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September 9, 2005

The Honorable Michael Chertoff  
Secretary of Homeland Security  
Department of Homeland Security  
Washington, DC 20528

Dear Secretary Chertoff:

The House Committee on Government Reform has obtained from the Department of Homeland Security a document describing the "Scope of Work" of a contract issued by the Federal Emergency Management Agency for the development of a "Southeastern Louisiana Catastrophic Hurricane Plan." We are writing to request any plans and other documents that were developed under this contract.

FEMA's Scope of Work contemplated that a private contractor, Innovative Emergency Management, Inc. (IEM), would complete the work under the contract in three stages.<sup>1</sup> "Stage One" called for a simulation exercise involving FEMA and the state of Louisiana that would "feature a catastrophic hurricane striking southeastern Louisiana."<sup>2</sup> "Stage Two" called for "development of the full catastrophic hurricane disaster plan."<sup>3</sup> And "Stage Three" involved unrelated earthquake planning.

A task order issued under the contract called for IEM to execute "Stage One" between May 19 and September 30, 2004, at a cost of \$518,284.<sup>4</sup> On June 3, 2004, IEM issued a press release announcing that it would "lead the development of a catastrophic hurricane disaster plan for Southeast Louisiana and the City of New Orleans under a more than half a million dollar contract with the U.S. Department of Homeland Security/Federal Emergency Management

<sup>1</sup> Federal Emergency Management Agency, *Combined Catastrophic Plan for Southeast Louisiana and the New Madrid Seismic Zone: Scope of Work*, p.2.

<sup>2</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 7.

<sup>3</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 2.

<sup>4</sup> Contract Number GS10F0178L, BPA #HSFEHQ-04-A-0288, Task Order 1.

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Agency (FEMA).<sup>5</sup> A second task order issued on September 23, 2004, required IEM to “complete the development of the SE Louisiana Catastrophic Hurricane plan.”<sup>6</sup> The cost of this task order was \$199,969.<sup>7</sup>

The “Background” section of the Scope of Work stated that “the emergency management community has long feared the occurrence of a catastrophic disaster,” which the document describes as “an event having unprecedented levels of damage, casualties, dislocation, and disruption that would have nationwide consequences and jeopardize national security.”<sup>8</sup> According to the background discussion, the emergency management community was concerned that “existing plans, policies, procedures and resources” would not be adequate to address such a “mega-disaster.”<sup>9</sup>

According to the Scope of Work, the contract “will assist FEMA, State, and local government to enhance response planning activities and operations by focusing on specific catastrophic disasters: those disasters that by definition will immediately overwhelm the existing disaster response capabilities of local, State, and Federal Governments.”<sup>10</sup> With respect to southeastern Louisiana, the specific “catastrophic disaster” to be addressed was “a slow-moving Category 3, 4, or 5 hurricane that . . . crosses New Orleans and Lake Pontchartrain.”<sup>11</sup> The Scope of Work explained:

Various hurricane studies suggest that a slow-moving Category 3 or almost any Category 4 or 5 hurricane approaching Southeast Louisiana from the south could severely damage the heavily populated Southeast portion of the state creating a catastrophe with which the State would not be able to cope without massive help from neighboring states and the Federal Government.<sup>12</sup>

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<sup>5</sup> Press Release, *IEM Team to Develop Catastrophic Hurricane Disaster Plan for New Orleans & Southeast Louisiana* (June 3, 2004) (online at [http://www.ieminc.com/Whats\\_New/Press\\_Releases/pressrelease060304\\_Catastrophic.htm](http://www.ieminc.com/Whats_New/Press_Releases/pressrelease060304_Catastrophic.htm)).

<sup>6</sup> Contract Number GS10F0178L, BPA #HSFEHQ-04-A-0288, Task Order HSFEHQ-04-J-0002.

<sup>7</sup> *Id.*

<sup>8</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 4.

<sup>9</sup> *Id.*

<sup>10</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 1.

<sup>11</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 5.

<sup>12</sup> *Id.*

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The Scope of Work further stated: “The Federal Emergency Management Agency (FEMA) and the Louisiana Office of Emergency Preparedness (LOEP) believe that the gravity of the situation calls for an extraordinary level of advance planning to improve government readiness to respond effectively to such an event.”<sup>13</sup>

The specific disaster scenario contemplated under the contract is strikingly similar to the actual disaster caused by Hurricane Katrina. The contract envisioned that “a catastrophic hurricane could result in significant numbers of deaths and injuries, trap hundreds of thousands of people in flooded areas, and leave up to one million people homeless.”<sup>14</sup> The Scope of Work expressly directed the contractor to plan for the following specific conditions:

- “Over one million people would evacuate from New Orleans. Evacuees would crowd shelters throughout Louisiana and adjacent states.”
- “Hurricane surge would block highways and trap 300,000 to 350,000 persons in flooded areas. Storm surge of over 18 feet would overflow flood-protection levees on the Lake Pontchartrain side of New Orleans. Storm surge combined with heavy rain could leave much of New Orleans under 14 to 17 feet of water. More than 200 square miles of urban areas would be flooded.”
- “It could take weeks to ‘de-water’ (drain) New Orleans: Inundated pumping stations and damaged pump motors would be inoperable. Flood-protection levees would prevent drainage of floodwater. Breaching the levees would be a complicated and politically sensitive problem: The Corps of Engineers may have to use barges or helicopters to haul earthmoving equipment to open several hundred feet of levee.”
- “Rescue operations would be difficult because much of the area would be reachable only by helicopters and boats.”
- “Hospitals would be overcrowded with special-needs patients. Backup generators would run out of fuel or fail before patients could be moved elsewhere.”
- “The New Orleans area would be without electric power, food, potable water, medicine, or transportation for an extended time period.”

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<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

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- “Damaged chemical plants and industries could spill hazardous materials.”
- “Standing water and disease could threaten public health.”
- “There would be severe economic repercussions for the state and region.”
- “Outside responders and resources, including the Federal response personnel and materials, would have difficulty entering and working in the affected area.”<sup>15</sup>

It appears that IEM completed the task order for “Stage One,” the hurricane simulation. An exercise know as “Hurricane Pam,” was conducted by FEMA and IEM in July 2004, bringing together emergency officials from 50 parish, state, federal, and volunteer organizations to simulate the conditions described above and plan an emergency response.<sup>16</sup> As a result of the exercise, officials reportedly developed proposals for handling debris removal, sheltering, search and rescue, medical care, and schools.<sup>17</sup>

It is not clear, however, what plans or draft plans, if any, IEM prepared to complete “Stage Two,” the development of the final catastrophic hurricane disaster plan. The task order for “Stage Two” provided that the “period of performance” was September 23, 2004, to September 30, 2005.<sup>18</sup>

The basis for the award of the planning work to IEM is also not indicated in the documents we received. The task orders were issued to IEM by FEMA under an “Indefinite Delivery Vehicle” (IDV) contract between IEM and the General Services Administration.<sup>19</sup> According to the Federal Procurement Data System, FEMA received only one bid (from IEM) for the task orders.<sup>20</sup>

The documents from the Department raise multiple questions about the contract with IEM and the planning for a catastrophic hurricane in southeastern Louisiana. To help us

<sup>15</sup> FEMA, *Scope of Work*, *supra* note 1 at p. 6.

<sup>16</sup> FEMA, Press Release, *Hurricane Pam Exercise Concludes* (July 23, 2004).

<sup>17</sup> *Id.*

<sup>18</sup> Contract Number GS10F0178L, BPA #HSFEHQ-04-A-0288, Task Order HSFEHQ-04-J-0002.

<sup>19</sup> Federal Procurement Data System, *GSA Schedule GS10F0178L, February 15, 2001* (data obtained from FPDS on Sept. 8, 2005).

<sup>20</sup> Federal Procurement Data System, *FEMA Awards Referencing GSA Schedule GS10F0178L* (data obtained from FPDS on Sept. 8, 2005).

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understand these issues, we request that the Department provide the following documents and information:

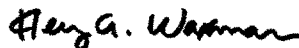
- (1) Any documents relating to the "Stage One" simulation exercise, including documents prepared for exercise planners and participants, transcripts or minutes of exercise proceedings, participant evaluations, and after action reports;
- (2) Any final or draft plans for a catastrophic hurricane in southeastern Louisiana prepared under "Stage Two" of the contract, including any final or draft Catastrophic Hurricane Disaster Plan, Basic Plan Framework, Emergency Support Function Annex, or Support Annex; and
- (3) An explanation of the procurement procedures used in selecting IEM for the contract and task orders, as well as a description of IEM's qualifications and the justification for selecting IEM.

We recognize that Department officials are engaged in ongoing relief efforts, and we do not want to impair those efforts in any way. For this reason, we have tailored our request to the discrete set of documents and information set forth above. To expedite your response to this request, we have enclosed copies of the Scope of Work, task orders, and other documents cited in this letter.

Sincerely,



Rep. Tom Davis  
Chairman



Rep. Henry A. Waxman  
Ranking Minority Member

Enclosure