review with the State and City of New York.

Another success in expediting the review processes has been through an expanded use of a model Programmatic Agreement that was developed by FEMA for historic preservation reviews. In the aftermath of Superstorm Sandy, FEMA worked with the New Jersey State Historic Preservation Officer (SHPO), the New Jersey State Office of Emergency Management, the Advisory Council on Historic Preservation (ACHP), and four Indian Tribes to develop an agreement that would satisfy state and federal historic preservation compliance requirements. The result was a significantly accelerated timeframe for agency consultation with the SHPO, the exemption of small scale projects from further review, and the creation of treatment measures to resolve adverse effects to historic properties. Normally, each federal agency develops its own Programmatic Agreement for historic preservation reviews of its projects. Following Superstorm Sandy, HUD took a new approach. HUD proposed and worked with FEMA, SHPO and the ACHP to develop an addendum to the FEMA agreement that allows the New Jersey Department of Community Affairs, as the HUD grantee, to use the same terms and

process to satisfy its compliance responsibilities for projects that use only CDBG-DR funds. Similar FEMA Programmatic Agreements and similar addendum documents have been executed for the State of New York and New York City. Use of the same review terms for both FEMA and HUD projects eliminates duplication and confusion in compliance with historic preservation requirements related to disaster recovery projects..

Ensuring Use of HUD CDBG-DR Funds for Unmet Needs

With substantial federal resources flowing to both communities and entire regions, HUD has established policies and procedures to avoid duplication of benefits, in compliance with section 312 of the Stafford Act. These policies will help ensure that CDBG-DR funding supplements, but does not duplicate the recovery assistance provided by FEMA, SBA, the Army Corps of Engineers, and other public and private sources.

It is our experience that guarding against this "duplication of benefits" is one of the greatest challenges facing grantees in their implementation of federally funded disaster recovery programs. In 2011, the Department published specific guidance to help state and local governments streamline their compliance with Stafford Act requirements related to the duplication of benefits. The Department recently provided Sandy grantees with additional guidance on this topic to further accelerate recovery efforts.

The Department's efforts to guard against duplication of benefits was also strengthened by a provision of the Disaster Relief Appropriations Act that requires grantees and the Department to certify the adequacy of grantee internal controls, including those related specifically to the duplication of benefits. This certification must occur prior to the Department's approval of an action plan, providing an additional, up-front look at this important issue.

HUD also requires grantees to set forth in their CDBG-DR action plans the procedures to be employed to ensure that HUD funds are to be used only to "fill the gaps" after other sources of disaster assistance have been provided. Grantees are also required to maintain sufficient documentation in individual program files to substantiate determinations that CDBG-DR funds do not constitute a duplication of benefits provided from another resource.

In March, 2013, HUD also convened a three day training session for grantees receiving funds under the Act, with a session devoted to the policies and procedures that have proven most effective in guarding against the use of multiple sources of funding to address the same need. More recently, through the Department's OneCPD Technical Assistance Initiative, HUD has deployed technical assistance providers, who are subject matter experts, to work with grantees in developing appropriate safeguards to help ensure that our funds are being used only to address unmet needs that have not been addressed by other sources of funding.

Combating Waste, Fraud and Abuse

In response to the Disaster Relief Appropriations Act, HUD has also redoubled its efforts to minimize waste, fraud and abuse of CDBG-DR funds. The Act and subsequent guidance issued by the Office of Management and Budget compel federal agencies to work closely with their respective offices of inspector general, and HUD is actively engaged with its own Office of the Inspector General (OIG) on this front.

Representatives from HUD OIG have attended, as both participants and presenters, HUD disaster recovery training for our grantees. HUD CDBG-DR officials have similarly served as presenters at training sessions convened by the OIG for its agents and auditors who are focused on disaster recovery. Through monthly conference calls and more informal interactions, we are working with our OIG to identify potential issues and areas of concern that both the program office and the IG can address.

The Disaster Relief Appropriations Act has also prompted the Department to reinforce its own internal controls for combatting waste, fraud and abuse in disaster recovery, through a new internal control plan governing these funds that has been submitted to OMB, GAO and House and Senate appropriators. The internal control plan sets forth the policies and procedures that the Department will deploy, from "cradle to grave," to guard against the misuse of funds.

Here again, the Act's requirement that grantees provide evidence of their own internal controls and procurement processes, and that the Department certify to the adequacy of those controls prior to approving a grantee's action plan, has also introduced an important new oversight tool to guard against waste, fraud and abuse. The Department has also committed to an enhanced level of technical assistance and monitoring for Sandy grantees, with bi-annual, on-site monitoring to review each grantee's implementation of its action plan, including the extent to which a grantee is acting to avoid any duplication of benefits. It should be noted that this enhanced, technical assistance and on-site monitoring is possible only because of the $10 million in administrative funding provided by Congress in the Act.

Allocations Under the Disaster Relief Appropriations Act, 2013

The initial $5.4 billion allocation of funds from the Disaster Relief Appropriations Act to Sandy grantees was informed by FEMA and SBA data related primarily to housing and economic development needs. The action plans submitted by those grantees in response to that allocation have also generally been oriented to these two areas of recovery. Historically, and in the case of Sandy, FEMA data assessing infrastructure damage from a disaster accumulates more slowly, and subsequent allocations of funds for Sandy recovery will be informed by the FEMA infrastructure data and will be targeted primarily to those needs.

In addition to this $5.4 billion allocation, on May 29, 2013, the Department allocated an additional $514 million from the Act to 21 state and local governments to assist in their recovery from 2011 and 2012 disasters. This allocation includes nearly $30 million to the Commonwealth of Pennsylvania, as well as $9.5 million to Luzerne County, Pennsylvania and $7.6 million to Dauphin County, Pennsylvania, to continue to address recovery needs from the damage caused by Hurricanes Irene

and Lee. Many of these grantees are working on development of their action plans, with many having already submitted their internal financial controls and procurement process for review by the Department, as required by the Act. The deadline for the submission of action plans by these grantees was September 3, 2013, and the Department is working with each of these grantees to ensure that their plans meet the Department's requirements as well as reflect lessons learned from previous disasters.

The Act also authorizes the Department to provide recovery funds to address 2013 disasters. On August 30, the Department announced the allocation of $26.3 million to the City of Moore, Oklahoma and $10.7 million to the State of Oklahoma, for recovery from tornadoes and other storms that hit the state in May and June of this year. This was followed on September 3 with an allocation of $28.8 million to the State of Illinois, the City of Chicago and Cook and DuPage counties for recovery from damage caused by heavy flooding and high winds in the spring of this year. The Department will shortly publish a Federal Register Notice outlining requirements for the use of these funds.

Improvements to the Recovery Process

In the wake of a disaster, the imperative is to provide timely and meaningful assistance to address both near-term needs and longer term recovery.

Providing federal agencies with increased flexibility is also an important element in ensuring a timely and meaningful response. The Disaster Relief Appropriation Act, for instance, authorizes the Department to adopt an environmental review, approval or permit by another federal agency as a means of satisfying HUD's own environmental requirements under the National Environmental Protection Act when HUD is jointly funding a project. As mentioned earlier, HUD,FEMA and the Responsible Entities (the CDBG grantees) took this kind of collaboration even further and developed a mechanism that eliminated multiple reviews for the same projects, thereby meeting both agencies' requirements and expediting the environmental review process.

Federal funding for disaster recovery is also a data-driven enterprise. The Department's longstanding collaboration with FEMA and SBA to assess the short- and long-term needs of communities confronting recovery would be enhanced through an effort to identify a single point of contact for disaster-related data within each agency and to improve the existing mechanisms for sharing data among federal disaster recovery agencies. Grantees, who must also rely on these data to inform their recovery plans, would also benefit greatly from central points of contact and a consolidated or standardized approach to the availability of federal disaster data.

Thank you again for the opportunity to testify today. I would be pleased to answer any questions you may have.

U.S SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

Testimony of Mr. James Rivera
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U.S. Small Business Administration

September 18, 2013

U.S. House of Representatives Committee on Transportation and Infrastructure
Economic Development, Public Buildings, and Emergency Management
Subcommittee

Good morning. Chairman Barletta, Ranking Member Carson, and distinguished members of the Subcommittee, thank you for inviting me to discuss the role of the U.S. Small Business Administration (SBA) in the federal government's disaster response and recovery efforts.

The SBA Office of Disaster Assistance is responsible for providing affordable, timely, and accessible financial assistance to businesses of all sizes, homeowners, and renters impacted by disasters. Many disaster survivors have insurance, which covers part or all of the physical property losses due to a natural disaster. For those losses not covered by insurance, the primary form of federal financial assistance is a low-interest SBA loan. Since SBA's inception in 1953, we have approved more than $53.1 billion in disaster loans to almost 2 million families and business owners across the country.

SBA's Role in Responding to a Disaster

SBA is not a "first responder" agency in the typical sense of the term – we do not provide fire, safety, or emergency medical services. However, we are on the ground immediately following a disaster, coordinating with federal, state, and local partners to set up Disaster and Business Recovery Centers and deploy critical financial assistance. In the aftermath of a disaster, such as Superstorm Sandy and the devastating tornado in Moore, Oklahoma, SBA's primary role is to provide families and businesses with low-interest, long-term loans. We also help small businesses recover through our government contracting and business development programs.

Disaster loans are a vital source of economic stimulus in the affected areas following a disaster. As part of an overall effort to help survivors get back on their feet, SBA's disaster home loans of up to $200,000 enable families to rebuild their homes and their lives. Moreover, businesses of all sizes and non-profit organizations are eligible for loans of up to $2 million. These funds can be used to assist with any uninsured and otherwise uncompensated physical losses sustained during a disaster to repair or replace damaged physical property.

Additionally, SBA offers Economic Injury Disaster Loans (EIDL) to small businesses, small agricultural cooperatives, and most private non-profit organizations that have suffered economic injury caused by a disaster. If a small business or organization is unable to meet obligations and pay its ordinary and necessary operating expenses, these working capital loans can help keep it afloat until normal operations resume. The maximum EIDL loan amount is $2 million for physical and economic injuries combined.

SBA's Response to Superstorm Sandy

I have seen firsthand the tremendous damage caused throughout the northeast by Superstorm Sandy, and as you know, the destruction was immense. This was one of the largest disasters our country has confronted since Hurricane Katrina ravaged the Gulf Coast more than eight years ago. Nonetheless, I can assure you that SBA leveraged all of our resources to provide timely and effective assistance throughout the affected states. Working closely with our response and recovery partners at the Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD), as well as with state and local agencies, we used every tool available to assist the maximum number of families and business owners impacted by Sandy.

In the immediate aftermath of the storm, many disaster victims did not have easy access to television, radio or the internet. To address the lack of traditional channels of communication, SBA established a telephone hotline through our Disaster Customer Service Center. From November 2012 through May 2013, the call center, which also provides language translation services, responded to over 212,000 phone calls with an average wait time of less than 18 seconds.

But we did not stop there. Leveraging public and private resources, SBA deployed over 390 disaster specialists to the region. Following the Presidential Disaster Declarations in New York, New Jersey, Connecticut, and Rhode Island, Superstorm Sandy victims were able to apply for home and business disaster loans online or in person at any of the 146 Disaster Recovery Centers (DRCs) and 38 Disaster Loan Outreach Centers (DLOCs). As with other disasters, SBA and FEMA were co-located in each of these DRCs. SBA also established 49 Business Recovery Centers (BRCs) where victims could apply for business disaster loans and receive additional business counseling and assistance from our local Small Business Development Center, SCORE, and Women's Business Center partners. Moreover, while North Carolina and Virginia were not declared Presidential Disasters, the two states received an SBA Administrative Disaster Declaration, making affected homeowners, renters, and businesses eligible for SBA disaster assistance.

Between our loan processing centers, call center, and on-the-ground staff, SBA had over 2,400 disaster employees dedicated to Superstorm Sandy. This is in addition to our local SBA district office staff and extensive resource partner network throughout the region. As a result of this increased presence, SBA staff were able to personally meet with over 130,000 Sandy survivors. We approved over $2.4 billion to 36,493 homeowners, renters and businesses (32,433 home loans for $1.9 billion; 4,060 business loans for $474.2 million), with an overall approval rate of 53 percent.

While we are proud of our response efforts, we are always looking for ways to better support those communities impacted by disasters. In recent years, SBA has made a number of improvements that have allowed us to better respond to disaster victims. For example, we have streamlined application forms and implemented a redesigned electronic loan application, which has led to a more transparent and efficient application process. We successfully increased use of the electronic loan application from 26 percent in Fiscal Year 2011 to 36 percent in Fiscal Year 2012, and 55 percent in Fiscal Year 2013. We have also designated case managers for each approved application so borrowers know their principal point of contact when they have a question or need help through the closing and disbursement process. These reforms played a key role in allowing SBA to efficiently and effectively respond to Sandy and subsequent disasters, like the massive tornado that struck Moore, Oklahoma.

Whether on the ground in the affected areas or at our regional centers, we are always keenly focused on meeting the needs of the families and business owners impacted by disasters. It is our mission to help

victims rebuild their lives and livelihoods. As part of our ongoing efforts in Sandy affected states, SBA and the Hurricane Sandy Rebuilding Task Force recently co-hosted an event to educate and connect small businesses to commercial buyers from the private sector and federal, state, and local governments. Through this event, SBA facilitated close to 500 in-person business matchmaking sessions with several dozen federal and commercial buyers. But this was just one piece of the recovery effort. We know this is a long-term process and we are committed to doing the hard work necessary to ensure that these small business owners and their communities are able to emerge stronger than ever.

Thank you again for inviting me to testify this morning. I appreciate the opportunity to update the Committee on SBA's disaster recovery efforts. We firmly believe that the reforms we have instituted have enabled us to be prepared to efficiently and effectively respond to the needs of our nation's disaster survivors. I look forward to answering any questions.

Thank you.

Glenn M. Cannon, Esq.

Director, Pennsylvania Emergency Management Agency

STATEMENT FOR THE RECORD
On behalf of the
National Emergency Management Association

Submitted to the House Committee on Transportation & Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management
United States House of Representatives

FEMA Reauthorization: Recovering Quicker and Smarter

September 18, 2013

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Introduction

Thank you Chairman Barletta, Ranking Member Carson, and members of the Subcommittee for holding this hearing today. I am Glenn Cannon, Director of the Pennsylvania Emergency Management Agency (PEMA). I am pleased to represent the National Emergency Management Association (NEMA) as we discuss ways to recover quicker and smarter as well as the *Sandy Recovery Improvement Act*. NEMA represents the state emergency management directors of the 50 states, territories, and District of Columbia.

Today I will cover the impacts of Hurricane Sandy and the ongoing response in states most affected. I will also discuss how NEMA worked with the Federal Emergency Management Agency (FEMA) to implement the changes to the Stafford Act mandated by the Sandy Recovery Improvement Act (SRIA) and how the State of Oklahoma utilized provisions of this legislation in the response to the devastating tornadoes of earlier this year.

Managing Hurricane Sandy Response & Recovery; Perspectives from Two States

Pennsylvania

As Hurricane Sandy moved towards the East Coast, Pennsylvania closely monitored the storm and its projected tracks. The United States Army Corps of Engineers continually provided computer generated models projecting the expected impact of Hurricane Sandy. The Army Corps' models continually projected the mid-Atlantic region, including Pennsylvania and New Jersey, would be in the direct path of Sandy's landfall. The state expected catastrophic damage.

In response to the extensive warnings provided, Governor Corbett proclaimed a state of emergency in Pennsylvania. Under the governor's leadership, state and local agencies engaged in extensive discussions identifying the status of critical resources and potential gaps. Pennsylvania departments and agencies undertook significant pre-landfall activities addressing needs in the areas of commodities, debris management, transportation, evacuation, mass care and sheltering, search and rescue, communications, and energy and utilities. The governor activated and deployed the state's swift water rescue teams and led the state's support of local governments to ensure no needs went unmet. During this time, Federal Emergency Management Agency (FEMA) Administrator Craig Fugate strongly encouraged states to undertake these significant preparation activities prior to landfall and pledged FEMA's support. The ultimate goal of the state's pre-landfall emergency protective measures was saving lives and protecting property; the mantra of FEMA was to "go big, go fast, and go strong."

Preparing for a storm the size of Sandy, while the state was still recovering from Hurricane Irene and Tropical Storm Lee, eventually exceeded the capabilities of the state and its local governments. The governor sought an emergency declaration under the Stafford Act from the President prior to Sandy's landfall so Pennsylvania could receive assistance with its protective measures. Pennsylvania received an Emergency Declaration, but was limited to direct federal assistance. Such a limitation provided the state with the ability to obtain supplies though FEMA, but did not provide assistance for other emergency protective measures. Though hampered by this limitation, Governor Corbett and dedicated individuals at all levels of government in Pennsylvania exhausted every possible resource in preparing for Hurricane Sandy's impact.

Hurricane Sandy's landfall occurred north and east of the pre-landfall projections and Pennsylvania was spared the direct hit which had been expected. Although Sandy made landfall on an altered trajectory, the storm did not fail to inflict major damage to Pennsylvania. Flooding, widespread wind damage, infrastructure damages, extensive power outages, and transportation interruptions occurred throughout the

state. The response to Hurricane Sandy was extensive and it immediately became clear the damages inflicted were of such severity and magnitude that the state would require federal assistance. Governor Corbett requested that the president use his authority to declare a major disaster under the Stafford Act for Pennsylvania. The president agreed with the governor's request and Pennsylvania received the declaration, thereby providing federal assistance to the state and its local governments. Under the leadership of Governor Corbett, through the dedication of state and local public servants, and with the strength and resiliency of our citizens, Pennsylvania continues the recovery from Hurricane Sandy while preparing for the next emergency.

Pennsylvania suffered significant impacts from Hurricane Sandy, but our neighbors in New York and New Jersey experienced more severe and widespread damage from this powerful storm. In preparation for the storm, the states and the federal government worked closely together ensuring our citizens received adequate protection from the storm's impacts. In the aftermath of the storm, the federal government assisted states with response and recovery efforts. While there is always room for improvement, steps such as SRIA represent a positive indication Congress continues encouraging FEMA to support the efforts of state and local governments. As we always do in the emergency management community, Pennsylvania looks forward to opportunities such as this hearing to reflect back, highlight best practices, identify lessons learned, and ensure we stand better prepared for the next disaster.

New Jersey

On October 29, 2012, Hurricane Sandy hit New Jersey's coastline causing extensive flooding and a devastating tidal surge. In addition to widespread structural damage to homes and businesses, Hurricane Sandy caused significant power outages and threatened continued use of critical infrastructure. The disaster resulted in over 2.7 million ratepayer electrical outages across the state leaving 68 percent of New Jersey's electric utility customers without power. In addition, telephone, cable, and other communications experienced disruption. Delays also occurred at two oil refineries, eleven petroleum terminals, and two petroleum pipelines.

In anticipation of the storm, Governor Christie declared a State of Emergency throughout New Jersey authorizing the New Jersey Office of Emergency Management (NJOEM) to mobilize and deploy resources immediately to manage storm conditions. Throughout the storm, and in the immediate aftermath, the state took significant measures to ensure the safety of its citizens including coordinating evacuations, setting up shelters, and protecting critical infrastructure.

In the months following the storm, New Jersey aimed to prioritize and address critical short-term needs, while at the same time charting a thoughtful and comprehensive path forward. As part of the response, the state provided temporary housing assistance to families, removed millions of cubic yards of debris, and assisted communities facing increased financial strain as a result of the storm.

New Jersey ultimately shifted from emergency response to long-term recovery. Under Governor Christie's leadership, the Governor's Office of Recovery and Rebuilding directed all stakeholders in state government to consider strategic approaches to rebuild a safer, stronger, and more resilient New Jersey. The state engaged individuals, local governments, business leaders, and other stakeholders to inform the best possible decision-making. The Governor's administration began aligning the state's recovery and rebuilding goals with available disaster recovery resources.

Nine months after the declaration of this disaster, New Jersey continues to swiftly and effectively identify and address unmet needs related to the recovery. New Jersey submitted its action plan to the U.S. Department of Housing and Urban Development (HUD), outlining the state's intended use for the initial $1.8 billion allocation of Community Development Block Grant Disaster Relief (CDBG-DR) funds. The

state continues utilizing state and federal resources to develop programs aimed at helping New Jersey recover and rebuild from the storm.

New Jersey's Department of Community Affairs developed the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) program which provides grants of up to $150,000 to homeowners seeking to rebuild their damaged homes. The New Jersey Economic Development Authority (EDA) seeks to restore New Jersey businesses through the Stronger NJ Business Grant Program, which provides grants of up to $50,000 dollars to small businesses which sustained at least $5,000 in related physical damage. The EDA created the Stronger NJ Business Loan Program providing up to $5 million direct, low-cost loans to help businesses and non-profits which suffered physical damage or are looking to expand within storm-impacted communities. Other state departments continue developing programs addressing public health, human services, transportation, and infrastructure. The state is currently seeking additional federal funds through the next allocation of CDBG-DR funds to advance additional recovery priorities including infrastructure initiatives.

New Jersey continues efforts promoting efficiency, transparency, and accountability in managing the recovery. Specifically, the state leveraged both existing and new technologies to meet the demands of a high-volume federal reimbursement program by joining a community of disaster-prone states which have implemented the standard, national web-based disaster grant management tool. New Jersey further enhanced the capabilities of this tool by integrating it with New Jersey's existing grant management platform allowing NJOEM to fully automate the grant reimbursement process.

In an effort to detect and prevent any waste, fraud, or misuse of federal funding, New Jersey enacted legislation providing additional integrity monitoring of federally funded projects and programs. This process uses a risk assessment model which identifies projects or an applicant requiring additional oversight which ensures New Jersey maximizes the benefits of the federal funding awarded to the state. Such quality control and quality assurance efforts assure applicants will strictly adhere to the rules and regulations of the various federal programs underway and minimize or eliminate the potential de-obligation of federal awards.

The recovery from Hurricane Sandy continues to embody the strength and resilience of New Jersey. As of July 1, 2013, FEMA's assistance to New Jersey amounted to:

- $1.1 billion in federal allocations;
- $388 million approved for Housing and Other Needs Assistance;
- $650.6 million in federal share obligated for Public Assistance; and,
- $35 million in federal share obligated for Hazard Mitigation.

This assistance, paired with the indomitable spirit and resiliency of the people of New Jersey, allows the State to mount a comprehensive and swift recovery in the face of seemingly insurmountable odds. The value of SRIA and coordination and assistance by FEMA stands as an example of entities working together to facilitate a strong response and recovery.

Understanding the *Sandy Recovery Improvement Act*

In response to the needs of the state and local governments, your committee once again immediately took action to make serious improvements to the Stafford Act through SRIA. This legislation not only helped facilitate a smooth recovery in the Sandy-impacted area, but also forever changes FEMA programs and policies. Some of the provisions of SRIA, such as the debris removal pilot program, have been supported by NEMA for many years. After a careful and thoughtful review of the legislation, our membership finds

the SRIA improvements beneficial to the entire emergency management community and applauds your quick action on ensuring passage.

Fortunately, NEMA held our Mid-Year Forum in Washington, D.C. just three weeks after passage of SRIA which afforded us the opportunity to adequately review the legislation and begin a dialogue with FEMA about implementation of the Act. NEMA found this legislation so important, we dedicated more than seven hours of discussion on our agenda thereby facilitating ample opportunities for FEMA officials to engage with state emergency management directors while considering the necessary changes to policies and rules. NEMA focused comments on two major aspects of SRIA: changes to the Individual Assistance Program and comments on the National Strategy for Reducing Future Disaster Costs.

State Comments on the Individual Assistance Program

At the request of FEMA, NEMA requested states submit comments on recommended changes to the Individual Assistance (IA) Program pursuant to new authorities granted through the SRIA. The majority of states responding most commonly identified the need to:

- Declare contiguous counties within state and across state lines utilizing the Small Business Administration (SBA) contiguous counties declaration system as a model. Some states wish the contiguous counties declaration to be automatic while others prefer governors maintain the prerogative to request such a declaration.
- Provide a better assessment of overall disaster impact by considering other thresholds and the economic impact to a community beyond physical damage. This should include disaster history with cumulative effects on a community, non-declared disasters, gubernatorial-only declarations, as well as other considerations. Other thresholds could be unemployment levels and people displaced during an event such as nuclear disaster.
- Ensure all categories of damages should be considered such as minor/affected and major/destroyed property in a small or rural community. A large number of houses with minor damages could devastate such a community, but would not necessarily qualify for assistance.
- Consider available housing resources in determining assistance.
- Provide a "menu" approach with the ability to activate only specific aspects of the IA program. This could include Individuals and Households Program, SBA, Crisis Counseling, Legal Services, Disaster Case Management, Disaster Unemployment Assistance, and other programs. Such a program could reduce both administrative and program costs.
- Provide incentives for state-sponsored IA programs and eliminate disincentives to such programs.
- Consider an IA declaration for events not involving physical damage such as a cyber-attack, pandemic, or radiological incident.
- Receive the consent of Governors to consider linking Public Assistance (PA) and IA declarations. For example, consider an automatic IA declaration with a PA declaration since a major disaster resulting in a PA declaration will limit a community and state's ability to assist residents with local recovery efforts.
- Better synchronize the American Red Cross and FEMA damage assessment criteria to allow for more timely and accurate information that can be used in FEMA Joint Preliminary Damage Assessments.

The IA program stands as one of the most personal interactions FEMA maintains with disaster victims. The process to improve this program must be thoughtful, thorough, and not allowed to become overly bureaucratic. Only then will state emergency managers become empowered to offer the full range of disaster assistance.

National Strategy for Reducing Future Disaster Costs

In beginning work on comments for the National Strategy for Reducing Future Disaster Costs, NEMA initially outlined four value statements guiding our recommendations:

1. Build, enhance, and sustain capabilities, self-reliance, and resilience of our communities and nation while encouraging innovation.
2. Reflect the fiscal realities and limitations of the present and the future. This nation deserves safety and security, but it also deserves solvency.
3. Recognize the complex interdependencies and vulnerabilities of our national systems, particularly the movement of goods, services, and people.
4. Mitigation and long-term recovery are societal investments – not a cost. These endeavors must build on non-traditional partnerships to communicate that efforts are worth the investments.

The full version of NEMA recommendations accompanies this statement for the record, but NEMA members understood the importance of clearly articulating initial steps in developing an informed and effective national strategy for reducing future disaster costs including planning assumptions. NEMA also recognizes varying levels and types of activities to consider for reducing future disaster costs including those in the near-term, long-term, administrative/programmatic/operational, and strategic.

From Concept to Implementation (SRIA)

So far, NEMA remains pleased with the implementation of SRIA. While we would always appreciate having the opportunity to provide input into new policies and regulations, NEMA understands the constraints of operating within a large bureaucracy. Despite any limitations in forward progress, however, NEMA continues working with FEMA on SRIA, but perhaps no stakeholder understands the implementation of these new provisions better than the State of Oklahoma where they continue seeing the effects first-hand.

In May of this year, a series of severe weather events impacted numerous communities in Oklahoma, including an EF-5 tornado, an EF-4 tornado and an EF-3 (formerly rated an EF-5) tornado. All were killer tornadoes which developed in the Oklahoma City metropolitan area and occurred within twelve days of each other. In some cases, the same areas were impacted three times; first on May 19 when the EF-4 hit the city of Norman and the Shawnee area, second, on May 20 when the EF-5 tornado hit the city of Moore and third on May 31 when the EF-3tornado (formerly rated an EF-5) hit the city of El Reno before leaving a record-breaking 2.6 mile-wide damage path in its wake.

The EF-5 is the most damaging tornado with wind speeds in excess of 200 miles per hour. Since 1950, the EF-5 and its predecessor the F5 tornado have been documented only sixty times in the United States. Therefore, the May events in Oklahoma should be categorized as extremely rare in our nation's severe weather history. Due to the timing of the disaster, FEMA could not implement all changes provided through SRIA, but initiated the following elements of the Alternate Procedures Pilot Program for Debris Removal:

- *Accelerated Debris Removal – Increased Federal Cost Share (Sliding Scale):* The sliding scale allowed Oklahoma applicants to take advantage of 85 percent federal reimbursement for eligible debris removal for the first 30 days and 80 percent reimbursement for the following 60 days. While the additional federal percentage remains important, the most beneficial element in this procedure represents the change in philosophy by the federal government. We now realize the quicker we remove debris the quicker local government can make the decisions necessary for long-term recovery. Beyond state and local savings from the additional federal share, the state is

confident it has, and will realize additional savings through the amount of time saved in administering the debris removal mission. To show support for the new procedures, Governor Fallin allowed the state to continue to offer the full 12.5 percent state share over the first 90 days. Therefore, the applicants actually maintained the ability to contribute 2.5 percent over the first 30 days and 7.5 percent in the next 60 days.

- *Recycling Revenues:* Oklahoma realized additional successes in allowing applicants to retain recycling revenue and apply those proceeds to cost share or practices designed for improving future debris operations. In this disaster, scrap metal and copper accounted for the majority of debris eligible for recycling. This procedure also led to enhanced efforts in preventing looting as not only the property owner but the applicant stood to lose revenue.

- *Straight Time Force Account Labor:* Allowing reimbursement for employees' straight time force account labor when performing debris removal operations represents an invaluable improvement. This dramatic change for the better expedites the debris removal process. In the initial days following an event, local government calls on their public works staff to clear streets for emergency services access. Deducting their regular hours rarely made sense, and SRIA helped rectify the disparity.

- *Debris Management Plans:* If the applicant had a debris management plan in place prior to the disaster, they could add another 2 percent to the federal reimbursement share. Unfortunately, most applicants in Oklahoma found it difficult to take advantage of this opportunity. Officials do not believe this will be the case in future disasters.

SRIA represents a perfect example of how government can work smarter in disaster recovery. The faster we implement assistance provided through the Stafford Act, the more expeditiously local governments can make critical decisions necessary in ensuring their future. Oklahoma applicants remain ecstatic with the new procedures and have even begun using the term "the new FEMA."

Conclusion

The road to recovery in the aftermath of a major disaster presents many challenges which must be overcome. We appreciate the continued support of this committee to the emergency management community as we work together in forming new policies and procedures aimed at making these disasters less impactful. Should you once again look into a full reauthorization of FEMA, our association stands ready to assist in any way you may find helpful. As evidenced in this testimony, the SRIA reforms continue improving opportunities to protect lives and property through a strong response and transition to recovery. Only through an effective response and subsequent recovery can we work toward building more resilient communities, reducing the overall costs of disasters to states and the federal government, and ultimately save more lives and property from damage.

I thank you for the opportunity to testify today and welcome any questions you may have for me.

NEMA Comments on a National Strategy for Reducing Future Disaster Costs

April 22, 2013

Value Statements:

Build, enhance, and sustain capabilities, self-reliance, and resilience of our communities and nation while encouraging innovation.

Reflect the fiscal realities and limitations of the present and the future. This nation deserves safety and security, but it also deserves solvency.

Recognize the complex interdependencies and vulnerabilities of our national systems, particularly the movement of goods, services, and people.

Mitigation and long-term recovery are societal investments – not a cost. These endeavors must build on non-traditional partnerships to communicate that efforts are worth the investments.

Initial steps to developing an informed and effective national strategy for reducing future disaster costs:

1. Clearly define the scope of the problem to be solved so that it's understood by all stakeholders.
2. Apply science-based analysis regarding the cost of disasters and cost-drivers. This will help to eliminate false or misleading assumptions from the conversation and allow for data driven decision-making.
3. Utilize data to compare alternative costs such as those for hardening infrastructure prior to a disaster versus repair and restoration.
4. Compare other societal investments with those for disaster preparedness, mitigation, response and recovery. This will lead to a more balanced and objective analysis of what's the appropriate investment for the nation.

Planning Assumptions:

- When disasters strike someone always pays; therefore, the problem isn't solved by simply reducing costs to the federal government or shifting costs to state, tribal and local governments.
- Reducing the costs of future disasters is a shared responsibility between the public and private sector, and citizens. The conversation must extend beyond government.

- Reducing disaster costs might not be associated with what government is doing but what it is "overdoing".
- Leaders should recognize and accept there may be a need to invest additional resources now in order to reduce costs, loss of life and injuries in the long-term.
- The national strategy must have the ability to swiftly adjust to new and changing challenges and opportunities.
- Development of the national strategy should include representation from state, local, tribal government, the insurance industry, other sectors of private business, non-governmental organizations and related associations/consortia.

Recommendations:

NEMA recognizes that there are varying levels and types of activities to consider for reducing future disaster costs including those that are near term, long term, administrative/programmatic/operational, and strategic.

Strategic Issues

- Recognize the impact of climate change on severe weather events and address actions, policies, and strategies that will be necessary to mitigate, respond to, and recover from its consequences.
- Recognize changing demographics – *g*eographic location, age, ethnicity, education level, nationality, employment status, residency status, and language are all examples of demographics that are constantly in a state of change both domestically and across the world. While change is constant, the implications of these changes to health, safety, and security can significantly affect both policy and operations. For example, shifts in population concentrations from rural to urban, or inland to coastal, can cause requirements for dramatic adjustments in resource needs, hazard preparedness levels, land use policies, and local public health and safety policy.
- Consider the responsibility of government for disaster recovery versus *community* recovery/redevelopment.
- Strategize ways in which communities can take advantage of post-disaster opportunities to improve overall resilience for the future, including addressing vulnerabilities that may not have been impacted by a specific disaster event. This doesn't necessarily have to be accomplished with federal funding. The goal is to reduce vulnerabilities and increase resilience for the future using all available resources while political and public support is at its peak.
- As part of the analysis on the return on investment for building resilience consider other models.

  Example: Highway safety and the fact that deaths per mile have decreased over time. This is due to investments in better roads, better cars are being built, safety features are standard in cars because consumers demand it, and driver education has increased.

Investments over time have resulted in drivers traveling safely at higher speeds with better gas mileage and fewer deaths per mile. To achieve this outcome required investment and engagement by government, citizens, and industry.

Example: Automobile or home insurance. Individuals determine their own level of risk and select a policy. Variables include higher premium versus deductible based on the level of risk the person is willing to accept. Discounts can be applied by the insurance provider i.e. good student, clean driving record, car safety features, etc. The same model could be applied to incentives for communities to be disaster resilient. FEMA could use a sliding scale to provide disaster assistance to communities that choose to mitigate loss i.e. adoption of building codes, good land use planning and zoning, etc.

Longer Term Issues

- Consider using an insurance model for providing disaster assistance.
  Example: An incident happens, the insurance agent approves the claim, writes a check to the homeowner for the total amount of the claim, and walks away. Unlike the federal government, the insurance agent doesn't return repeatedly to check on progress from start to completion. While accountability with the use of taxpayer dollars is required, there are more efficient ways to administer assistance.
- Provide incentives for businesses and homeowners to be resilient. The insurance industry must be a engaged partner.
  - Individuals have trouble quantifying risk. They understand the need for car insurance but events that impact homes/businesses are more infrequent and therefore it's difficult to project the possibilities of damage or loss. We need to do a better job of helping individuals understand risk and the long-term cost benefits of mitigation versus loss.
- Provide incentives to organizations, governments, and private sector companies that manage recovery operations cost effectively.
- Much of the legal authority for planning, building codes and land use decisions resides at the local level. Incentives should be provided to local governments to do the right thing along with praise and support for the political leadership who makes those difficult decisions.
- Implement disincentives for jurisdictions that choose not to take actions to reduce future disaster loss and be more resilient.

Near Term Issues

- Employ tools that effectively identify and evaluate risk and invest resources to "buy down" risk.
- Identify tools and processes to provide greater predictability for the annual cost of disasters so each level of government can build capacity to the appropriate level and budget for it.
- Embrace technology and promote information-sharing with the insurance industry and other key entities in order to expedite disaster recovery.

- Fully embrace and promote post-disaster mitigation and smarter rebuilding efforts.

Administrative/Programmatic/Operational Issues

- Mutual aid, coupled with strategic pre-existing private sector support contracts, should be an integral component to building national capacity with ever-shrinking resources. Cross border partnerships should be recognized in the national strategy when it provides for greater efficiencies and effectiveness in disaster preparedness, mitigation, response and recovery.
- Review and revise federal regulations that impede resilience.
- The types of disaster-related damages and losses eligible for assistance have expanded over the past 10-15 years. Review eligibility to determine what remains an appropriate government expense versus that which is best supported by other entities.
- Review how federal disaster assistance programs are managed and identify areas where greater efficiencies and cost-effectiveness can be gained. For example, JFO staffing patterns are oftentimes too large and could be scaled back. Review individual positions to determine whether they are actually needed and whether they could function remotely. When appropriate, utilize virtual JFOs.
- Cap federal administrative costs to the Disaster Relief Fund.
- Provide incentives for states to establish and maintain their own disaster assistance programs.
- Support states that have the capacity and wish to manage disaster assistance programs rather than having the federal government manage them at a potentially higher cost. Cut the federal red tape to allow states to function effectively and manage costs.
- Create innovative recovery programs that allow for states to take more control of their recovery efforts with reduced federal control and oversight (incentive based recovery management). If subgrantees manage projects well and under budget, give them a percentage of what's left over and allow them to use that funding as they see fit.
- FEMA should adhere to the 30, 60, 90 day timeframes for appeals. It should not take years, in some situations, for conflicts to be resolved. Time is money.

Testimony of Gayland Kitch

Director of Emergency Management

City of Moore, Oklahoma

And Member

U.S. Council of the International Association of Emergency Managers (IAEM-USA)

Before the

Subcommittee on Economic Development, Public Buildings and Emergency Management

Committee on Transportation and Infrastructure

U.S. House of Representatives

September 18, 2013

On

FEMA Reauthorization: Recovering Quicker and Smarter

Chairman Barletta, Ranking Member Carson, and distinguished members of the Subcommittee. I would like to thank you for allowing me the opportunity to provide testimony on this important topic concerning recovering quicker and smarter from disaster.

I am Gayland Kitch, Director of Emergency Management for the City of Moore, Oklahoma. I have served my City for nearly 30 years, and in this position for 22 years. I am also a member of the U.S. Council of the International Association of Emergency Managers (IAEM-USA) and am providing this statement on their behalf.

IAEM-USA 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 nonprofit sector. 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.

We deeply appreciate the continuing support this Subcommittee has provided to the emergency management community, particularly your strong support for the Emergency Management Performance Grant Program (EMPG), the Emergency Management Institute (EMI), for strengthening FEMA, and streamlining disaster assistance.

My community of Moore has approximately 56,000 residents within our 25 square miles in central Oklahoma. We're surrounded by Oklahoma City on three sides and the City of Norman to our south. Within the past 15 years we have experienced four major tornado events and six severe winter storms. We are now four months past our last major tornado that occurred on May 20th, 2013, and are well down the road to recovery.

As noted above, my community has a history with tornadoes. After a brush with an F-2 in October 1998, an F-5 tore a path of destruction through the northwest part of our City seven months later on May 3, 1999. The highest winds ever recorded – 316 miles per hour – were measured with this storm. After rebuilding more than 800 homes and numerous businesses, we were struck by an F-4 on May 8, 2003, again causing hundreds of homes and businesses to be damaged or destroyed. An EF-4 tornado formed over our City three years ago on May 10th, 2010; fortunately most of the damage in Moore was to rooftops, fences, and trees. And just eleven days after our devastating tornado this year, we were again struck by waves of severe winds and small tornadoes during rush hour on the evening of Friday, May 31st.

The Events of Monday, May 20, 2013

The potential for severe weather in our area was forecast well in advance. In fact, the Norman Office of the National Weather Service began discussing the possibility for severe weather as early as Friday, May 17th. On Saturday, the weather elements began to converge and on Sunday there was severe weather in our area, including a tornado that struck eastern Norman and western Shawnee, Oklahoma. Two persons lost their lives as this storm passed over their home near Shawnee.

As we began our day on Monday the 20th, you could tell there was a hint of storms in the air as well as in our official weather forecast. We suspected the severe weather would develop just to our west, and that convective initiation would begin earlier in the day than is usual for our area. As soon as the work day started, we were making sure that our key leaders were informed of the situation, inspecting our various alerting and response systems, and checking in with key partners.

At 10:00 a.m. the National Weather Service Forecast Office in Norman, Oklahoma conducted a briefing by Internet for public safety officials within their county warning area. During the

briefing, the forecasters discussed the likelihood and potential timing of severe weather. After the briefing, the Norman office of the NWS distributed further information about the impending severe weather by various means – the Internet, Twitter®, and Facebook®. In turn, my office used similar electronic means to further distribute this information to the public. In addition, I specifically made sure that our local school district was aware of the potential for severe weather as well as the possible timing of the event – prior to the regular release of school for the day. At 1:11 p.m., our Superintendent of Schools issued information to the district staff cancelling all evening activities, but indicating that the school would stand by its regular time for dismissal. Her final comment in that memo was, "...keep calm and carry on."

A tornado watch for our area was issued by the National Storm Prediction Center at 1:10 p.m. on Monday. Shortly thereafter and as building storms were just beginning to show on the radar we activated our local volunteer storm spotters and sent them into the field to observe the impending weather. At 2:12 p.m., the first weather warning was issued for a severe thunderstorm. Finally, a tornado warning was issued at 2:40 p.m. that included northern Cleveland County and the City of Moore.

Following actions outlined in our City's Emergency Operations Plan and our Severe Weather Operations Guide, we at that time activated all of our 36 outdoor warning devices (tornado sirens) to warn the public at large. We also distributed the warning by electronic and social networking means. In addition, the warning was broadcast by NOAA's All-Hazards Radio and our Oklahoma City area radio and television stations. Our severe weather planning is reviewed annually prior to the start of storm season, and the response executed generally six to ten times per year.

The tornado warning was reissued by the National Weather Service at 3:01 p.m. with the heightened wording of, "tornado emergency."

The situational awareness in our small Emergency Operations Center included watching the tornado live on feeds from all three of our television stations. Our local media had helicopters, experienced storms chasers and news crews out following the storm, and from their live "wall-to-wall" coverage and the reports of our own spotters we could literally track the progress of the tornado.

At 3:17 p.m., telemetry from several of our outdoor warning devices showed that they had lost commercial electrical power, giving us an indication that the tornado had actually entered our city limits at that time. Since roughly two-thirds of our warning devices operate from battery power, we were still able to continue alerting those within our City.

We could see visually that the tornado was both large and violent as it ruthlessly approached. The National Weather Service later determined the tornado was approximately ½ mile wide on

the ground and causing EF-5 damage beginning almost literally at my city limits. The tornado destroyed Briarwood Elementary School to our immediate west, and then Plaza Towers Elementary School – the site where 7 young students tragically lost their lives. Other persons were killed or injured in homes near the school. The tornado continued in an east-northeast direction across the southern end of our city's largest cemetery, and crossed through the heart of Little River Park. It returned into residential neighborhoods and neared Interstate 35 in the center of our community. As it approached the highway, it destroyed several businesses, including a convenience store where 3 more people lost their lives.

The tornado struck and destroyed the Moore Medical Center - our local hospital - but due largely to advance planning, exercising and warning no one was injured or killed. Nearby, our United States Post Office was struck, as well as a credit union where employees took shelter in the vault and survived. It narrowly missed a large movie theatre complex and then moved east into additional residential areas.

Before the tornado completed its path of destruction it damaged one of our city's clear well water storage and pumping stations, taking it off-line until emergency repairs could be made the next day. This became a key challenge when the tornado later severed power to Oklahoma City's Lake Draper water plant. These two facilities provide much of the water for Moore, and our water situation was critical for the first day or two after the tornado.

The Moore Public Schools is the third largest school district in the State of Oklahoma, with 32 educational campuses in Moore and south Oklahoma City serving over 21,000 students. As the tornado moved through the east side of Moore, it struck Highland East Junior High School, damaging the main school building and destroying the gymnasium/choir building. In total, our school district had two elementary schools and the district information technology center destroyed, and one junior high school and the district administration building heavily damaged.

Two of our 36 outdoor warning devices were destroyed outright by the tornado, with two more damaged beyond repair. Several other sirens received damage to their electrical components due to the power issues caused by this storm and another that followed on Friday, May 31st.

By current count, 1,323 homes within Moore sustained major damage or were destroyed in the May 20th tornado. An additional 445 homes received minor damage and 369 were affected. About 39 commercial structures housing 50 businesses were destroyed. Major losses included our hospital, Post Office, and the two elementary schools.

Search and rescue operations started immediately. Our newly constructed Fire Administration building and Fire Station #1 is located just south of the path of the tornado, and indeed our firemen watched from their driveway as the tornado approached from the west. Station #1 personnel chose to move their fire apparatus out of the storm's path rather than taking shelter in their station's tornado safe room. This allowed both the preservation of their much needed rescue equipment as well as a quick deployment into the damage area after the wind passed.

Moore police personnel also immediately responded and assisted in rescuing many survivors. By evening there were hundreds of rescuers from all parts of Oklahoma on site, including our State's Incident Management Team, Oklahoma Urban Search and Rescue Task Force 1, and many assets of our Regional Response System. The Incident Command Post for the event was established in the truck bays at Fire Station #1. Incident Command remained in place through the visit of the President of the United States that occurred on Sunday, May 26th.

FEMA Programs Which Have Assisted Our Preparedness and Response

My City has ample experience in working with FEMA, particularly in the aftermath of the many disasters noted above. I am pleased to note that our most recent partnership with FEMA has for the most part been very positive.

Before recounting information about our disaster response and recovery efforts, however, please allow me to note that we participate in FEMA programs during non-disaster times. In fact, the Emergency Management Performance Grant (EMPG) funding received by the City of Moore and my office has contributed greatly to our preparedness for events like our most recent tornado. The City of Moore has been a recipient of EMPG funding for the past 15 years. Our participation in EMPG has allowed us over time to increase the capabilities of our overall program of mitigation, preparedness, response, and recovery. Being actively involved with emergency management issues statewide in Oklahoma, I can assure you that EMPG funding is vital for many of our local jurisdictions and many towns and counties with highly strapped budgets would not have an emergency management program at all were it not for EMPG.

EMPG is fundamentally different from the suite of post September 11, 2001 homeland security grants. EMPG has a history stretching back to the 1950's when it was recognized that there was a Federal interest in building emergency management capacity at the state and local levels. EMPG requires both a 50-50 match from state and local governments and various performance measures. IAEM-USA recognizes that all disasters start and end at the local level which emphasizes the importance of building and sustaining this capacity at the local governmental level—and EMPG funding should not be invested exclusively in any one specific level of government. We are grateful that this Committee has recognized the importance and uniqueness of EMPG by supporting that it be maintained as separate account within FEMA. It is important to have a grant focused on building emergency management capability for those entities at the local government level statutorily charged with the responsibilities of coordinating mitigation, preparedness, response and recovery.

The City of Moore strongly supports the Hazard Mitigation Grant Program (HMGP). This program provided invaluable assistance in our community after the 1999 and 2003 tornadoes. Citizens in our area were encouraged to construct safe rooms in their private residences at their expense and then receive a rebate through this program to defray a part of their construction costs. As a result of this very popular program, engineered safe rooms have become a norm for

mitigating the effects of tornadoes and severe winds, both in Moore and throughout Oklahoma. There are now over 4,000 homes in our City that have safe rooms; nearly one-quarter of those safe rooms were installed with HMGP funding assistance.

HMGP funding has also assisted us with expanding our outdoor warning siren system as the community has grown. Sirens were added at the new Oakridge Elementary School, Apple Valley Park, and in the Belmar housing addition in 2009; these are all just south of the track of the May 20th tornado and we know that our overall siren system was a key component in alerting our residents and guests of impending danger during our recent storms.

Emergency Management Institute

In 2009, the City of Moore and Moore Public Schools took a group to the National Emergency Management Institute in Emmitsburg, Maryland to attend the Multi-Hazard Emergency Planning for Schools train-the-trainer course. Our multi-disciplinary group included a police sergeant, fire inspector, emergency manager, elementary school assistant principal, junior high school principal, high school assistant principal, district assistant superintendent, and district assistant transportation director. In addition, our county emergency manager, two sheriff's officers who are resource officers at our vocational technical school, as well as a representative from our county health department were part of the team. While at EMI, we learned about the various hazards that could affect our schools, our school personnel learned the basics of the National Incident Management System (NIMS) and the Incident Command System, and we all gained valuable knowledge in planning for emergencies occurring on our educational campuses. Many of the lessons learned at EMI were put into action during our recent tornado as well as in previous emergencies.

Debris

Since we have had experience with tornadoes, many of our residents already knew to move their debris to the curb and began doing so almost immediately. This helped us to expedite the debris removal. We had approximately 85% of the debris picked up within two months, and finished our debris removal efforts a few weeks ago. As of September 4th, our City has picked up and removed over 172,000 tons (or over 11,600 truckloads) of debris.

In addition to our experience, one of the reasons we were able to react so quickly is our participation in FEMA's Alternate Procedures Pilot Program for Debris that was part of the Sandy Recovery Improvement Act. This affords us the opportunity for reimbursement on a sliding scale emphasizing expedient removal of our tornado debris. This program increases the federal cost share for debris removed within 30 days to 85 percent federal (with the remaining 15% shared by state and local...in Oklahoma, it will be 12.5% state and 2.5% local). For the next sixty days, the federal share is reduced to 80 percent; after 90 days it becomes 75 percent. Although we already knew the value of quickly removing our debris - which promotes the swift

rebuilding of our community - we anticipate that this increased federal share will result in a cost savings to the City of Moore conservatively estimated at $470,000 for the first thirty days, and an additional $350,000 afterwards.

One suggestion to the process, however, concerns the beginning date of the sliding scale period. It currently begins with the first day of the declared incident period. In our case the 30 day period actually began before our city was struck by the tornado. Add in a few days of immediate search and rescue/emergency road clearing/securing the area for life safety, and a week or two to allow our residents the opportunity to visit their homes and attempt to salvage critical or treasured items - financial statements, pictures, etc., - and you can see that even under the quickest expediting that we would not want to begin debris removal for 15-20 days from the day of the event.

Overall our experience with the pilot program has been very positive.

The FEMA Public Assistance pilot program was not offered to us as the rules for the rollout had not yet been finalized at the time of our declaration.

Volunteerism

Thousands upon thousands of volunteers from throughout the nation have helped our community. For instance, our largest cemetery was impacted by the tornado. There was a great amount of debris in the cemetery – on the Monday before Memorial Day. On Wednesday, we marshaled over 2,500 emergent volunteers and they cleaned the cemetery within 4 hours. An amazing feat of community spirit! It also helped because our local Boy Scouts were able to safely post American flags in the cemetery allowing us the opportunity to still honor our veterans.

Through the organization of ServeMoore – a local grassroots coalition of community members and faith-based groups that organized in the hours after our event – more than 35,000 volunteers have spent over 230,000 hours in assisting our residents. These volunteers have been just absolutely amazing.

In addition, our City and our schools have received thousands of heartfelt monetary donations that will also assist us in quickly returning to normal.

Returning to Normal

We already have one private home rebuilt and occupied by its owner, with several others nearing completion and many more started. As of last Friday, September 13th, our Community Development department has issued 207 building permits for reconstruction of destroyed homes and over 370 additional permits for remodels of damaged homes within the affected areas. This is additional testimony to the concept of expedient debris removal and the great assistance to us from FEMA.

As noted earlier, two of our elementary schools were totally destroyed and one junior high school was heavily damaged. School began on normal schedule in August in the remodeled junior high school; the two elementary schools have been demolished and classes are ongoing in temporary facilities for this school year while their permanent facilities are reconstructed.

We have met frequently with local officials from the Department of Housing and Urban Development (HUD). HUD has provided technical assistance with our current Community Development Block Grant (CDBG) and is preparing us to receive an earmarked $26.3 million in CDBG disaster recovery funds to be used for housing, economic development and hazard mitigation. We are in the process of gathering our information – from pre-existing plans and other information – as to what we would like the City of Moore to look like as we recover. Our partnership with HUD will certainly move into the forefront as we continue further into long term recovery.

Our community also has a long term recovery committee in operation to help guide this process. We are excited that several of our social service agencies - including the American Red Cross, Salvation Army, Catholic Charities, United Methodist Committee on Relief, and the Society of St. Vincent de Paul - have banded together and will be working in one location under one administrative structure to fill the long-term needs of our community.

Conclusion

In conclusion, the City of Moore has taken it on the chin several times over the past 15 years. However, I want people to know that we are still here, and we'll be back better than ever. We are a resilient community located in a resilient state. People began talking about the "Oklahoma Standard" in the aftermath of the bombing of the Alfred P. Murrah Federal Building in Oklahoma City in 1995, referring to the way we respond to and recover from disasters and emergencies and the way we treat folks who come to help us. I would like to think that in the aftermath of May 20th that the term has changed to the "Moore, Oklahoma standard" in response to disasters and emergencies.

We have benefitted from a number of different federal programs including EMPG as mentioned earlier. The capabilities created and maintained, the plans created and maintained, and the equipment acquired with these funds have helped us to be ready to respond to disasters and emergencies. We have learned from our exercises and our responses to actual disasters and emergencies over the last decade and a half. Together, these things have created resilience that is unique to Moore. We are "Moore Strong".

Thank you for this opportunity to provide testimony, and I stand ready to answer any questions you may have.

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The Confederated Tribes of the Colville Reservation

PREPARED STATEMENT OF THE HONORABLE MICHAEL O. FINLEY, CHAIRMAN
CONFEDERATED TRIBES OF THE COLVILLE RESERVATION

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS
AND EMERGENCY MANAGEMENT

OVERSIGHT HEARING ON "FEMA REAUTHORIZATION: RECOVERING QUICKER AND SMARTER"

SEPTEMBER 18, 2013

Good morning Chairman Barletta, Ranking Member Carson, and members of the Subcommittee. On behalf of the Confederated Tribes of the Colville Reservation ("Colville Tribes" or the "CCT"), I thank you for this opportunity to testify today. My testimony will focus on the Colville Tribes' experience and observations working with FEMA following a weather-related disaster on the Colville Reservation last summer, as well as on recommendations for the Subcommittee and FEMA to consider going forward.

Before I begin, I would first like to express the Colville Tribes' appreciation to this Subcommittee for its work in amending the Stafford Act to allow Indian tribes to make requests for Presidential Disaster Declarations (PDDs) directly, without going through states. Indian country sought this authority for many years, and we are grateful that you included it in the Sandy Recovery Improvement Act, which became law earlier this year.

BACKGROUND ON THE COLVILLE TRIBES

Although now considered a single Indian tribe, the Confederated Tribes of the Colville Reservation is, as the name states, a confederation of twelve aboriginal tribes and bands from across the plateau region of the Northwest and extending into Canada. The present-day Colville Reservation is approximately 1.4 million acres and occupies a geographic area in north central Washington State that is slightly larger than the State of Delaware. The reservation includes portions of both Okanogan and Ferry counties. The Colville Tribes has more than 9,500 enrolled members, making it one of the largest Indian tribes in the Pacific Northwest. About half of the CCT's members live on or near the Colville Reservation, which has more than 800,000 acres of forest land. Forestry and wood products have been the CCT's traditional sources of revenue.

THE JULY 2012 DISASTER IN KELLER

In July 2012, the Colville Indian Reservation suffered a disaster in the form of a major wind storm and flash flooding that toppled trees, destroyed power lines and tribal infrastructure, and blocked or damaged roads over an area of several hundred thousand acres. In some areas, winds

exceeded 100 miles per hour. Although damage occurred reservation-wide, the community of Keller was most heavily affected by the storm. Homes were lost or damaged, and residents with undamaged homes were left without power for an extended period and lost most or all of their refrigerated and frozen foods. The community water infrastructure was damaged by uprooted trees, and rural residents outside of the Keller community were without power for even longer.

The CCT government responded to the emergency and provided food, water, and shelter to the affected people until normal services were restored. The CCT also supported ranchers whose livestock water supplies were interrupted by the extended power outage. This disaster gave us a fresh view of the ability—or inability, as the case may be—of both FEMA and the Bureau of Indian Affairs (BIA), an agency within the Department of the Interior, to respond to and assist tribal governments in meeting the emergency needs of their people.

Long in advance of the Keller disaster, the CCT requested financial assistance for the necessary FEMA-compliant emergency planning. The Colville Tribes, like many other governments, has never been able to afford full-time emergency management staff to deal with planning and FEMA issues. We received no help from either FEMA or the BIA. The CCT therefore contracted and paid, out of its own limited resources, for the development of an emergency management plan. The CCT adhered to this draft plan during the Keller disaster even though not all components of it were yet completed.

When the Keller disaster struck, the CCT requested emergency assistance in the first instance from the BIA. The only assistance we received, after the initial emergency was under control, came from regional BIA forestry staff to assess with timber damage. Although the BIA had a well-qualified regional emergency management specialist, he controlled neither funding nor staff and was unable to provide any assistance beyond moral support.

The FEMA rules and regulations to qualify for federal disaster assistance and to determine what disaster costs are reimbursable when a PDD is issued are complex and, in some cases, contradictory. Accordingly, the CCT also requested that FEMA Region X provide technical assistance to help us navigate the complex FEMA regulatory scheme. The personnel that FEMA provided, while well-meaning, had little experience working with Indian tribes and were not in a position to provide us with prompt answers to our questions.

In contrast, the State of Washington's Emergency Management Division provided outstanding support. They helped us by finding refrigerator trucks to store food, a portable shower unit, even a portable laundry unit for residents who had no clean clothing. The CCT had to pay for those units, but having someone find and dispatch them for us at a time when we were busy beyond belief was a significant help. The State also provided—without cost to the Tribes—the technical assistance we requested but never received from FEMA. We received accurate answers to our questions, help to track both the damage and our expenses in a form acceptable to FEMA, and both timely and accurate advice about complex debris management and emergency assistance issues.

Because the Keller disaster occurred before the tribal amendments to the Stafford Act became law, the CCT worked with the State of Washington to ensure that the state included damage to the Colville Reservation as part of its request for a PDD. The State submitted its request on September 7, 2012, and the PDD was issued on September 25, 2012. As issued, the PDD included the Colville Reservation.

Following issuance of the PDD, tribal employees returned to their normal jobs. Unfortunately, FEMA documentation imposed a significant workload on the CCT. Immediately after the disaster, the full-time efforts of three employees were required to assemble the records and requests for reimbursement. Even now, one year after the event, FEMA imposes a significant burden on our staff to submit the periodic reports and to respond to FEMA's requests for financial data.

OBSERVATIONS AND RECOMMENDATIONS FROM THE KELLER DISASTER

The CCT offers the following observations and accompanying recommendations for the Subcommittee to consider as it works with FEMA to implement the tribal amendments to the Stafford Act and prepares for a general reauthorization of FEMA programs during the coming year.

(1) Make Resources Available to Tribes for Tribal Emergency Management Personnel

Since Tribes cannot rely solely on either FEMA or the BIA to assist them in times of emergency, the solution is to help Tribes themselves adequately prepare for disasters. Tribes need to grow their own emergency management expertise. It is not enough to send tribal members to FEMA-sponsored and supported training, which is the current FEMA model. Those people return to their normal jobs as soon as the immediate needs of a disaster response are over.

Instead, Tribes need the funding to hire and train people as Emergency Managers. We need staff trained and experienced in emergency management who can learn the FEMA rules and regulations that apply during disasters, and who remain in that role year-round. We need staff whose full-time job is to plan for, operate during, and handle the administrative follow-up work required for managing the tribal response to disasters. The CCT encourages the Subcommittee to explore this issue in future reauthorizations of FEMA programs.

(2) Improve Coordination with Other Federal Agencies

During the Keller disaster, the BIA had a fire management base filled with useful supplies only a few miles away. BIA policy does not allow supplies and equipment purchased through the fire management program, or employees paid by that program, to assist with disaster response. Tribal emergency responders were driving by a government warehouse complex that contained the very ice chests, portable generators, fuel, and other supplies that were sorely needed, but which BIA employees were forbidden by policy from dispensing.

Similarly, the National Interagency Fire Center (NIFC), the national wildfire coordinating entity at the Department of the Interior, is equipped and ready to ship, on a moment's notice, many of the supplies we needed. However, the Department of the Interior has never set up an accounting system to allow tribal governments to order, even at tribal expense, the portable radios, temporary radio repeaters, generators, and other materials they keep in stock. We desperately needed a temporary radio system of the type that NIFC keeps on the shelf, but we were unable to get one for the Keller disaster.

The CCT recommends that existing memoranda of understanding or other protocols that may be in effect between FEMA and the Department of the Interior be reviewed to ensure that they are being implemented effectively. If these protocols or agreements are currently in place, we encourage FEMA to begin working with the Department of the Interior to ensure that these on-the-ground issues that the CCT experienced are not repeated during the next disaster on tribal lands.

(3) Provide Flexibility in Debris Management and Other FEMA Rules

FEMA's debris management rules are a good example of its confusing rules. The debris management rules appear to have been written with floods, hurricanes, and tornadoes in mind. They do not take into account the realities of rural communities or tribal communities, specifically the need to clear timber debris to avoid wildfire. The Keller disaster may have left more than six million board feet of timber on the ground within the Colville Reservation alone, and more on nearby private lands. Those trees added thousands of tons to the fuel already drying out on the ground, ready to burn. Further, there were many trees that simply snapped off well above the ground. The dead trees remained standing, but the tops of the trees blew away. Much of this and other flammable debris ended up in or near housing areas.

Similarly, many tribal members depend upon hunting, fishing, and gathering for a significant portion of their food supply. Extended families traditionally camp in the same area every year, gathering berries and hunting. Downed trees blocking access to traditional gathering areas should be treated by FEMA the same as downed trees blocking access roads and camping areas at urban parks. Disaster-caused fuel loads in a traditional camping and gathering area could make a fire burn so hot that it would sterilize the ground and end its use for years to come. Such areas should be treated the same as when downed trees restrict the use of an urban public park or fishing access area.

We understand that FEMA cannot pay for removal of downed timber across hundreds of thousands of acres of forest. However, FEMA's rules should provide flexibility to recognize that large numbers of downed trees and the accumulation of wind-blown forest debris near homes constitute an immediate hazard to both life and property. The Keller disaster happened at the start of fire season. A year later, much of that fuel load is even dryer and is still on the ground, waiting for a spark.

In the CCT's experience, much more can be done to ensure that the unique needs of tribal communities are incorporated into FEMA disaster recovery efforts on tribal lands. In addition to debris management, there are other cultural considerations that should be reflected in FEMA rules. For example, tribal members use traditional foods that are not commercially available. Disaster-caused power outages caused tribal members to lose traditional foods, which in this modern era are frozen rather than traditionally dried, and those losses cannot be replaced. When tallying these individual losses from disasters, the hundreds of person-hours of work required to fill those freezers with irreplaceable traditional foods were not includable, but should have been.

As FEMA works to implement the tribal Stafford Act amendments, the CCT believes that it should take whatever steps are necessary to provide flexibility in applying these and other FEMA rules to the unique needs of tribal and rural communities.

(4) Take Steps to Minimize Confusion over FEMA's Individual and Public Assistance Programs for Disasters on Indian Lands

As the Subcommittee is aware, FEMA administers both individual-assistance and public-assistance programs. To our surprise, damage to homes and personal property on Indian Trust land does not qualify for Individual Assistance programs. Even if the home is privately owned, the fact that it is located on untaxed Indian Trust land apparently disqualifies the resident from receiving assistance. This is grossly unfair to tribal residents, and in effect disqualifies many Indians from any possibility of assistance.

Further, when FEMA's public assistance team arrived in Ferry County to assess the damage, the very name "public assistance" led people both on and off the reservation to assume that they were there to provide drinking water, supplies, or other tangible relief, which was not the case. In implementing the tribal Stafford Act amendments, FEMA must make a concerted effort to ensure that tribal communities and surrounding communities understand the differences between the "Public Assistance" and "Individual Assistance" programs. This will make their role much clearer and will help eliminate both confusion and false hopes among the affected populations.

CONCLUSION

This concludes my testimony. At this time I would be happy to answer any questions that the Subcommittee may have.

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