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**TESTIMONY**  
**BEFORE THE**

**HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

**ON**

**“A Review of the Preparedness, Response To and Recovery From Hurricane Sandy”**

**THE UNITED STATES HOUSE OF REPRESENTATIVES**

**DECEMBER 4, 2012**

## **INTRODUCTION**

Thank you Chairman Mica, Ranking Member Rahall, and distinguished members of the Committee for allowing me the opportunity to provide you with a statement for the record on what Mississippi has learned in recovering from a disaster, especially one considered catastrophic. I am Robert Latham, the Director of the Mississippi Emergency Management Agency. I am a retired Sergeant Major from the Mississippi Army National Guard, retired fire chief, and former county emergency management director.

This is my second time to have the privilege to serve the people of Mississippi as MEMA Director. I served as Director from February 2000 to July 2006 and oversaw 11 Presidential disaster declarations, including Hurricane Katrina, considered by many experts as the most catastrophic disaster to impact our country in recent history. I retired in July 2006 and worked in the private sector as an emergency management consultant, advising both the public and private sectors in emergency management issues including state and local planning, response and recovery operations in a variety of disasters. During that time I had the opportunity to assist in several FEMA sponsored planning initiatives including catastrophic planning for northern California and the State of Hawaii. In January of 2012, at the request of Governor Phil Bryant, I returned to public service as Director of MEMA.

Several communities and states in the northeast are now facing many of the same recovery challenges as a result of Hurricane Sandy that Mississippi experienced following Hurricane Katrina. To date, through the Emergency Management Assistance Compact (EMAC), Mississippi has provided more than 100 experienced emergency managers, law enforcement officers, and public works officials to assist in the states of Maryland and New Jersey. As the response comes to an end, the long and difficult task of recovery begins. The landscape in many of these communities has changed forever. Thousands of citizens face an uncertain future as they deal with the reality that their lives will never be the same and businesses wrestle with the decision as to whether to rebuild or not.

Disaster is certainly no stranger to Mississippi. Unfortunately our communities and state are experienced in disaster preparedness, response, and recovery. Since I first became MEMA Director in February 2000, the state has been granted 20 presidential disaster declarations. I have overseen the response and recovery to 12 of these disasters ranging from isolated tornadoes and flooding affecting a few counties to Hurricane Katrina which resulted in all 82 counties being declared disaster areas by the President. As of today the state has 19 open disasters in various stages of the recovery process. With this disaster experience, we have faced and overcome many challenges and there is very little we do not know about the recovery process.

As I begin let me say first and foremost that Mississippians know what you are facing and our thoughts and prayers are with all those dealing with the aftermath of Hurricane Sandy. I hope that my testimony here today regarding our experiences and lessons learned from Hurricane Katrina in Mississippi and other disasters we have experienced will, in some small way, help Congress as it deliberates the way forward and how communities impacted by Hurricane Sandy in the northeast will expedite their recovery process. There is no reason why they should have

to independently learn the lessons of a complex recovery when they have already been learned by other communities such as those along the Mississippi Gulf Coast since Hurricane Katrina.

## **OVERVIEW**

Large scale, multi-jurisdictional disasters or catastrophic events affect every aspect of a community; where citizens work, where they worship, where children go to school, safety and security and other government services, but most importantly where our citizens live and raise their families. When each of these areas are affected or destroyed, recovery becomes a way of life for weeks, months and as we know in Mississippi, even years.

Recovery is a shared responsibility and its success depends greatly upon an effort that is locally driven, utilizing a local, state and federal structure, and guided by a common vision and strategy. A successful community recovery following a large scale or catastrophic event requires a unity of effort in developing a well thought out and realistic Long Term Community Recovery plan. This can only be achieved with strong local leadership, vision, strategy and resources. The absence of such a plan will often result in a recovery guided by political posturing and changing priorities resulting in extensive delays. There are never enough resources to support a “pie in the in the sky” plan that often falls short of expectations. While there will never be enough resources to do everything we WANT to do as we rebuild, that does not mean we shouldn’t rebuild our communities better, smarter, safer, and more resilient.

## **LEADERSHIP – WHO IS IN CHARGE?**

Success can be measured in several ways but there is no question as to its importance in any undertaking. A structure has to be in place that takes advantage of the expertise and knowledge that exists in a community. The first and most important aspect of recovery is strong leadership with a bottom-up approach. Every disaster, no matter the size or scope, begins and ends at the local level. Success or failure in this effort will rely heavily on strong local leadership but other factors may delay the recovery which I will discuss later in my testimony.

Every decision that is made should answer the question, “Is what we are doing best for the community and can we sustain it?” From our experience since Hurricane Katrina, there must be a local unified Long Term Community Recovery Committee established. This committee should be driven at the local level with representatives from local, state and federal government entities as well as non-governmental and other faith-based organizations, private sector partners and citizens. Every member of this committee is just as important as another because they have either a vested interest in the recovery and represent either stakeholders in the process or the outcome and/or control resources and represent a segment of the community that is critical to its viability. The more input in the recovery process, the more creative and successful a community can be in rebuilding sustainable, resilient and prosperous communities. Key considerations in the leadership component are:

- Unified command/coordination – unity of effort.
- Local, state, federal, private sector, NGOs, and citizen involvement.
- Situational awareness.
- Stabilize the situation.

- Organized/deliberate incident action planning.
- Progress reports or updates.
- Transparency.
- Coordinated, consistent public messaging.
- Manage expectations.
- Appoint a Recovery Manager/Czar.

### **VISION: WHERE DO WE WANT TO GO?**

A community impacted by a major or catastrophic disaster needs to take a step back, take a deep breath and develop a vision for where it wants to be at the end of this recovery journey. Following an event like Hurricane Sandy, there is an immediate rush to ensure that we rescue those that are trapped or injured, recover the bodies of those that did not survive, provide safe shelter and food for survivors that have lost everything, restore power and critical infrastructure, and ensure that we secure the disaster zone to protect life and property. We then begin removing the debris, repair or rebuild infrastructure and try to return the community to a sense of normalcy. Unfortunately in the rush to recover, we fail to take advantage of the opportunities we have. What do we want our community to look like at the end of the recovery? Decisions made early in this process for the right reason can have unknown consequences that may result in wasted effort and resources that could have been directed towards rebuilding our communities the way they should be.

FEMA does an outstanding job of providing short term solutions and assistance, but these efforts do not make a community whole again. Communities must think beyond temporary solutions and assistance for a more permanent, sustainable solution that makes the community a place that citizens want to return to and promote future growth. Permanent housing relies heavily on infrastructure and goes hand in hand with getting citizens back to work, children back in school and restoring the economy and tax base of an area. If people have a place to live and work they will need places to shop, which leads to restoration and even growth of the business sector. In addition, the re-establishment and repair of critical infrastructure must be considered in the vision of long term recovery to sustain all aspects of community life. All of this depends on a well-thought out vision for the community. Key considerations in developing the vision for long term recovery plan include:

- Re-establishment of basic government services.
- Existence of a strong, active Long Term Recovery Committee.
- Locally driven planning.
- Short and long term goals and milestones.
- Timeline for repair and/or replacement of infrastructure.
- Sustainability of the rebuilding effort (maintenance, rent, staffing, utilities, insurance).
- Availability of housing.
- Shifts in population - plans for development of housing.
- Impact of new codes or building ordinances.
- Impact of potential flood map revisions.
- Availability of schools.

- Availability of quality health care.
- Economic recovery.
- Restoration of the tax base.
- Potential impact of increased insurance rates.
- Mitigation measures.
- Availability of resources.

### **STRATEGY: HOW TO WE GET THERE FROM WHERE WE ARE?**

Once the Long Term Community Recovery Committee has developed a vision for the recovery, the work really begins. While I believe that we sometimes have a tendency to over-plan, I am a firm believer in developing a plan that clearly lays out the path forward for recovery. Taking the vision and converting it into priorities with actionable steps and/or projects and a timeline with milestones, ensures that the committee remains focused and resists the temptation to shift priorities and resources for short term gains. Once this has been done, the key then becomes matching resources and funding with the individual components of the strategy. Unless communities leverage the funding from various sources, including FEMA, Community Development Block Grants (CDBG), Small Business Administration (SBA), and non-governmental organizations, economic development agencies, and state disaster funding, if applicable, and build a strategy around these resources, communities will fall short of recovery expectations and goals. Some of the major components of developing the strategy include:

- Engage the “whole community”, including the private sector.
- Develop a plan to support the vision for recovery.
- Resist the temptation to make hasty decisions.
- Establish a timeline and measurable milestones.
- Track progress.
- Integrate mitigation strategies in rebuilding.
- Integrate infrastructure, housing, transportation, and economic development.
- Consider where to rebuild/build schools.
- Manage expectations.
- Document, document, document!

### **RESOURCES: WHAT DO WE NEED TO GET US THERE?**

Resources can be the one component of recovery that can make a community fall short of expectations. Stafford Act and other available funding options are limited, especially when economic growth is slow and budgets are strained. After large scale or catastrophic disasters, budgets are stressed even more. There is fierce competition and a scarcity of available funding to meet all of the recovery needs of a community. Once the recovery plan has been developed and priorities are established then the officials have to match available resources with projects that will drive the recovery. That again brings us back to a locally driven approach to recovery. It is absolutely critical to have all the stakeholders at the table, working together towards a common goal, leveraging the resources to maximize outcomes, and matching these resources with appropriate, eligible projects. Only then can a community achieve its full potential.

During catastrophic events, recovery funds will come from various sources, including the federal government, and local officials have to be aware of the restrictions of these funds to avoid the potential for duplicated benefits ultimately resulting in de-obligations. In addition, it is important to note that strong relationships must be built with the private sector to promote economic growth and stability over the long term. Repair and rebuilding of critical infrastructure has a significant impact on the private sector which is critical to a community’s long term recovery and survivability.

Some factors to consider related to the resources component of recovery are:

- Insurance proceeds paid before FEMA funding.
- Eligibility for FEMA Public Assistance (PA) funding, including Stafford Act Section 406 mitigation funding.
- Consideration of federal/non-federal cost share for the disaster (75/25, 90/10, 100/0).
- Integration of Hazard Mitigation Grant Program (HMGP) (Stafford Act Section 404) funding.
- Community Disaster Loan (CDL) program.
- Small Business Administration (SBA) Disaster Loan Program.
- Community Development Block Grant (CDBG) funding.
- State disaster program funding, if available.
- Donations and in-kind contributions.
- Capturing volunteer hours.

## **CHALLENGES TO RECOVERY**

### **Inconsistency in Application of FEMA Programs**

Recovery efforts are often impeded by the varying interpretations in the application of the Stafford Act programs or FEMA policy. Looking back on the last seven years since Hurricane Katrina, some of the most difficult challenges for the communities along the Mississippi Gulf Coast have resulted from reversal of initial decisions by FEMA personnel in administration of the public assistance programs. These reversals and lack of consistency caused constantly changing determinations of work eligibility and project costs, leading to delays in the recovery process. Frequent turnover of FEMA staff led to many of these reversals and changing guidance in project worksheets. These changes often resulted in reduced scopes of work for projects and loss of federal funds. In many cases applicants had already expended funds and moved forward with projects, only to be faced with costly de-obligations and delayed project completion.

Some of the problems outlined above are due in large part to the differences in how programs are administered across the various FEMA regions. During large scale events or a catastrophic disaster, FEMA staff is pulled from the various regions to assist in these mega-disasters. As a result, differences in interpretations on program administration, or in some cases unfamiliarity with FEMA programs or inexperience lead to delays in completing recovery projects and closing the disaster.

### **De-obligation of Disaster Funds Hampers Recovery**

FEMA has been an outstanding partner to the state and our local governments but in several cases, recovery has been hampered by an oversight system that focuses on the recovery of federal funds through de-obligation and not the identification, proposal and application of solutions to problems in the FEMA PA program. The Department of Homeland Security Office of Inspector General has contributed greatly to ensuring that misuse of federal funds has been minimized. In Mississippi we instituted an accounting and auditing process to minimize these potential de-obligations. I do however believe that the OIG should not recommend de-obligation of funds that were paid to local governments that had followed FEMA guidance unless there is obvious fraud or violation of law.

### **Managing Expectations of Stafford Act Assistance**

Building back after a catastrophic event provides a community the unique opportunity to rebuild with the benefit of hindsight. Most communities evolve over decades and as a result are not necessarily designed and built with the benefit of deliberate, comprehensive planning and design. In many cases, once a disaster hits a community, there is a tendency for local governments to expect FEMA to reimburse or cover every project they ask for in recovery. It is important to manage these expectations and remember that the public assistance program is meant to help put back what you had before. While this concept helps curtail wasteful spending, it sometimes opens the door to misinterpretation by FEMA staff. For example, we had a small school district lose its fleet of buses during Hurricane Katrina. The buses were old and it was unrealistic to expect the school to shop around for used buses that are the same age and mileage as the ones that were destroyed. FEMA denied the request, but was later overturned in the arbitration process. So managing expectations in a catastrophic disaster is a challenge to both local governments and FEMA that needs to be addressed every step of the way.

## **RECOMMENDATIONS**

### **Implement the Results of the PA Pilot Program**

I would also like to see FEMA re-establish the provisions of its successful Public Assistance Pilot program that was implemented from June 2007 to December 2008. The goals were to reduce the costs to the federal government of providing assistance to state and local governments, increase flexibility in grant administration, and expediting the provision of assistance to states and local governments. A few highlights of the program that were very successful included:

- Providing block grants on the basis of estimates for projects less than \$500,000.
- Created incentives for applicants to retain revenue from projects that come in under cost.
- Increased the federal cost share to applicants that have a FEMA-approved debris management plan and at least two pre-qualified debris and wreckage removal contractors identified prior to a disaster.
- Allowed applicants to retain any revenue from recycling disaster debris as an incentive to recycle.

- Reimbursed the straight- or regular-time salaries and benefits of an applicant’s permanently employed staff that performs debris-related activities.

### **Increase State Management Costs**

FEMA’s current Disaster Assistance Policy caps state management costs at 3.34 percent of the federal share of the projected total PA program costs. This amount is inadequate to assist communities and states with the increased workload associated with major or catastrophic disasters. FEMA has studied the possibility of increasing the cap on management costs. We recommend a minimum level be set at seven percent. Had a 3.34 percent management cost policy been in effect during Hurricane Katrina recovery, Mississippi would not have been able to implement an effective management program to support the costs of managing the recovery. In spite of the disaster, communities and states must continue providing basic government services. As a result, without an increase in the cap on management costs, local and state governments must manage the enormous work load of a recovery while continuing the basic government services they are expected to provide. With an increase, additional staff could be hired to focus entirely on recovery thereby facilitating and expediting the recovery process. The current policy must be changed and states should be funded at a level that allows for effective management of this critical recovery program.

### **Streamline Environmental and Historic Preservation Reviews**

One of the most frustrating issues throughout our recovery and rebuilding efforts has been duplicative environmental and historic preservation reviews. The federal government should streamline this process by requiring only one environmental and historic preservation review per project, regardless of whether multiple federal funding sources are contributing to the project. Currently, each federal agency that is contributing funding to a project must conduct its own environmental and historic preservation review. This requirement is time-consuming, redundant, and had significantly delayed rebuilding efforts. In our view, the federal program with the largest funding contribution for a project should be responsible for addressing the environmental and historic preservation reviews and sharing results with other federal agencies

### **Explore Additional PA Pilot Program Opportunities**

The PA Pilot Project previously mentioned above provided many success stories and resulted in several recommendations that, if implemented, could facilitate and expedite the public assistance program. FEMA, working with the states, should establish a panel to explore other initiatives that could provide greater flexibility in the public assistance program and make it more effective and efficient to reduce recovery time. For example, the pilot could be expanded to include larger projects, to add more flexibility for the use of retained revenue and incentives broadened for cost saving measures.

## **MISSISSIPPI BEST PRACTICES**

### **Success of Mississippi PA Project Database Program**

Mississippi received \$3.2 billion in Public Assistance Grants for Hurricane Katrina. Given the scale of the PA program and extraordinary amount of funding involved, we put in place one of the most efficient management systems for PA funds. The system, MississippiPA.org, minimizes



the potential for fraud and ensures local governments keep track of the completion of and payments for their funded projects. To most effectively manage the PA program, we hired an engineering firm to make sure the scopes of work were properly determined and hired an accounting firm to ensure that finances are properly documented and minimize any potential for the de-obligation of funds. The state developed a software system that automatically tracks the funds from the original project estimate, through the request for reimbursement, to the disbursement of funds. The software is integrated with FEMA's and the state's disbursement systems. The strong financial and programmatic/technical management system that we have established in Mississippi to maintain internal control is a model for other states during disaster recovery. A similar web-based system is in place for Mitigation projects called MitigationMS.org. These systems are best practices and FEMA should provide funding to states to create these kind of databases.

### **Creative Initiatives to Support PA Implementation**

During Katrina recovery Mississippi implemented several initiatives to support and maximize efficiency of the PA program. Some of the unique approaches we took included:

- **Integrated Project Management-** Many local applicants are blending their PA project funds with other federal and state funds, including HMGP, HUD Community Development Block Grants, and State Archives and History grants. We recognized the need to bring all of the project stakeholders together to ensure transparency of funds, align reviews and deadlines, and ensure rapid decision-making. Through monthly meetings with the applicants, together with all relevant state and federal partners we facilitated timely decision-making and developed workable policies for accurate funds tracking and allocation of insurance proceeds. The participation of FEMA Recovery Office leadership and staff and support from the Regional Office was invaluable in this process.
- **MEMA/FEMA Tech Team Collaboration-** In order to accelerate reviews and decisions from the MEMA and FEMA PA technical teams, MEMA established several new management reports, to track and age issues awaiting decision.

### **CONCLUSION**

In the face of disaster comes a tremendous opportunity for a community to build back smarter, better, stronger, safer and more resilient. If nothing else I would like to leave you with two thoughts. One, every disaster begins and ends locally. Long after the state and federal government is gone, local officials and citizens, as well as their private sector partners are left to continue to put their communities back together. Every decision made should be what's best for that community, not what's best for the state or federal government. Second, we must not have communities live through the nightmares that a recovery can bring when those lessons have already been learned by someone else in another disaster. Using the lessons learned from these communities and states can change the outcome. Unfortunately we do not always take advantage of these lessons learned and we are destined to repeat the disaster cycle and experience the second disaster – recovery.

In regards to Hurricane Sandy and how we move forward, I have two final recommendations. I realize that there are many issues facing the communities and states in the northeast. The consequences of every disaster are the same. The only differences are the size of the event, the population impacted, and the costs of recovery. As the northeast begins their road to recovery I would urge them to look at the lessons we have already learned, consider how these lessons can be applied to impact the outcome of their own recovery.

Second, I would recommend that this Committee look back at the recovery challenges of Katrina, the Midwest floods of 2008, the Mississippi River Flood of 2011, the tornadoes of Greensburg, Joplin, Smithville and Tuscaloosa, Hurricane Sandy, and hundreds of other disasters across the country and work with states and FEMA to find solutions that will expedite and facilitate the recovery process.

I appreciate the opportunity to appear before this committee and share my experiences disaster preparedness, response and recovery in Mississippi. Mr. Chairman, that concludes my testimony and I would be pleased to answer any questions that you or the committee may have.

Thank you.