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## HOMELAND SECURITY

# Observations on DHS and FEMA Efforts to Prepare for and Respond to Major and Catastrophic Disasters and Address Related Recommendations and Legislation

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Highlights of [GAO-07-1142T](#), a testimony before the Subcommittee on Domestic Policy, Committee on Oversight and Government Reform, House of Representatives

## Why GAO Did This Study

The Federal Emergency Management Agency (FEMA) within the Department of Homeland Security (DHS) faces the simultaneous challenges of preparing for the hurricane season and implementing the provisions of the Post-Katrina Emergency Management Reform Act of 2006. The Act stipulated major changes to FEMA that were intended to enhance its preparedness for and response to catastrophic and major disasters.

As GAO has reported, FEMA and DHS face continued challenges, including clearly defining leadership roles and responsibilities, developing necessary disaster response capabilities, and establishing accountability systems to provide effective services while protecting against waste, fraud, and abuse. This testimony (1) summarizes GAO's findings on these challenges and FEMA's and DHS's efforts to address them; and (2) discusses several disaster management issues for continued congressional attention.

## What GAO Recommends

This testimony includes no new recommendations, but identifies issues to which Congress, FEMA, and DHS may wish to give continued attention so that FEMA may fulfill the requirements of the Post-Katrina Reform Act. These issues are based on the findings and recommendations of more than 30 Katrina-related GAO reports.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1142T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1142T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William Jenkins, Jr. at (202) 512-8777 or [jenkinswo@gao.gov](mailto:jenkinswo@gao.gov).

## HOMELAND SECURITY

# Observations on DHS and FEMA Efforts to Prepare for and Respond to Major and Catastrophic Disasters and Address Related Recommendations and Legislation

## What GAO Found

Effective disaster preparedness and response require defining what needs to be done, where and by whom, how it needs to be done, and how well it should be done. GAO analysis following Hurricane Katrina showed that improvements were needed in leadership roles and responsibilities, development of the necessary disaster capabilities, and accountability systems that balance the need for fast, flexible response against the need to prevent waste, fraud, and abuse. To facilitate rapid and effective decision making, legal authorities, roles and responsibilities, and lines of authority at all government levels must be clearly defined, effectively communicated, and well understood. Adequacy of capabilities in the context of a catastrophic or major disaster are needed—particularly in the areas of (1) situational assessment and awareness; (2) emergency communications; (3) evacuations; (4) search and rescue; (5) logistics; and (6) mass care and shelter. Implementing controls and accountability mechanisms helps to ensure the proper use of resources. FEMA has initiated reviews and some actions in each of these areas, but their operational impact in a catastrophic or major disaster has not yet been tested. Some of the targeted improvements, such as a completely revamped logistics system, are multiyear efforts. Others, such as the ability to field mobile communications and registration-assistance vehicles, are expected to be ready for the coming hurricane season.

The Comptroller General has suggested that one area for fundamental reform and oversight is ensuring a strategic and integrated approach to prepare for, respond to, recover, and rebuild after catastrophic events. FEMA enters the peak of the 2007 hurricane season as an organization in transition working simultaneously to implement the reorganization required by the Post-Katrina Reform Act and moving forward on initiatives to address the deficiencies identified by the post-Katrina reviews. This is an enormous challenge. In the short-term, Congress may wish to consider several specific areas for immediate oversight. These include (1) evaluating the development and implementation of the National Preparedness System, including preparedness for natural disasters, terrorist incidents, and an influenza pandemic; (2) assessing state and local capabilities and the use of federal grants to enhance those capabilities; (3) examining regional and multi-state planning and preparation; (4) determining the status and use of preparedness exercises; and (5) examining DHS policies regarding oversight assistance.

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss issues associated with the Federal Emergency Management Agency's (FEMA), an agency within the Department of Homeland Security (DHS), and its efforts to address the shortcomings of the preparation and response to Hurricane Katrina and enhance its capabilities for responding to major disasters, including hurricanes. The 2007 hurricane season has started and its peak period will begin in a few weeks. Almost two years ago, Hurricane Katrina severely tested disaster management at the federal, state, and local levels and revealed weaknesses in the basic elements of preparing for, responding, to and recovering from any catastrophic disaster. The goal of disaster preparedness and response is easy to state but difficult to achieve and can be stated as follows:

To prevent where possible, prepare for, mitigate, and respond to disasters of any size or cause with well-planned, well-coordinated, and effective actions that minimize the loss of life and property and set the stage for a quick recovery.

Achieving this goal for major disasters, and catastrophic disasters in particular, is difficult because success requires effective pre- and post-disaster coordination and cooperation among different levels of government, nongovernmental organizations, and the private sector. Individuals can also contribute to success through such things as knowing evacuation routes, complying with evacuation orders, and having a family and individual disaster preparation plan and supplies.

As the Comptroller General testified in February 2007 on DHS's high-risk status and specifically disaster preparedness and response, DHS must overcome continuing challenges, including those related to clearly defining leadership roles and responsibilities, developing necessary disaster response capabilities, and establishing accountability systems to provide effective services while protecting against waste, fraud, and abuse.<sup>1</sup> These issues are enormously complex and challenging for all levels of government. It is important to view preparedness for and response to major disasters as a national system with linked responsibilities and capabilities. This is because effective preparedness for and response to

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<sup>1</sup>GAO, *Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security*, GAO-07-452T (Washington, D.C.: Feb. 7, 2007).

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major disasters requires the coordinated planning and actions of multiple actors from multiple first responder disciplines, jurisdictions, and levels of government as well as nongovernmental entities. Parochialism must be put aside and cooperation must prevail before and after an emergency event. The experience of Hurricane Katrina illustrated why it is important to tackle these difficult issues.

My testimony today (1) summarizes our key findings on leadership, response capabilities, and accountability controls and the efforts made by DHS and FEMA in their implementation of the Post-Katrina Reform Act<sup>2</sup> and other recommendations made in the aftermath of Hurricane Katrina, and (2) highlights several disaster management issues for continued congressional attention. My comments today are based on our body of work on disaster and emergency management including more than 30 reports on the aftermath of Hurricane Katrina, our review of recent emergency management reform legislative changes, and materials and statements provided by FEMA. We conducted our audit work in accordance with generally accepted government auditing standards.

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## Summary

Our analysis of the preparation for and response to Hurricane Katrina showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse.

A key issue in the response to Hurricane Katrina was the lack of clearly understood roles and responsibilities. One aspect of this issue that continues to be a subject of discussion is the roles and responsibilities of the Federal Coordinating Officer (FCO), who has the authority to make mission assignments to federal agencies for response and recovery, and the Principal Federal Official (PFO), whose role was to provide situational awareness to the Secretary of Homeland Security.

Since the 2006 hurricane season, DHS has designated a FCO for each region that includes states at risks of hurricanes and a supporting FCO for

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<sup>2</sup>The Post-Katrina Emergency Management Reform Act of 2006 was enacted as Title VI of the Department of Homeland Security Appropriations Act, 2007, Pub. L. No. 109-295, 120 Stat. 1355, 1394 (2006).

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each of these states. It has also designated a PFO for each of three regions—the Gulf Coast, the Northeast Region, and the Mid-Atlantic Region—plus a separate PFO for the state of Florida and Texas. However, this year’s designations of PFOs, deputy PFOs and FCOs have generated some questions in Congress as to the clarity of the lines of authority between these designated officials and DHS leadership such as the FEMA Administrator and the Secretary of DHS. In a July letter to the nation's governors, designating PFOs and FCOs, the Secretary of Homeland Security directed states to contact the head of the Office of Risk Management and Analysis at the National Protection and Programs Directorate (NPPD) with questions related to these designated officials. The reasons for this were not stated in the letter, and the Risk Management and Analysis Directorate of the NPPD has no designated role in the current *National Response Plan*, which outlines the principal roles and responsibilities of federal agencies in a major disaster. In a letter to the Secretary of Homeland Security, the Chairman of the House Appropriations Subcommittee on Homeland Security expressed concern about the role of the NPPD, noting that under the Post-Katrina Reform Act, the FEMA Administrator is designated to “lead the Nation’s effort to prepare for, protect against, respond to, recover from, and mitigate against the risks of natural disasters, acts of terrorism and other man-made disasters including catastrophic incidents.”<sup>3</sup>

It is critically important that the authorities, roles, and responsibilities of FEMA and these designated FCOs and PFOs be clear and clearly understood by all. There is still some question among state and local first responders about the need for both positions and how they will work together in disaster response. One potential benefit of naming the FCOs and PFOs in advance is that they have an opportunity to meet and discuss expectations, roles and responsibilities with state, local, and nongovernmental officials before an actual disaster, possibly setting the groundwork for improved coordination and communication in an actual disaster.

Developing the ability to prepare for, respond to, and recover from major and catastrophic disasters requires an overall national preparedness effort that is designed to integrate and define what needs to be done, where, and by whom (roles and responsibilities); how it should be done; and how well

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<sup>3</sup> Pub. L. No. 109-295, § 611(11), 120 Stat. 1355, 1396 (2006) (codified at 6 U.S.C. § 313(b)(2)(A)).

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it should be done—that is, according to what standards. The principal national documents designed to address each of these are, respectively, the *National Response Plan (NRP)*, the *National Incident Management System (NIMS)*, and the *National Preparedness Goal (NPG)*. The *NRP*, *NIMS* and the *NPG* are undergoing extensive review and revision by DHS with the input of federal, state, and local government officials, tribal authorities, non-governmental and private sector officials, according to DHS. This effort is intended to assess the effectiveness of the doctrine embodied in these documents, identify modifications and improvements, and reissue the documents. The results of the review for the *NRP*, for example, were initially scheduled for release in June 2007. However, in April 2007, DHS officials notified stakeholders that some important issues were more complex and require national-level policy decisions, and stated that additional time was needed to complete a comprehensive draft. DHS noted that the underlying operational principles of the current *NRP*, as revised in May 2006, remain intact and still apply. Were the latest revision of the *NRP* to be released in the next few weeks, it is unlikely that any changes from these revisions could be effectively implemented for the 2007 hurricane season, which is now two months old. FEMA officials have told us that the final version of the *NPG* and its corresponding documents are currently receiving final reviews by the White House and will be out shortly.

In addition to roles and responsibilities, the nation's experience with hurricanes Katrina and Rita reinforced some questions about the adequacy of the nation's disaster response capabilities in the context of a catastrophic disaster—particularly in the areas of (1) situational assessment and awareness, (2) emergency communications, (3) evacuations, (4) search and rescue, (5) logistics, and (6) mass care and sheltering. Overall, capabilities are built upon the appropriate combination of people, skills, processes, and assets. Ensuring that needed capabilities are available requires effective planning and coordination in conjunction with training and exercises in which the capabilities are realistically tested and problems identified and subsequently addressed in partnership with other federal, state, and local stakeholders. In various meetings with GAO, in congressional testimonies, and in some documents, FEMA has described a number of initiatives to address identified deficiencies in each of these areas. However, a number of FEMA programs are ongoing and it is too early to evaluate their effectiveness. In addition, none of these initiatives appear to have been tested on a scale that reasonably simulates the conditions and demand they would face following a major or catastrophic disaster. Thus, it is difficult to assess the probable results of these initiatives in improving response to a major or catastrophic disaster,

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such as a category 4 or 5 hurricane.<sup>4</sup> The National Guard has traditionally been an important component of response to major disasters. States and governors rely on their National Guard personnel and equipment for disaster response, and National Guard personnel are frequently deployed to disaster areas, including those outside their home states. However, the types and quantities of equipment the National Guard needs to respond to large-scale disasters have not been fully identified because the multiple federal and state agencies that would have roles in responding to such events have not completed and integrated their plans<sup>5</sup>.

With regard to balancing speed and flexibility with accountability, FEMA has stated it has upgraded its victim recovery systems. For example, FEMA states that it can register up to 200,000 applicants per day for individual assistance while including safeguards for preventing fraudulent and duplicate applications. The inability to reliably and efficiently identify fraudulent and duplicate applications was a major problem following Katrina that resulted in hundreds of millions of dollars in improper payments. FEMA has also taken actions to revise its debris removal and contracting policies and to increase the use of advanced contracting for goods and services. Again, we have no basis to determine the effectiveness of these systems as they have yet to be tested on a large scale basis.

Entering the 2007 hurricane season, FEMA was and is an organization in transition working to implement the reorganization mandated by the Post-Katrina Reform Act as it moves forward on initiatives to implement a comprehensive, risk-based national emergency management system as required by the act. In November 2006, the Comptroller General wrote to the congressional leadership suggesting that one area needing fundamental reform and oversight was preparing for, responding to, and rebuilding after catastrophic disasters. Among the topics that Congress might consider for oversight are:

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<sup>4</sup>Section 602 of the Post-Katrina Reform Act defines “catastrophic incident” as any natural disaster, act of terrorism, or other man-made disaster that results in extraordinary levels of casualties or damage or disruption severely affecting the population (including mass evacuations), infrastructure, environment, economy, national morale, or government functions in an area.

<sup>5</sup>GAO, *Reserve Forces: Actions needed to Identify National Guard Domestic Equipment Requirements and Readiness*, [GAO-07-60](#) (Washington, D.C.: January 26, 2007).

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- the development and implementation of the National Preparedness System, including preparedness for natural disasters, terrorist incidents, and an influenza pandemic;
  - the assessment of state and local capabilities and the use of federal grants in building and sustaining those capabilities;
  - regional and multistate planning and preparedness;
  - the status and use of preparedness exercises; and
  - DHS policies that affect the transparency of its efforts to improve the nation's preparedness for and response to major and catastrophic disasters.

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## Background

Several federal legislative and executive provisions support preparation for and response to emergency situations. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act)<sup>6</sup> primarily establishes the programs and processes for the federal government to provide major disaster and emergency assistance to state, local, and tribal governments, individuals, and qualified private nonprofit organizations. FEMA, within DHS, has responsibility for administering the provisions of the Stafford Act.

Besides using these federal resources, states affected by a catastrophic disaster can also turn to other states for assistance in obtaining surge capacity—the ability to draw on additional resources, such as personnel and equipment, needed to respond to and recover from the incident. One way of sharing personnel and equipment across state lines is through the use of the Emergency Management Assistance Compact (EMAC), an interstate compact that provides a legal and administrative framework for managing such emergency requests. The compact includes 49 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.<sup>7</sup> We issued a report this week examining how the Emergency Management Assistance Compact has been used in disasters and how its effectiveness could be enhanced.<sup>8</sup> As the committee is aware, a number of specific recommendations have been made to improve the nation's ability to

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<sup>6</sup>The Stafford Act is codified as amended at 42 U.S.C. § 5121 et seq.

<sup>7</sup>California is currently not a member of EMAC as the state's legislation approving its membership in the compact had expired.

<sup>8</sup>GAO, *Emergency Management Assistance Compact: Enhancing EMAC's Collaborative and Administrative Capacity Should Improve Disaster Response*, [GAO-07-854](#) (Washington, D.C.: June 29, 2007).



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effectively prepare for and respond to catastrophic disasters following the aftermath of Hurricane Katrina. Beginning in February 2006, reports by the House Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina,<sup>9</sup> the Senate Homeland Security and Governmental Affairs Committee,<sup>10</sup> the White House Homeland Security Council,<sup>11</sup> the DHS Inspector General,<sup>12</sup> and DHS and FEMA<sup>13</sup> all identified a variety of failures and some strengths in the preparations for, response to, and initial recovery from Hurricane Katrina. In addition to these reviews, a report from the American National Standards Institute Homeland Security Standards Panel (ANSI-HSSP) contains recommendations aimed at bolstering national preparedness, response, and recovery efforts in the event of a natural disaster. A key resource identified in the document is the American National Standard for Disaster/Emergency Management and Business Continuity Programs (ANSI/NFPA 1600), which was developed by the National Fire Protection Association (NFPA). The standard defines a common set of criteria for preparedness, disaster management, emergency management, and business continuity programs.

Hurricane Katrina severely tested disaster management at the federal, state, and local levels and revealed weaknesses in the basic elements of preparing for, responding to, and recovering from any catastrophic disaster. Based on our work done during the aftermath of Hurricane Katrina, we previously reported that DHS needs to more effectively coordinate disaster preparedness, response, and recovery efforts, particularly for catastrophic disasters in which the response capabilities of

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<sup>9</sup>House of Representatives, House Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina. *A Failure of Initiative: Final Report of the House Select Bipartisan Committee to Investigate the Preparation for And Response to Hurricane Katrina* (Washington, D.C.: Feb. 15, 2006).

<sup>10</sup>U.S. Senate Committee on Homeland Security and Governmental Affairs. *Hurricane Katrina: A Nation Still Unprepared* (Washington, D.C.: May 2006).

<sup>11</sup>White House Homeland Security Council. *The Federal Response to Hurricane Katrina: Lessons Learned* (Washington, D.C.: Feb. 23, 2006).

<sup>12</sup>Department of Homeland Security's Office of Inspector General. *A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina*, OIG-06-32 (Washington, D.C.: Mar. 31, 2006).

<sup>13</sup>Federal Emergency Management Agency. *DHS/FEMA Initial Response Hotwash: Hurricane Katrina in Louisiana*, DR-1603-LA (Baton Rouge, Louisiana. Feb. 13, 2006).

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state and local governments are almost immediately overwhelmed.<sup>14</sup> Our analysis showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) the development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. In line with a recommendation we made following Hurricane Andrew, the nation's most destructive hurricane until Katrina, we recommended that Congress give federal agencies explicit authority to take actions to prepare for all types of catastrophic disasters when there is warning. We also recommended that DHS

1. rigorously retest, train, and exercise its recent clarification of the roles, responsibilities, and lines of authority for all levels of leadership, implementing changes needed to remedy identified coordination problems;
2. direct that the *NRP* base plan and its supporting Catastrophic Incident Annex be supported by more robust and detailed operational implementation plans;
3. provide guidance and direction for federal, state, and local planning, training, and exercises to ensure such activities fully support preparedness, response, and recovery responsibilities at a jurisdictional and regional basis;
4. take a lead in monitoring federal agencies' efforts to prepare to meet their responsibilities under the *NRP* and the interim National Preparedness Goal; and
5. use a risk management approach in deciding whether and how to invest finite resources in specific capabilities for a catastrophic disaster.

The Post-Katrina Reform Act<sup>15</sup> responded to the findings and recommendations in the various reports examining the preparation for and response to Hurricane Katrina. While keeping FEMA within DHS, the act enhanced FEMA's responsibilities and its autonomy within DHS. FEMA is

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<sup>14</sup>GAO, *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System*, [GAO-06-618](#) (Washington, D.C.: Sept. 6, 2006).

<sup>15</sup> Pub. L. No. 109-295, 120 Stat. 1355, 1394 (2006).

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to lead and support the nation in a risk-based, comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation. Under the Act, the FEMA Administrator reports directly to the Secretary of DHS; FEMA is now a distinct entity within DHS; and the Secretary of DHS can no longer substantially or significantly reduce the authorities, responsibilities, or functions of FEMA or the capability to perform them unless authorized by subsequent legislation. FEMA has absorbed many of the functions of DHS's Preparedness Directorate (with some exceptions). The statute establishes 10 regional offices with specified responsibilities. The statute also establishes a National Integration Center responsible for the ongoing management and maintenance of the *NIMS* and *NRP*. The Post-Katrina Reform Act also included provisions for other areas, such as evacuation plans and exercises and addressing the needs of individuals with disabilities. In addition, the act includes several provisions to strengthen the management and capability of FEMA's workforce. For example, the statute called for a strategic human capital plan to shape and improve FEMA's workforce, authorized recruitment and retention bonuses, and established a Surge Capacity Force. Most of the organizational changes became effective as of March 31, 2007. Others, such as the increase in organizational autonomy for FEMA and establishment of the National Integration Center, became effective upon enactment of the Post-Katrina Reform Act on October 4, 2006.

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## FEMA Is Reviewing Its Responsibilities, Capabilities as It Implements Recommendations and Post-Katrina Reform Act

After FEMA became part of DHS in March 2003, its responsibilities were over time dispersed and redefined. FEMA continues to evolve within DHS as it implements the changes required by the Post-Katrina Reform Act, whose details are discussed later. Hurricane Katrina severely tested disaster management at the federal, state, and local levels and revealed weaknesses in the basic elements of preparing for, responding to, and recovering from any catastrophic disaster. According to DHS, the department completed a thorough assessment of FEMA's internal structure to incorporate lessons learned from Hurricane Katrina and integrate systematically new and existing assets and responsibilities within FEMA.

The effective implementation of recent recommendations and the Post-Katrina Reform Act's organizational changes and related roles and responsibilities should address many of our emergency management

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observations and recommendations.<sup>16</sup> In addition, we previously reported that DHS needs to more effectively coordinate disaster preparedness, response, and recovery efforts, particularly for catastrophic disasters in which the response capabilities of state and local governments are almost immediately overwhelmed. Our September 2006 analysis showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) the development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse<sup>17</sup>.

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## Leadership Is Critical to Prepare for, Respond to, and Recover from Catastrophic Disasters

In preparing for, responding to, and recovering from any catastrophic disaster, the legal authorities, roles and responsibilities, and lines of authority at all levels of government must be clearly defined, effectively communicated, and well understood to facilitate rapid and effective decision making. Hurricane Katrina showed the need to improve leadership at all levels of government to better respond to a catastrophic disaster. As we have previously reported, developing the capabilities needed for catastrophic disasters requires an overall national preparedness effort that is designed to integrate and define what needs to be done, where, and by whom (roles and responsibilities), how it should be done, and how well it should be done—that is, according to what standards. The principal national documents designed to address each of these are, respectively, the *NRP*, *NIMS*, and the *NPG*.

All three documents are undergoing extensive review and revision by DHS with input from state and local government officials, tribal authorities, non-governmental and private sector officials.<sup>18</sup> For example, the review of

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<sup>16</sup> GAO, *Homeland Security: Observations on DHS and FEMA Efforts to Prepare for and Respond to Major and Catastrophic Disasters and Address Related Recommendations and Legislation*. [GAO-07-835T](#). (Washington, D.C.: May 15, 2007).

<sup>17</sup> [GAO-06-618](#)

<sup>18</sup> On May 25, 2006, DHS released changes to the NRP regarding leadership issues, such as which situations require secretarial leadership; the process for declaring incidents of national significance; and the scope of the NRP and its Catastrophic Incident Annex. The revised NRP clearly states that the Secretary of Homeland Security, who reports directly to the President, is responsible for declaring and managing incidents of national significance, including catastrophic ones. At the time of Hurricane Katrina, the supplement to the catastrophic incident annex, which provides more detail on implementing the annex, was still in draft. Subsequent to Hurricane Katrina, DHS published the final supplement to the Catastrophic Incident Annex, dated August 2006.

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the *NRP* is intended to assess the effectiveness of the *NRP*, identify modifications and improvements and reissue the document. This review includes all major components of the *NRP* including the base plan, Emergency Support Functions (ESF), annexes such as the Catastrophic Incident Annex and its Supplement; the role of the PFO and FCO, and the Joint Field Office structure. Also during the current *NRP* review period, FEMA has revised the organizational structure of Emergency Support Function 6 (ESF-6), Mass Care, Housing, and Human Services, and places FEMA as the lead agency for this emergency support function. The Red Cross will remain as a supporting agency in the responsibilities and activities of ESF-6. According to a February 2007 letter by the Red Cross, this change will not take place until the *NRP* review process is complete and all changes are approved.

The revised *NRP* and *NIMS* were originally scheduled for release in June 2007. In April 2007, however, DHS officials notified stakeholders that some important issues were more complex and required national-level policy decisions, and additional time was needed to complete a comprehensive draft. DHS noted that the underlying operational principles of the *NRP* remain intact and the current document, as revised in May 2006, still applies. FEMA officials have told us that the final version of the National Preparedness Goal and its corresponding documents like the Target Capabilities List, are currently receiving final reviews by the White House and are expected to be out shortly.

A key issue in the response to Hurricane Katrina was the lack of clearly understood roles and responsibilities. This is an issue that continues to be a subject of discussion is the roles and responsibilities of the FCO, who has the authority to make mission assignments to federal agencies for response and recovery under the Stafford Act, and the PFO, whose role was to provide situational awareness to the Secretary of Homeland Security. The May 2006 revisions to the *NRP* made changes designed to address this issue. However, the changes may not have fully resolved the leadership issues regarding the roles of the PFO and the FCO. While the Secretary of Homeland Security may avoid conflicts by appointing a single individual to serve in both positions in non-terrorist incidents, confusion may persist if the Secretary of Homeland Security does not exercise this discretion to do so. Furthermore, this discretion does not exist for terrorist incidents, and the revised *NRP* does not specifically provide a rationale for this limitation.

For 2006, FEMA pre-designated five teams of FCOs and PFOs in the Gulf Coast and eastern seaboard states at risk of hurricanes. This included

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FCOs and PFOs for the Gulf Coast Region,<sup>19</sup> Northeast Region,<sup>20</sup> and the Mid-Atlantic Region,<sup>21</sup> and separate FCOs and PFOs for the states of Florida and Texas.

However, this year's designations of PFOs, deputy PFOs, and FCOs have generated some questions in Congress as to the clarity of the lines of authority between these designated officials and DHS leadership such as the FEMA Administrator and the Secretary of DHS. In a July letter to the nation's governors, designating PFOs and FCOs, the Secretary of Homeland Security directed states to contact the head of the Office of Risk Management and Analysis at the National Protection and Programs Directorate (NPPD) with questions related to these designated officials. The reasons for this were not stated in the letter, and the Risk Management and Analysis Directorate of the NPPD has no designated role in the current *National Response Plan*, which outlines the principal roles and responsibilities of federal agencies in a major disaster. In a letter to the Secretary of Homeland Security, the Chairman of the House Appropriations Subcommittee on Homeland Security expressed concern about the role of the NPPD, noting that under the Post-Katrina Reform Act, the FEMA Administrator is designated to "lead the Nation's effort to prepare for, protect against, respond to, recover from, and mitigate against the risks of natural disasters, acts of terrorism and other man-made disasters including catastrophic incidents."<sup>22</sup>

It is critically important that the authorities, roles, and responsibilities of FEMA and the designated FCOs and PFOs be clear and clearly understood by all. There is still some question among state and local first responders about the need for both positions and how they will work together in disaster response. One potential benefit of naming the FCOs and PFOs in advance is that they have an opportunity to meet and discuss expectations, roles and responsibilities with state, local, and nongovernmental officials before an actual disaster, possibly setting the groundwork for improved coordination and communication in an actual disaster.

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<sup>19</sup>Includes Alabama, Mississippi, and Louisiana.

<sup>20</sup>Includes New York, New Jersey, New England, Puerto Rico, and the U.S. Virgin Islands.

<sup>21</sup>Includes Georgia, South Carolina, North Carolina, Virginia, District of Columbia, Maryland, Delaware, Pennsylvania, and Rhode Island.

<sup>22</sup> Pub. L. No. 109-295, § 611(11), 120 Stat. 1355, 1396 (2006) (codified at 6 U.S.C. § 313(b)(2)(A)).

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## Enhanced Capabilities Are Needed to Adequately Prepare for and Respond to Major Disasters

Numerous reports, including those by the House, Senate, and the White House, and our own work suggest that the substantial resources and capabilities marshaled by state, local, and federal governments and nongovernmental organizations were insufficient to meet the immediate challenges posed by the unprecedented degree of damage and the number of victims caused by Hurricanes Katrina and Rita. Developing the ability to prepare for, respond to, and recover from major and catastrophic disasters requires an overall national preparedness effort that is designed to integrate and define what needs to be done and where, how it should be done, and how well it should be done—that is, according to what standards. As previously discussed, the principal national documents designed to address each of these are, respectively, the *NRP*, *NIMS*, and the *NPG*, and each document is undergoing revision.

Overall, capabilities are built upon the appropriate combination of people, skills, processes, and assets. Ensuring that needed capabilities are available requires effective planning and coordination in conjunction with training and exercises in which the capabilities are realistically tested and problems identified and subsequently addressed in partnership with other federal, state, and local stakeholders. In recent work on FEMA management of day-to-day operations, we found that although shifting resources caused by its transition to DHS created challenges for FEMA, the agency's management of existing resources compounded these problems.<sup>23</sup> FEMA lacks some of the basic management tools that help an agency respond to changing circumstances. Most notably, our January 2007 report found that FEMA lacks a strategic workforce plan and related human capital strategies—such as succession planning or a coordinated training effort. Such tools are integral to managing resources, as they enable an agency to define staffing levels, identify the critical skills needed to achieve its mission, and eliminate or mitigate gaps between current and future skills and competencies. FEMA officials have said they are

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<sup>23</sup>GAO, *Budget Issues: FEMA Needs Adequate Data, Plans, and Systems to Effectively Manage Resources for Day-to-Day Operations*, GAO-07-139 (Washington, D.C.: Jan. 19, 2007).

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beginning to address these and other basic organizational management issues. To this end, FEMA has commissioned studies of 18 areas.<sup>24</sup>

An important element of effective emergency response is the ability to identify and deploy where needed a variety of resources from a variety of sources—federal, state, local or tribal governments; military assets of the National Guard or active military; nongovernmental entities; and the private sector. One key method of tapping resources in areas not affected by the disaster is the EMAC. Through EMAC, about 46,000 National Guard and 19,000 civilian responders were deployed to areas directly affected by the 2005 Gulf Coast hurricanes. We issued a report this week examining how the Emergency Management Assistance Compact has been used in disasters and how its effectiveness could be enhanced.<sup>25</sup>

One of the resources accessed through EMAC is the National Guard. States and governors rely on their National Guard personnel and equipment for disaster response, and National Guard personnel are frequently deployed to disaster areas outside their home states. However, as we reported in January 2007, the types and quantities of equipment the National Guard needs to respond to large-scale disasters have not been fully identified because the multiple federal and state agencies that would have roles in responding to such events have not completed and integrated their plans.<sup>26</sup> As a liaison between the Army, the Air Force, and the states, the National Guard Bureau is well positioned to facilitate state planning for National Guard forces. However, until the bureau's charter and its civil support regulation are revised to define its role in facilitating state planning for multistate events, such planning may remain incomplete, and the National Guard may not be prepared to respond as effectively and efficiently as possible. In addition, questions have arisen about the level of

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<sup>24</sup>The areas are (1) individual assistance technical assistance contract, (2) contractor management program, (3) facilities; (4) payment process for contractors, (5) finance center operations, (6) capital planning and investment control, (7) security, (8) human resources, (9) logistics, (10) acquisition, (11) disaster emergency communications, (12) decision support systems (data resource management), (13) disaster workforce, (14) information technology, (15) federal coordinating officer cadre, (16) financial systems, (17) budget process, and (18) disaster relief fund.

<sup>25</sup> GAO, *Emergency Management Assistance Compact: Enhancing EMAC's Collaborative and Administrative Capacity Should Improve Disaster Response*, [GAO-07-854](#) (Washington, D.C.: June 29, 2007).

<sup>26</sup> GAO, *Reserve Forces: Actions Needed to Identify National Guard Domestic Equipment Requirements and Readiness*, [GAO-07-60](#) (Washington, D.C.: Jan. 26, 2007).



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resources the National Guard has available for domestic emergency response. DOD does not routinely measure the equipment readiness of nondeployed National Guard forces for domestic civil support missions or report this information to Congress. Thus, although the deployment of National Guard units overseas has decreased the supply of equipment available to nondeployed National Guard units in the U.S., there has been no established, formal method of assessing the impact on the Guard's ability to perform its domestic missions. Although DOD has begun to collect data on units' preparedness, these efforts are not yet fully mature.

The nation's experience with hurricanes Katrina and Rita reinforces some of the questions surrounding the adequacy of capabilities in the context of a catastrophic disaster—particularly in the areas of (1) situational assessment and awareness, (2) emergency communications, (3) evacuations, (4) search and rescue, (5) logistics, and (6) mass care and sheltering. According to FEMA, the agency has described a number of actions it has taken or has underway to address identified deficiencies in each of these areas. Examples include designating national and regional situational awareness teams; acquiring and deploying mobile satellite communications trucks; developing an electronic system for receiving and tracking the status of requests for assistance and supplies; acquiring GPS equipment for tracking the location of supplies on route to areas of need; and working with the Red Cross and others to clarify roles and responsibilities for mass care, housing, and human services. However, a number of FEMA programs are ongoing and it is too early to evaluate their effectiveness. In addition, none of these initiatives appear to have been tested on a scale that reasonably simulates the conditions and demand they would face following a major or catastrophic disaster. Thus, it is difficult to assess the probable results of these initiatives in improving response to a major or catastrophic disaster, such as a category 4 or 5 hurricane. The section below briefly discusses actions taken or underway to make improvements in each of these areas.

*Situational Awareness.* FEMA is developing a concept for rapidly deployable interagency incident management teams, at this time called National Incident Management Team, to provide a forward federal presence on site within 12 hours of notification to facilitate managing the national response for catastrophic incidents. These teams will support efforts to meet the emergent needs during disasters such as the capability to provide initial situational awareness for decision-makers and support the initial establishment of a unified command.

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*Emergency Communications.* Agencies' communications systems during a catastrophic disaster must first be operable, with sufficient communications to meet everyday internal and emergency communication requirements. Once operable, systems should have communications interoperability whereby public safety agencies (e.g., police, fire, emergency medical services, etc.) and service agencies (e.g., public works, transportation, and hospitals) can communicate within and across agencies and jurisdictions in real time as needed. DHS officials have identified a number of programs and activities they have implemented to improve interoperable communications nationally, and FEMA has taken action to design, staff, and maintain a rapidly deployable, responsive, interoperable, and reliable emergency communications capability.

*Logistics.* FEMA's inability to effectively manage and track requests for and the distribution of water, ice, food, and other supplies came under harsh criticism in the wake of Hurricane Katrina. Within days, FEMA became overwhelmed and essentially asked the military to take over much of the logistics mission.<sup>27</sup> In the Post-Katrina Reform Act, Congress required FEMA to make its logistics system more flexible and responsive. FEMA's ongoing improvements to its logistics strategy and efforts are designed to initially lean forward and provide immediate support to a disaster site mainly through FEMA-owned goods and assets, and later on to establish sustained supply chains with the private vendors whose resources are needed for ongoing response and recovery activities, according to FEMA officials. In addition, we recently examined FEMA logistics issues, taking a broad approach, identifying five areas necessary for an effective logistics system, which are discussed in appendix I. In short, FEMA is taking action to transition its logistics program to be more proactive, flexible, and responsive. While these and other initiatives hold promise for improving FEMA's logistics capabilities, it will be several years before they are fully implemented and operational.

*Mass Care and Shelter.* Our work examining the nation's ability to evacuate, care for, and shelter disaster victims, we showed that FEMA needs to identify and assess the capabilities that exist across the federal government and outside the federal government. In an April testimony, FEMA's Deputy Administrator for Operations said that emergency evacuation, shelter and housing is FEMA's most pressing priority for

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<sup>27</sup>GAO, *Hurricane Katrina: Better Plans and Exercises Needed to Guide the Military's Response to Catastrophic Natural Disasters*. [GAO-06-643](#) (Washington, D.C.: May 15, 2006).

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planning for recovery from a catastrophic disaster. He said that FEMA is undertaking more detailed mass evacuee support planning; the Department of Justice and Red Cross are developing methods for more quickly identifying and uniting missing family members; and FEMA and the Red Cross have developed a web-based data system to support shelter management, reporting, and facility identification activities.

In addition, FEMA is in the process of developing an Alternative Housing Pilot Program (AHPP) designed to evaluate new options for housing victims in the aftermath of a disaster. We have been asked to review the process FEMA used to evaluate proposals and award grants under this program and we expect to release a report at the end of August of this year.

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### Balance Needed between Quick Provision of Assistance and Ensuring Accountability to Protect against Waste, Fraud, and Abuse

Controls and accountability mechanisms help to ensure that resources are used appropriately. Nevertheless, during a catastrophic disaster, decision makers struggle with the tension between implementing controls and accountability mechanisms and the demand for rapid response and recovery assistance. On one hand, our work uncovered many examples where quick action could not occur due to procedures that required extensive, time-consuming processes, delaying the delivery of vital supplies and other assistance. On the other hand, we also found examples where FEMA's processes assisting disaster victims left the federal government vulnerable to fraud and the abuse of expedited assistance payments.

We estimated that through February 2006, FEMA made about \$600 million to \$1.4 billion in improper and potentially fraudulent payments to applicants who used invalid information to apply for expedited cash assistance. DHS and FEMA have reported a number of actions that are to be in effect for the 2007 hurricane season so that federal recovery programs will have more capacity to rapidly handle a catastrophic incident but also provide accountability. Examples include significantly increasing the quantity of prepositioned supplies, such as food, ice, and water; placing global positioning systems on supply trucks to track their location and better manage the delivery of supplies; creating an enhanced phone system for victim assistance applications that can handle up to 200,000 calls per day; and improving computer systems and processes for verifying the eligibility of those applying for assistance. Effective implementation of

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these and other planned improvements will be critical to achieving their intended outcomes.<sup>28</sup>

Finally, catastrophic disasters not only require a different magnitude of capabilities and resources for effective response, they may also require more flexible policies and operating procedures. In a catastrophe, streamlining, simplifying, and expediting decision making should quickly replace “business as usual” and unquestioned adherence to long-standing policies and operating procedures used in normal situations for providing relief to disaster victims. At the same time, controls and accountability mechanisms must be sufficient to provide the documentation needed for expense reimbursement and reasonable assurance that resources have been used legally and for the purposes intended.

We have recommended that DHS create accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. Doing so would enable DHS to provide assistance quickly following a catastrophe and keep up with the magnitude of needs to confirm the eligibility of victims for disaster assistance, or assure that there were provisions in contracts for response and recovery services to ensure fair and reasonable prices in all cases. We also recommended that DHS provide guidance on advance procurement practices and procedures (precontracting) for those federal agencies with roles and responsibilities under the *NRP*. These federal agencies could then better manage disaster-related procurement and establish an assessment process to monitor agencies’ continuous planning efforts for their disaster-related procurement needs and the maintenance of capabilities. For example, we identified a number of emergency response practices in the public and private sectors that provide insight into how the federal government can better manage its disaster-related procurements. These practices include developing knowledge of contractor capabilities and prices, and establishing vendor relationships prior to the disaster and establishing a scalable operations plan to adjust the level of capacity to match the response with the need.<sup>29</sup>

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<sup>28</sup>GAO, *Hurricanes Katrina and Rita Disaster Relief: Prevention Is the Key to Minimizing Fraud, Waste, and Abuse in Recovery Efforts*. [GAO-07-418T](#). Washington, D.C.: January 29, 2007.

<sup>29</sup>GAO, *Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security*, [GAO-07-452T](#) (Washington, D.C.: Feb. 7, 2007).

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Recent statutory changes have established more controls and accountability mechanisms. For example, The Secretary of DHS is required to promulgate regulations designed to limit the excessive use of subcontractors and subcontracting tiers. The Secretary of DHS is also required to promulgate regulations that limit certain noncompetitive contracts to 150 days, unless exceptional circumstances apply. Oversight funding is specified. FEMA may dedicate up to one percent of funding for agency mission assignments as oversight funds. The FEMA Administrator must develop and maintain internal management controls of FEMA disaster assistance programs and develop and implement a training program to prevent fraud, waste, and abuse of federal funds in response to or recovery from a disaster. Verification measures must be developed to identify eligible recipients of disaster relief assistance.

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## Several Disaster Management Issues Should Have Continued Congressional Attention

In November 2006, the Comptroller General wrote to the congressional leadership suggesting areas for congressional oversight.<sup>30</sup> He suggested that one area needing fundamental reform and oversight was preparing for, responding to, recovering from, and rebuilding after catastrophic events. Recent events—notably Hurricane Katrina and the threat of an influenza pandemic—have illustrated the importance of ensuring a strategic and integrated approach to catastrophic disaster management. Disaster preparation and response that is well planned and coordinated can save lives and mitigate damage, and an effectively functioning insurance market can substantially reduce the government’s exposure to post-catastrophe payouts.

Lessons learned from past national emergencies provide an opportunity for Congress to look at actions that could mitigate the effects of potential catastrophic events. On January 18, 2007, DHS provided Congress a notice of implementation of the Post-Katrina Reform Act reorganization requirements and additional organizational changes made under the Homeland Security Act of 2002. All of the changes, according to DHS, were to become effective on March 31, 2007. The effective implementation of the Post-Katrina Reform Act’s organizational changes and related roles and responsibilities—in addition to those changes already undertaken by DHS—should address many of our emergency management observations and recommendations.

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<sup>30</sup>GAO, *Suggested Areas for Oversight for the 110th Congress*. [GAO-07-235R](#) (Washington, D.C.: Nov. 17, 2006).

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The Comptroller General also suggested in November 2006 that Congress could also consider how the federal government can work with other nations, other levels of government, and nonprofit and private sector organizations, such as the Red Cross and private insurers, to help ensure the nation is well prepared and recovers effectively<sup>31</sup>. Given the billions of dollars dedicated to preparing for, responding to, recovering from, and rebuilding after catastrophic disasters, congressional oversight is critical.

Congress might consider starting with several specific areas for immediate oversight, such as (1) evaluating development and implementation of the National Preparedness System, including preparedness for an influenza pandemic, (2) assessing state and local capabilities and the use of federal grants in building and sustaining those capabilities, (3) examining regional and multistate planning and preparation, (4) determining the status of preparedness exercises, and (5) examining DHS policies regarding oversight assistance.

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## DHS Has Reorganized Pursuant to the Post-Katrina Reform Act

On January 18, 2007, DHS provided Congress a notice of implementation of the Post-Katrina Reform Act reorganization requirements and additional organizational changes made under the Homeland Security Act of 2002. All of the changes, according to DHS, were to become effective on March 31, 2007. According to DHS, the department completed a thorough assessment of FEMA's internal structure to incorporate lessons learned from Hurricane Katrina and integrate systematically new and existing assets and responsibilities within FEMA. DHS transferred the following DHS offices and divisions to FEMA:

- United States Fire Administration,
- Office of Grants and Training,
- Chemical Stockpile Emergency Preparedness Division,
- Radiological Emergency Preparedness Program,
- Office of National Capital Region Coordination, and,
- Office of State and Local Government Coordination.

DHS officials stated that they have established several organizational elements, such as a logistics management division, a disaster assistance division, and a disaster operations division. In addition, FEMA expanded

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<sup>31</sup>GAO, *Suggested Areas for Oversight for the 110th Congress*. [GAO-07-235R](#) (Washington, D.C.: Nov. 17, 2006).

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its regional office structure with each region in part by establishing a Regional Advisory Council and at least one Regional Strike Team. FEMA officials have noted that for the first time in recent memory there will be no acting regional directors and all 10 FEMA regional offices will be headed by experienced professionals.

Further, FEMA will include a new national preparedness directorate intended to consolidate FEMA's strategic preparedness assets from existing FEMA programs and certain legacy Preparedness Directorate programs. The National Preparedness Directorate will contain functions related to preparedness doctrine, policy, and contingency planning. It also will include the National Integration Center that will maintain the *NRP* and *NIMS* and ensure that training and exercise activities reflect these documents.

Effective Implementation of the Post-Katrina Reform Act's Provisions Should Respond to Many Concerns

The effective implementation of the Post-Katrina Reform Act's organizational changes and related roles and responsibilities—in addition to those changes already undertaken by DHS—should address many of our emergency management observations and recommendations.

As noted earlier, our analysis in the aftermath of Hurricane Katrina showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) the development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. The statute appears to strengthen leadership roles and responsibilities. For example, the statute clarifies that the FEMA Administrator is to act as the principal emergency management adviser to the President, the Homeland Security Council, and the Secretary of DHS and to provide recommendations directly to Congress after informing the Secretary of DHS. The incident management responsibilities and roles of the National Integration Center are now clear. The Secretary of DHS must ensure that the *NRP* provides for a clear chain of command to lead and coordinate the federal response to any natural disaster, act of terrorism, or other man-made disaster. The law also establishes qualifications that appointees must meet. For example, the FEMA Administrator must have a demonstrated ability in and knowledge of emergency management and homeland security and 5 years of executive leadership and management experience.

Many provisions are designed to enhance preparedness and response. For example, the statute requires the President to establish a national preparedness goal and national preparedness system. The national

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preparedness system includes a broad range of preparedness activities, including utilizing target capabilities and preparedness priorities, training and exercises, comprehensive assessment systems, and reporting requirements. To illustrate, the FEMA Administrator is to carry out a national training program to implement, and a national exercise program to test and evaluate the *NPG*, *NIMS*, *NRP*, and other related plans and strategies.

In addition, FEMA is to partner with nonfederal entities to build a national emergency management system. States must develop plans that include catastrophic incident annexes modeled after the *NRP* annex to be eligible for FEMA emergency preparedness grants. The state annexes must be developed in consultation with local officials, including regional commissions. FEMA regional administrators are to foster the development of mutual aid agreements between states. FEMA must enter into a memorandum of understanding with certain non-federal entities to collaborate on developing standards for deployment capabilities, including credentialing of personnel and typing of resources. In addition, FEMA must implement several other capabilities, such as (1) developing a logistics system providing real-time visibility of items at each point throughout the logistics system, (2) establishing a prepositioned equipment program, and (3) establishing emergency support and response teams.

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## The National Preparedness System Is Key to Developing Disaster Capabilities

More immediate congressional attention might focus on evaluating the construction and effectiveness of the National Preparedness System, which is mandated under the Post-Katrina Reform Act. Under Homeland Security Presidential Directive-8, issued in December 2003, DHS was to coordinate the development of a national domestic all-hazards preparedness goal “to establish measurable readiness priorities and targets that appropriately balance the potential threat and magnitude of terrorist attacks and large scale natural or accidental disasters with the resources required to prevent, respond to, and recover from them.” The goal was also to include readiness metrics and standards for preparedness assessments and strategies and a system for assessing the nation’s overall preparedness to respond to major events.

To implement the directive, DHS developed the NPG using 15 emergency event scenarios, 12 of which were terrorist related, with the remaining 3 addressing a major hurricane, major earthquake, and an influenza pandemic. According to DHS’s National Preparedness Guidance, the planning scenarios are intended to illustrate the scope and magnitude of



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large-scale, catastrophic emergency events for which the nation needs to be prepared and to form the basis for identifying the capabilities needed to respond to a wide range of large scale emergency events. The scenarios focused on the consequences that first responders would have to address. Some state and local officials and experts have questioned whether the scenarios were appropriate inputs for preparedness planning, particularly in terms of their plausibility and the emphasis on terrorist scenarios.

Using the scenarios, and in consultation with federal, state, and local emergency response stakeholders, DHS developed a list of over 1,600 discrete tasks, of which 300 were identified as critical. DHS then identified 36 target capabilities to provide guidance to federal, state, and local first responders on the capabilities they need to develop and maintain. That list has since been refined, and DHS released a revised draft list of 37 capabilities in December 2005. Because no single jurisdiction or agency would be expected to perform every task, possession of a target capability could involve enhancing and maintaining local resources, ensuring access to regional and federal resources, or some combination of the two. However, DHS is still in the process of developing goals, requirements, and metrics for these capabilities and the NPG in light of the Hurricane Katrina experience.

Several key components of the National Preparedness System defined in the Post-Katrina Reform Act—the *NPG*, target capabilities and preparedness priorities, and comprehensive assessment systems—should be closely examined. Prior to Hurricane Katrina, DHS had established seven priorities for enhancing national first responder preparedness, including, for example, implementing the *NRP* and *NIMS*; strengthening capabilities in information sharing and collaboration; and strengthening capabilities in medical surge and mass prophylaxis. Those seven priorities were incorporated into DHS's fiscal year 2006 homeland security grant program (HSGP) guidance, which added an eighth priority that emphasized emergency operations and catastrophic planning.

In the fiscal year 2007 HSGP program guidance, DHS set two overarching priorities. DHS has focused the bulk of its available grant dollars on risk-based investment. In addition, the department has prioritized regional coordination and investment strategies that institutionalize regional security strategy integration. In addition to the two overarching priorities, the guidance also identified several others. These include (1) measuring progress in achieving the *NPG*, (2) integrating and synchronizing preparedness programs and activities, (3) developing and sustaining a statewide critical infrastructure/key resource protection program,

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(4) enabling information/intelligence fusion, (5) enhancing statewide communications interoperability, (6) strengthening preventative radiological/nuclear detection capabilities, and (7) enhancing catastrophic planning to address nationwide plan review results. Under the guidance, all fiscal year 2007 HSGP applicants will be required to submit an investment justification that provides background information, strategic objectives and priorities addressed, their funding/implementation plan, and the impact that each proposed investment (project) is anticipated to have.

## The Particular Challenge of Preparing for an Influenza Pandemic

The possibility of an influenza pandemic is a real and significant threat to the nation. There is widespread agreement that it is not a question of if but when such a pandemic will occur. The issues associated with the preparation for and response to a pandemic flu are similar to those for any other type of disaster: clear leadership roles and responsibilities, authority, and coordination; risk management; realistic planning, training, and exercises; assessing and building the capacity needed to effectively respond and recover; effective information sharing and communication; and accountability for the effective use of resources.

However, a pandemic poses some unique challenges. Hurricanes, earthquakes, explosions, or bioterrorist incidents occur within a short period of time, perhaps a period of minutes, although such events can have long-term effects, as we have seen in the Gulf region following Hurricane Katrina. The immediate effects of such disasters are likely to affect specific locations or areas within the nation; the immediate damage is not nationwide. In contrast, an influenza pandemic is likely to continue in waves of 6 to 8 weeks for a number of weeks or months and affect wide areas of the nation, perhaps the entire nation. Depending upon the severity of the pandemic, the number of deaths could be from 200,000 to 2 million. Seasonal influenza in the United States results in about 36,000 deaths annually. Successfully addressing the pandemic is also likely to require international coordination of detection and response.

The Department of Health and Human Services estimates that during a severe pandemic, absenteeism may reach as much as 40 percent in an affected community because individuals are ill, caring for family members, or fear infection. Such absenteeism could affect our nation's economy, as businesses and governments face the challenge of continuing to provide essential services with reduced numbers of healthy workers. In addition, our nation's ability to respond effectively to hurricanes or other major disasters during a pandemic may also be diminished as first responders, health care workers, and others are infected or otherwise unable to

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perform their normal duties. Thus, the consequences of a pandemic are potentially widespread and effective planning and response for such a disaster will require particularly close cooperation among all levels of government, the private sector, individuals within the United States, as well as international cooperation.

We have engagements under way examining such issues as barriers to implementing the Department of Health and Human Services' National Pandemic Influenza Plan, the national strategy and framework for pandemic influenza, the Department of Defense and Department of Agriculture's preparedness efforts and plans, public health and hospital preparedness, and U.S. efforts to improve global disease surveillance. We expect most of these reports to be issued by late summer 2007.

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### Knowledge of the Effects of State and Local Efforts to Improve Their Capabilities Is Limited

Possible congressional oversight in the short term also might focus on state and local capabilities. As I testified in February on applying risk management principles to guide federal investments,<sup>32</sup> over the past 4 years DHS has provided about \$14 billion in federal funding to states, localities, and territories through its HSGP grants. However, little has been reported about how states and localities finance their efforts in this area, have used their federal funds, and are assessing the effectiveness with which they spend those funds.

Essentially, all levels of government are still struggling to define and act on the answers to basic, but hardly simple, questions about emergency preparedness and response: What is important (that is, what are our priorities)? How do we know what is important (e.g., risk assessments, performance standards)? How do we measure, attain, and sustain success? On what basis do we make necessary trade-offs, given finite resources?

There are no simple, easy answers to these questions. The data available for answering them are incomplete and imperfect. We have better information and a better sense of what needs to be done for some types of major emergency events than for others. For some natural disasters, such as regional wildfires and flooding, there is more experience and therefore a better basis on which to assess preparation and response efforts and identify gaps that need to be addressed. California has experience with

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<sup>32</sup> GAO, *Homeland Security: Applying Risk Management Principles to Guide Federal Investments*, [GAO-07-386T](#) (Washington, D.C.: Feb. 7, 2007).

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earthquakes; Florida, with hurricanes. However, no one in the nation has experience with such potential catastrophes as a dirty bomb detonated in a major city. Although both the AIDS epidemic and SARS provide some related experience, there have been no recent pandemics that rapidly spread to thousands of people across the nation.

A new feature in the fiscal year 2006 DHS homeland security grant guidance for the Urban Area Security Initiative (UASI) grants was that eligible recipients must provide an “investment justification” with their grant application. States were to use this justification to outline the implementation approaches for specific investments that will be used to achieve the initiatives outlined in their state Program and Capability Enhancement Plan. These plans were multiyear global program management plans for the entire state homeland security program that look beyond federal homeland security grant programs and funding. The justifications must justify all funding requested through the DHS homeland security grant program. In the guidance DHS noted that it would use a peer review process to evaluate grant applications on the basis of the effectiveness of a state’s plan to address the priorities it has outlined and thereby reduce its overall risk.

For fiscal year 2006, DHS implemented a competitive process to evaluate the anticipated effectiveness of proposed homeland security investments. For fiscal year 2007, DHS continued to use the risk and effectiveness assessments to inform final funding decisions, although changes have been made to make the grant allocation process more transparent and more easily understood. DHS officials have said that they cannot yet assess how effective the actual investments from grant funds are in enhancing preparedness and mitigating risk because they do not yet have the metrics to do so.

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## Regional and Multistate Planning and Preparation Should Be Robust

Through its grant guidance, DHS has encouraged regional and multistate planning and preparation. Planning and assistance have largely been focused on single jurisdictions and their immediately adjacent neighbors. However, well-documented problems with the abilities of first responders from multiple jurisdictions to communicate at the site of an incident and the potential for large-scale natural and terrorist disasters have generated a debate on the extent to which first responders should be focusing their planning and preparation on a regional and multi-governmental basis.

As I mentioned earlier, an overarching national priority for the NPG is embracing regional approaches to building, sustaining, and sharing

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capabilities at all levels of government. All HSGP applications are to reflect regional coordination and show an investment strategy that institutionalizes regional security strategy integration. However, it is not known to what extent regional and multistate planning has progressed and is effective.

Our limited regional work indicated there are challenges in planning. Our early work addressing the Office of National Capital Region Coordination (ONCRC) and National Capital Region (NCR) strategic planning reported that the ONCRC and the NCR faced interrelated challenges in managing federal funds in a way that maximizes the increase in first responder capacities and preparedness while minimizing inefficiency and unnecessary duplication of expenditures.<sup>33</sup> One of these challenges included a coordinated regionwide plan for establishing first responder performance goals, needs, and priorities, and assessing the benefits of expenditures in enhancing first responder capabilities. In subsequent work on National Capital Region strategic planning, we highlighted areas that needed strengthening in the Region's planning, specifically improving the substance of the strategic plan to guide decision makers.<sup>34</sup> For example, additional information could have been provided regarding the type, nature, scope, or timing of planned goals, objectives, and initiatives; performance expectations and measures; designation of priority initiatives to meet regional risk and needed capabilities; lead organizations for initiative implementation; resources and investments; and operational commitment.

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<sup>33</sup>GAO, *Homeland Security: Management of First Responder Grants in the National Capital Region Reflects the Need for Coordinated Planning and Performance Goals*, [GAO-04-433](#) (Washington, D.C.: May 28, 2004); *Homeland Security: Coordinated Planning and Standards Needed to Better Manage First Responder Grants in the National Capital Region*, [GAO-04-904T](#) (Washington, D.C.: June 24, 2004); *Homeland Security: Effective Regional Coordination Can Enhance Emergency Preparedness*, [GAO-04-1009](#) (Washington, D.C.: Sept. 15, 2004); *Homeland Security: Managing First Responder Grants to Enhance Emergency Preparedness in the National Capital Region*, [GAO-05-889T](#) (Washington, D.C.: July 14, 2005); and *Homeland Security: The Status of Strategic Planning in the National Capital Region*, [GAO-06-559T](#) (Washington, D.C.: Mar. 29, 2006).

<sup>34</sup>GAO, *Homeland Security: Assessment of the National Capital Region Strategic Plan*, [GAO-06-1096T](#) (Washington, D.C.: Sept. 28, 2006).

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## Exercises Must Be Carefully Planned and Deployed and Capture Lessons Learned

Our work examining the preparation for and response to Hurricane Katrina highlighted the importance of realistic exercises to test and refine assumptions, capabilities, and operational procedures; build on the strengths; and shore up the limitations revealed by objective assessments of the exercises. The Post-Katrina Reform Act mandates a national exercise program, and training and exercises are also included as a component of the National Preparedness System. With almost any skill and capability, experience and practice enhance proficiency. For first responders, exercises—especially of the type or magnitude of events for which there is little actual experience—are essential for developing skills and identifying what works well and what needs further improvement. Major emergency incidents, particularly catastrophic ones, by definition require the coordinated actions of personnel from many first responder disciplines and all levels of government, nonprofit organizations, and the private sector. It is difficult to overemphasize the importance of effective interdisciplinary, intergovernmental planning, training, and exercises in developing the coordination and skills needed for effective response.

For exercises to be effective in identifying both strengths and areas needing attention, it is important that they be realistic, designed to test and stress the system, involve all key persons who would be involved in responding to an actual event, and be followed by honest and realistic assessments that result in action plans that are implemented. In addition to relevant first responders, exercise participants should include, depending upon the scope and nature of the exercise, mayors, governors, and state and local emergency managers who would be responsible for such things as determining if and when to declare a mandatory evacuation or ask for federal assistance. We are initiating work that will further examine the development and implementation of a national exercise program.

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## DHS Has Provided Limited Transparency for Its Management or Operational Decisions

Congressional oversight in the short term might include DHS's policies regarding oversight assistance. The Comptroller General has testified that DHS has not been transparent in its efforts to strengthen its management areas and mission functions<sup>35</sup>. While much of its sensitive work needs to be guarded from improper disclosure, DHS has not been receptive toward

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<sup>35</sup>GAO, *Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security*, [GAO-07-398T](#) (Washington, D.C.: Feb. 6, 2007); and GAO, *Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security*, [GAO-07-452T](#) (Washington, D.C.: Feb. 7, 2007)

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oversight. Delays in providing Congress and us with access to various documents and officials have impeded our work.

We need to be able to independently assure ourselves and Congress that DHS has implemented many of our past recommendations or has taken other corrective actions to address the challenges we identified. However, DHS has not made its management or operational decisions transparent enough so that Congress can be sure it is effectively, efficiently, and economically using the billions of dollars in funding it receives annually, and is providing the levels of security called for in numerous legislative requirements and presidential directives.

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That concludes my statement, and I would be pleased to respond to any questions you and subcommittee members may have.

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## Contacts and Staff Acknowledgments

For further information about this statement, please contact William O. Jenkins Jr., Director, Homeland Security and Justice Issues, on (202) 512-8777 or [jenkinswo@gao.gov](mailto:jenkinswo@gao.gov).

In addition to the contact named above the following individuals from GAO's Homeland Security and Justice Team also made major contributors to this testimony: Sharon Caudle, Assistant Director; and John Vocino, Analyst-in-Charge.



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# Appendix I: Related GAO Products

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*Homeland Security: Observations on DHS and FEMA Efforts to Prepare for and Respond to Major and Catastrophic Disasters and Address Related Recommendations and Legislation.* [GAO-07-835T](#). Washington, D.C.: May 15, 2007.

*Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security.* [GAO-07-833T](#). Washington, D.C.: May 10, 2007.

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