

Testimony of
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Before
The U.S. Senate
Committee on Homeland Security and Governmental Affairs
Ad Hoc Subcommittee on Disaster Recovery
"The State and Federal Response to Storm Damage and Erosion in Alaska's Coastal Villages"
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Chairman Landrieu, Ranking Member Stevens and Members of the Subcommittee, I am Susan Reinertson, Regional Administrator of the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) Region 10. On behalf of FEMA, and the Department of Homeland Security, we welcome and appreciate the invitation to appear today before the Subcommittee. It is a distinct honor and privilege to be here today.

I am accompanied by our Region's Division Director for Disaster Assistance, Mr. Charles Axton, and Division Director for Mitigation, Mr. Mark Carey, as well as our Alaska Area Office Manager, Mr. Robert Forgit. These gentlemen as well as all men and women of FEMA Region 10 are dedicated to meeting the pre- and post-disaster needs of the people of Alaska within the programs and authorities provided to us by the Congress and the President.

Before I discuss the specific programs applicable to the topic of this hearing, I would like to acknowledge that the success of FEMA and our programs is dependent on a strong professional partnership with State agencies. Thanks to the leadership of Major General Craig Campbell, Commissioner of the Alaska Department of Military and Veterans Affairs, and Mr. John Madden, Director of the Alaska Division of Homeland Security and Emergency Management, we have forged a strong professional partnership that ensures successful emergency management for Alaskan communities and citizens. FEMA greatly appreciates their leadership, professionalism, and dedication.

As you all well know, FEMA is the lead Federal agency responsible for coordinating disaster response, recovery, and mitigation efforts following disasters and emergencies declared by the President. Our programs are made available to communities through our State partner organizations, and are intended to supplement the response activities and recovery programs of States. Most of our assistance programs are authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, commonly referred to as the “Stafford Act.” The Stafford Act is widely known as the authority by which programs are made available following disaster declarations.

FEMA’s programs are designed to assist States and communities in carrying out their responsibilities and priorities. Our assistance is available in varying forms, such as grants, technical assistance, and planning assistance to address the impacts of disasters and to take steps to reduce the potential impacts. Assistance that is made available to States, tribes, communities, and individuals following disasters includes:

- The Public Assistance program, which provides assistance for the restoration of public and certain private nonprofit facilities damaged by an event, and the reimbursement of the costs associated with emergency protective measures and debris removal. The six Alaskan Native Villages most prone to erosion, based on GAO Report GAO-04-895T, have received \$3.4 million in Public Assistance over the last 5 years as a result of three Federally declared disasters;
- The Individuals and Households program, which helps ensure that the essential needs of individuals and families are met after disasters so that they can begin the road to successful recovery; and
- The Hazard Mitigation Grant Program, which I will discuss in detail in a moment.

The Pre-Disaster Mitigation Grant Program, authorized under the Stafford Act, and the Flood Mitigation Assistance Program, authorized under the National Flood Insurance Reform Act of

1994, as amended, are pre-disaster programs. The National Flood Insurance Program (NFIP), authorized by the National Flood Insurance Act of 1968, as amended, is available also.

Given that subject of today's hearing is "Alaska Native Villages Affected by Flooding and Erosion," I will focus on three of FEMA's programs that are available to the State of Alaska and the Alaskan Native villages in their efforts to address the complex challenges of flooding and erosion. I will also cover the limitations to these programs that results in their being part of the solution, but not the total answer to addressing the flooding and erosion vulnerabilities.

First, the Pre-Disaster Mitigation grant program was authorized by Congress under the Disaster Mitigation Act of 2000, which was signed into law on October 30, 2000. This program is available to communities through the State emergency management organizations, and is designed to fund nationally competitive mitigation projects and planning efforts of States and communities, as identified and prioritized in State and local mitigation plans. The development and adoption of these state and local mitigation plans is required under the Stafford Act as a result of the legislative amendments of 2000. Funding for this competitive grant program is not triggered by a Presidential Disaster Declaration; rather it is funded through the annual appropriations process. All States and communities throughout the nation that have FEMA-approved mitigation plans and are enrolled in the National Flood Insurance Program are eligible to apply for the program. Accordingly, the Pre-Disaster Mitigation grant program will help sustain an enhanced national mitigation effort year-to-year, as opposed to previous years when FEMA mitigation assistance was generally available only after a disaster was declared in a State.

Examples of projects funded under the program include the development of all-hazard mitigation plans, seismic retrofitting of critical public buildings, and acquisition or relocation of flood-prone properties located in the floodplain, just to name a few. All projects submitted are developed at the State or local level, must be cost-effective and technically feasible, and are approved following a nationally competitive peer-review process. In fiscal year 2007, the funding level was \$100 million nationwide. Specific project applications are capped at a Federal share of \$3 million per project. Since inception of the program in 2003, Alaska has

received \$1.9 million to address several local and state-wide planning projects and seismic retrofits of schools in Anchorage and Kodiak Island.

Second, the Hazard Mitigation Grant Program (HMGP) is available to States and communities following Presidential Disaster Declarations. This program has similar requirements as the Pre-Disaster Mitigation grant program previously described, though funds become available only after a Disaster is declared, and are available anywhere within the State in which the declaration was made. The amount of assistance available under the Hazard Mitigation Grant Program is a percentage of FEMA's assistance made available under the response and recovery programs. The most recent federally declared disaster for Alaska in December of 2006 resulted in \$1.5 million in HMGP funds being made available. Over the last 5 years, the eight federally declared disasters resulted in a total of \$5.6 million in HMGP funds to be used statewide.

Of the \$18.5 million in Hazard Mitigation Grant Program funds obligated in Alaska since the inception of the program, \$7.5 million or 40 percent has been spent on relocation projects for Alaskan Native Villages. Specifically, over \$6.3 million in Federal funding was provided to relocate 11 structures, including 3 public buildings in Alatna; \$900,000 in Federal funding was provided for relocating 27 homes in Allakaket; and \$200,000 in Federal funds was provided for relocating and elevating homes and a city building in Alakanuk. For all of these projects, the State of Alaska provided the 25 percent match funding.

As with the Pre-Disaster Mitigation grant program, all projects are developed at the State or local level, must pass a benefit-cost analysis, and are recommended by the State in accordance with the State Hazard Mitigation Plan. Again, examples of projects eligible for HMGP and the PDM grant funds include the development of all-hazards mitigation plans at both State and local levels, the seismic retrofitting of critical public buildings, and acquisition, relocation or elevation of flood-prone properties located in the floodplain. While erosion control may be an eligible project under HMGP, the scope of the erosion in Shishmaref, for example, would likely require a major project generally implemented by agencies such as the Army Corps of Engineers, which has specific authority for these types of projects. FEMA does not fund major

flood control projects or provide assistance for activities for which another Federal program has a more specific or primary authority to provide.

Third, FEMA's Flood Mitigation Assistance program is authorized for mitigating structures insured by the NFIP within a community participating in the NFIP. Projects include the elevation, relocation, and acquisition of flood prone structures. Because this program is funded by monies collected from NFIP policyholders, the recent focus of the program has been on mitigating repetitive loss structures in order to reduce the drain on the National Flood Insurance Fund. Severe Repetitive Loss properties are defined as properties that have experienced four or more flood losses of at least \$5,000 each, with at least two claims payments occurring in a 10-year period, and with the total claims paid exceeding \$20,000; or properties that have received at least two separate flood claims payments, where the cumulative flood claims payments exceed the value of the property.

The NFIP currently has 32 participating communities in Alaska, representing boroughs, cities, towns, and Alaska Native village municipalities. Collectively they maintain \$538 million in flood insurance coverage. Since 1978, the NFIP has paid 398 claims for \$3.8 million to Alaska residents. Twenty-nine of the 2,656 policies statewide are subject to coastal flooding and erosion hazards.

Many of the remote Alaskan communities vulnerable to flooding and erosion have not been mapped for flood hazard areas and are not participating in the NFIP, which is a requirement for consideration under the Flood Mitigation Assistance program, even in unmapped areas. In 1998 Shishmaref joined the NFIP and as a result of that was eligible for a Flood Mitigation Assistance grant to relocate some of their structures. In 2001 the Municipality of Shishmaref received their first published Flood Insurance Rate Map. However, many Alaska Native Villages are not in the NFIP because they do not have the land use authority to pass and enforce a floodplain management ordinance required for participation.

There are significant eligibility and funding challenges to FEMA and its state partner in developing successful mitigation projects, including relocation, in Alaska Native Villages. With respect to eligibility, projects that receive FEMA grant funding must demonstrate a positive benefit-cost ratio. The benefit-cost requirement for all Federal grants that FEMA is required to apply to its grants programs is outlined in OMB Circular A-94. Basically, an applicant must demonstrate that the benefit of the project is the same or greater than the cost. With the high costs in rural Alaska and low population benefited, developing a project or relocation effort with a positive benefit-to cost ratio is difficult to impossible. Without a positive benefit-cost ratio, a project is not eligible for funding consideration.

FEMA's programs have other eligibility requirements that most Alaska Native Villages currently do not meet, including a FEMA-approved mitigation plan. FEMA has been actively working with the State to address this eligibility requirement. Over the last 5 years, FEMA has provided over \$1 million in funding for planning through the Pre-Disaster Mitigation grant program, plus additional funding through the Hazard Mitigation Grant Program, to support local planning in Alaska. Currently, both Shishmaref and Kivalina are actively working to complete their plans. We will continue to support the State's efforts to assist their local communities and Alaska Native Villages to develop mitigation plans to expand eligibility for project funding.

As previously stated, funding challenges also exist. Since the Hazard Mitigation Grant Program's funding availability is based on declared disaster losses, it would take a catastrophic disaster or disasters for the state to receive the level of mitigation funds needed to address the full relocation needs of the Alaska Native Villages. The Pre-Disaster Mitigation grant program has a total appropriation of \$100 million for Fiscal Year 2007, with a \$3 million cap on each nationally selected project and a limitation that no one State may receive more than 15 percent of the total available funding. Additionally, the non-Federal cost-share requirements of our mitigation grants can pose a problem if a State passes on these costs to local communities due to the limited financial resources of the Alaskan Native Villages. By statute, the Federal government will pay 75 percent of the eligible costs with the remaining 25 percent paid by either the State or local government. However, with the Pre-Disaster Mitigation grant program,

Alaska Native Villages would be eligible for a 90/10 cost share due to the “small, impoverished” community classification specified in the law.

Within the context of these obstacles, FEMA has worked with our State partners on the challenge of flooding and erosion in Alaska Native Villages. In 1998 the Flood Mitigation Assistance program funded \$600,000 of an \$800,000 project to relocate nine private structures within Shishmaref. More recently, in 2006, FEMA funded a \$46,000 project through the Hazard Mitigation Grant Program to relocate Shishmaref’s computer cottage.

FEMA will continue to be an active partner in efforts to address the Alaska Native Villages’ vulnerabilities. We will continue to work with the State on defining mitigation planning priorities and in direct partnership with the tribes, in a Federal-to-tribe relationship when applicable, and we will provide technical assistance within our areas of expertise.

Unfortunately, as I have outlined in my testimony, what is needed to comprehensively address the vulnerabilities faced by the Alaska Native Villages at the highest risk is beyond the scope of our existing pre- and post-disaster programs.

In summary, the dedicated professionals of FEMA Region 10 will continue to work with the State of Alaska to identify and provide technical assistance in the development of cost-effective projects for consideration under the Pre-Disaster Mitigation and Hazard Mitigation Grant programs and, for communities participating in the National Flood Insurance Program, promote flood insurance, and the Flood Mitigation Assistance Program.

Finally, if one or more communities experience significant flooding and a Major Disaster is declared, please be assured that the full breadth of our Stafford Act programs would become available. FEMA would ensure the recovery and mitigation programs would be provided with the greatest of coordination and allowable flexibility to ensure the long-term plans of the communities are considered, to include the potential relocation of certain structures and facilities.

In closing, I appreciate the opportunity to represent the Federal Emergency Management Agency and the Department of Homeland Security before the Ad Hoc Subcommittee on Disaster Recovery. I would be pleased to answer any questions you may have.