

Statement of

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Good morning Chairwoman Norton, and members of the Committee.

I welcome the opportunity to appear before this committee to discuss the Federal Emergency Management Agency's (FEMA) authorities and resources related to post-disaster housing. I also look forward to addressing and, for the record, clearing up the misconceptions that surround both the relocation of residents from the Emergency Housing site in Hammond, Louisiana and FEMA's response to the recent tornados in Arkansas.

Madame Chairwoman, before I address the primary purpose of this hearing today, I would like to speak to an event of concern to you – and to other members of the Committee. That issue, Madame Chairwoman, is the closure of FEMA's Bonner/Albin Trailer Park in Hammond, Louisiana, and the rapid relocation of its 54 families to other FEMA trailer sites during a very short period of time.

FEMA takes most seriously its responsibilities to the well being of individuals, especially those to whom we are providing housing assistance following a disaster. Embracing these responsibilities, FEMA's leadership for the Gulf Coast Recovery Organization determined that the situation at that trailer park was detrimental to the health and well-being of its residents – many with children and some with fragile health.

In the past five months, the electricity has been shut off across the entire park - or within sections of the park - on at least three occasions due to lack of utility payment by the owner and operator. The unpredictable availability of electricity was extremely unsettling to the residents, particularly to the two who required oxygen support. Even more disturbing, the park has had a recurring incidence of a leaky sewage system, with many reports of standing, fetid water accompanied by, as described by residents, an unbearable stench. This is a situation that FEMA brought to the attention of the State Department of Health and Hospitals, who were likewise concerned with its implications for the health of the site's residents.

On multiple occasions, FEMA engaged in specific discussions with the trailer park's owner to seek resolution of these problems. Nevertheless, despite indications that corrective action would be taken, the problems persisted. As a result, FEMA had no reasonable expectation that the threat to the health and safety of the park's residents would improve, and took the only appropriate course of action available.

The situation was considered so intolerable that the residents were relocated to other nearby trailer sites. Contrary to media reports, all residents were provided an opportunity to identify a preferred location, and the vast majority were very grateful to be relocating. FEMA provided on-site oversight of the moving process, and residents were provided assistance to help them in the move. No one was evicted, and no one was forced to look for alternative housing.

While the decision to relocate was the right one, I regret that the residents were not given more notice that FEMA intended to move forward with and complete the relocation so quickly, in less than 48-hours for most of the site occupants. Our fast action to resolve this unsatisfactory situation proved to be unsettling to a number of residents. FEMA's intentions were good, and the action was initiated out of genuine concern and compassion for the health and welfare of the

residents. However, the level of communication, consideration and consultation should have been better. We want FEMA to be characterized by its concern and compassion for the disaster victims it is charged to serve – and recognize that improving our communications will help us meet that goal.

You will not see this incident repeated. Rather, you will see a FEMA that is not only concerned with addressing the needs of its housing residents but that is also ready to demonstrate and communicate that concern in its actions on the ground every day.

Madame Chairwoman, with your permission, I would like to begin to address FEMA's response to the recent tornados in Arkansas and the disaster declaration process.

You have heard "New" FEMA described as an organization that aspires to become the nation's preeminent emergency management and preparedness agency. Drawing on the lessons learned from the Hurricane Katrina experience, we want to be a more agile and responsive partner with the States by leaning further forward to deliver assistance more effectively.

When an incident occurs, either man-made or natural; rather than stand-by and wait for the State to be overwhelmed before offering assistance, we want to quickly establish contact with the State Office of Emergency Management, deploy FEMA personnel, and position ourselves to rapidly meet the emerging needs of the State.

New FEMA will press forward when disasters strike, in partnership with the State, to assess the damage on the ground and to jointly determine what gaps may need to be addressed by Federal capabilities. While FEMA is going to lean forward, it must do so within the bounds of the law and guidelines which exist with regard to Presidential disaster declarations.

One of the ways we demonstrate progress on our journey to achieve my vision for New FEMA is through the Declaration process. Declaration recommendations and decisions, except in unusually severe circumstances, must be preceded by joint State/Federal Preliminary Damage Assessments, which are designed to qualitatively determine the impact and magnitude of damage, and the resulting unmet needs of individuals, businesses, the public sector, and communities as a whole. These Preliminary Damage Assessments are led by the state, conducted jointly with FEMA, and typically include representatives from the local government, American Red Cross, and the Small Business Administration. In this high level and brief description, please recognize that this is a well practiced process that results in data and information that is descriptive, agreed upon by all parties, and the basis upon which the Governor will base his/her request and FEMA will form its review and recommendation.

The Basis of a Governor's request is that an incident has occurred – or threatens to occur – that is of a magnitude *beyond the effective response capability of the state and affected local communities*. This is an important point of distinction because it points to the need to establish reasonable expectations for assistance between that provided by the state and local government and that provided by the federal government for any given incident.

The Declaration process reflects an expectation of some level of state and local community capability to meet the response and recovery requirements that accompany an incident. Whether in the form of direct funding, commodities of food and water, the provision of shelter, assurance of security, and other actions to meet the needs of the citizenry and local jurisdictions, there is a need to identify – and an expectation of a reasonable level of state and local capability to respond to the event. While such capabilities rationally vary by state and by the severity of a given incident, the Federal government nevertheless expects any State to exhaust all reasonable resources to address the needs of their affected citizenry.

That said, when an event is of a magnitude or severity that exceeds the State and local government's ability to respond, the Stafford Act, authorizes the Federal government, through FEMA, to provide emergency supplemental assistance to State and local governments to support, but not supplant, the State's role of alleviating the suffering and damage that results from emergency or disaster events.

The Governor must identify the scope of *supplemental* federal assistance – it can be individual assistance, public assistance, Hazard Mitigation, or all three. I accentuate the word supplemental because we need to consider the assistance not only of the State and local government, but also of the individual in the form of insurance; non-Stafford Act assistance from other Federal agencies; or the aid available from a wide array of largely local disaster relief organizations. The availability and engagement of each of these forms of assistance will affect the determination of the level of supplemental federal assistance.

The Governor's request is submitted to the FEMA Region, where the Regional Director and his/her staff analyze the PDA information, summarize their findings and determinations, and offer a recommendation.

When considering a governor's request for a disaster declaration, the President is required to comply with the authorizing provisions of the Stafford Act, as well as its implementing regulations. The Stafford Act restricts the use of arithmetical formulas or a sliding scale based on income or population as the basis for determining the need for Federal supplemental aid. As a result, FEMA uses a number of factors to determine the severity, magnitude, and impact of a disaster event. The Code of Federal Regulations, Chapter 44, Part 206, specifically details the criteria and factors that may be considered.

The very nature of disasters—their unique circumstances, the unexpected timing, and varied impacts—means that each event is – and must be - considered on its own merits. However, let me emphasize that no single factor is considered in isolation when developing a recommendation to the President.

When this process leads to a Presidential Declaration, we work with the State to implement the provisions of the Stafford Act in the geographic areas that are determined eligible for assistance, and to provide the types of assistance that are approved. When this process leads to a denial of a declaration, or a restriction in the geographic areas or forms of assistance, the process provides the Governor with an opportunity to appeal. Such an appeal must be submitted within 30 days, and addressed to the President via the Regional Director. The appeal, which should include

additional justification not provided in the original request, is processed in much the same manner as I have described for the initial request.

If the President declares a disaster, under the Stafford Act, FEMA is authorized to provide assistance to individuals and governments in support of both immediate sheltering and housing efforts as well as intermediate repair and recovery needs.

Under Section 403 of the Stafford Act, FEMA is authorized to provide immediate emergency sheltering to households. This assistance is typically provided in the form of congregate shelters through State and local governments, as well as our partner agencies in the non-profit sector, such as the American Red Cross and the National Voluntary Organizations Active in Disasters (NVOAD). While in general, FEMA does not directly provide sheltering operations, we do provide material and financial support for these operations through the provision of commodities such as food, water, ice, blankets, cots, and generators, and the provision of financial reimbursement for eligible costs associated with these operations. During large-scale disasters FEMA may provide assistance for individual households for temporary sheltering operations using hotels and motels through issuance of authorization codes to disaster victims, although this is the exception, not the rule.

Under Section 408 of the Stafford Act, FEMA is authorized to provide housing assistance via our Individuals and Households Program, which includes: rental assistance, home repair assistance, home replacement assistance, and direct housing. It is important to note that FEMA's temporary housing assistance programs and authorities were not designed to provide long-term housing solutions, but rather to provide eligible victims with temporary accommodations while they work with their insurance company, State and local governments, non-profit organizations, and other federal agencies to find a permanent housing solution as part of their individual road to recovery. Under the Stafford Act and FEMA regulations, temporary housing assistance is limited to a period of 18-months, but can be extended if needed.

We use our application system, accessible both on-line and through 1-800 numbers, to work with applicants to determine their eligibility for assistance, as well as discuss whatever options may be available to them. The important point here is that – to receive assistance – individuals and households must register with FEMA. After an individual registers with FEMA for assistance, FEMA will conduct a home-inspection to verify disaster related damages. At that point, an individual or household can receive temporary housing assistance from FEMA.

This housing assistance assures that people whose homes are damaged by disaster have a safe place to live. These programs are designed to provide funds for expenses that are not covered by insurance. They are available only to homeowners and renters who are United States citizens, non-citizen nationals, or qualified aliens affected by the disaster.

FEMA can provide temporary housing for homeowners and renters to receive funds to rent a different place to live or a temporary housing unit when rental properties are not available. FEMA can provide temporary housing units in the form of mobile home or travel trailers. Most often they are placed on privately owned real property close to a disaster victim's home so the individual can remain close to their home while it is being repaired. However, in some

circumstances, these can be located in group trailer sites or in commercial sites. FEMA can also provide repair assistance to homeowners who have damage to their homes from the disaster that is not covered by insurance. The goal is to help homeowners return the damaged home to a safe and sanitary living condition.

The declaration process I have described was applied in its full measure following an incident in which severe storms and tornadoes moved through Desha County, Arkansas on Saturday afternoon, February 24th. Soon after the storm passed through, causing severe damage and destruction, FEMA Region VI's Deputy Director Gary Jones reached out to the Arkansas Office of Emergency Management, and dispatched a FEMA representative to the State Emergency Operations Center. Additionally, at the request of the State, FEMA also dispatched two members, one with expertise in Individual Assistance and the other with expertise in Public Assistance, who joined with the State and Small Business Administration representatives the following day, February 25, to conduct Preliminary Damage Assessments. Working together, and meeting with the Mayor of Dumas, they completed the Preliminary Damage Assessments in a single day.

On February 27th, three days following the storm, the Governor submitted his request for a Presidential Declaration of an Emergency for the State of Arkansas. Specifically, Governor Beebe requested the Declaration apply to Desha County for FEMA's Individuals and Households Program (including temporary housing), Direct Federal Assistance and Small Business Administration disaster loans.

The Governor's request was reviewed by Region VI and forwarded to FEMA Headquarters on March 1st, where the request was reviewed extensively. The Governor's request was denied on March 8th, nine days after its submission, when it was determined that the damage was not of such severity and magnitude as to be beyond the capabilities of the State and local governments. The Governor was also advised of his opportunity to appeal that decision within 30 days of the date of the letter of denial.

In FEMA's review of the information contained in the Governor's request and in the Preliminary Damage Assessment, it was our determination and recommendation, based on experience and consistent with our expectations for State response efficacy, that the impacts of this event were well within the capability of the State to manage.

- There were 37 houses destroyed, and 25 houses with major damage; an insurance coverage rate of 68 percent, and low income rate of 31 percent.
- Led by Governor Beebe, Mr. David Maxwell, the Director of the Arkansas Department of Emergency Management, and others, the State launched a very extensive, effective and expertly directed response and recovery effort that included:
 - crews from Arkansas Game & Fish, Arkansas Forestry and Arkansas Highway and Transportation Department to assist with debris removal
 - 100 personnel from the Arkansas National Guard to provide security
 - the Department of Emergency Management taking applications for temporary housing, and their Individual Family & Grant Programs in which eligible applicants would receive up to \$3,982 to help with medical bills, repairs or replacement of their residence, vehicle or personal property.

- And, there was direct and financial assistance from the American Red Cross to more than 330 clients; the Salvation Army provided meals and set up a food distribution network; the Church World Service provided baby kits, health kits and school kits; and the Adventist Community Services provided blankets, pillows and personal care items.

In its totality, the State and local governments, and a broad collection of non-governmental organizations drew from their resources and capabilities to effectively respond to the needs of the citizens of Desha County. Based on this extensive effort, the decision to deny the Governor's Request for a Presidential Declaration of an emergency was a correct one.

Even though FEMA determined that the impact of this event was well within the scope of the State's response capabilities, we nevertheless sought to find a way to creatively and legally meet the State's request for temporary housing units that we have stored at our facility in Hope, Arkansas. On the one hand, the Stafford Act prevents FEMA from giving housing units to the State absent a Presidential declaration. Yet, on the other hand, FEMA maintains an operational inventory of nearly 23,000 housing units, and has an additional disposable inventory of 42,000 units. The challenge that we took on was to find a way to make some of these units available to the State of Arkansas.

Through a series of discussions within FEMA and with our partners at the General Services Administration, we found that while we could not give these housing units to Arkansas, we could identify units as excess to our needs and the General Services Administration could expedite the process by which these units could be reviewed for Federal use and surplus units identified that could then be made available to Arkansas through the public benefit conveyance process. We also found that absent a Presidential declaration, we could not use Stafford funds to transport the trailers or install them within the State. In parallel discussions with Mr. David Maxwell, he indicated that the State would accept responsibility to transport the housing units the 160 miles from our storage facility in Hope to the disaster site in Dumas.

Without question, FEMA has an abundance of operational and disposable inventory of mobile homes and travel trailers, and we are getting more every day as eligible disaster victims from previously declared disasters return to self-sufficiency and requirements for the units decline. We are working with GSA to dispose of many of the excess units through existing legal authorities. Given our current inventory of travel trailers and mobile homes, we will continue to utilize GSA as we always have to maintain our inventory at a level in alignment with our strategic needs.

Madame Chairwoman, what I have described for you is both the process by which FEMA implements the Stafford Act to determine the eligibility for a Presidential declaration of emergency or major disaster, and FEMA and the State as actors in that process. It is a partnership where each actor has specific responsibilities and where there are certain expectations. Our challenge is to engage in that process openly, perhaps more quickly, and with a shared focus on best meeting the needs of disaster victims who place their faith and confidence in government – whether Federal, State or local, to act in their interests.

Before I conclude, I would like to briefly acknowledge the contributions of some stalwart partners, friends, and employees.

First, I'd like to salute the thousands of federal, state and local officials, voluntary organizations, and private sector individuals that have responded – and continue to respond - so valiantly and tirelessly to meet the needs of their fellow citizens.

I want to cite my personal and professional admiration for my colleagues in FEMA and within the Department of Homeland Security, both in the field and here in Washington, who, despite relentless criticism, remain devoted to our mission, to which they continue to provide determined and unstinting support.

Finally, and most importantly, I want to recognize the victims of disasters, who show not only courage and resilience, but also incredible patience and remarkable good will. They are the reason we are here today.

Thank you for the opportunity to explain FEMA's current authorities and resources related to post-disaster housing and I look forward to any questions you may have.