

STATEMENT BY FEDERAL COORDINATOR DONALD E. POWELL
BEFORE THE UNITED STATES SENATE HOMELAND SECURITY AND GOVERNMENTAL
AFFAIRS COMMITTEE
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Chairman Collins, Senator Lieberman, Senator Dayton and Senator Landrieu, it is a pleasure to appear before you today in Gulfport as Federal Coordinator for Gulf Coast Rebuilding to discuss my role as Federal Coordinator, the progress we have made, and the challenges and opportunities we face in the intermediate recovery and long-term rebuilding effort.

Let me begin by telling you it is a great honor to have been appointed by the President to this very important post. He is committed to doing whatever it takes to support the recovery and rebuilding efforts of Mississippi and the entire Gulf Coast. The state of Mississippi is of great historical, cultural, and economic importance to this country, and we will make sure her citizens get back on their feet and rebuild their lives. Whole communities throughout the Gulf Coast have been ravaged by Katrina and Rita, and I am confident that together we will see a better tomorrow for our fellow Americans in the affected areas.

Our job is to identify the priority of needs for long-term rebuilding by working with the people on the ground, communicating those realities to the decision makers in Washington, and advising the President and his leadership team, including Secretary Chertoff, on the most effective, integrated, and fiscally responsible strategies for a full and vibrant recovery. We will then help provide thoughtful and coordinated federal support to the affected areas.

The President has made it abundantly clear that the vision and plans for rebuilding the Gulf Coast should come from the local and state leadership, not from Washington, D.C. This is not an exercise in centralized planning. However, we understand the importance of being good stewards of the substantial amounts of money that have been, and will continue to be, spent on this effort. We will ensure that any plans or strategies are conducive to the prudent, effective and appropriate investment of taxpayer dollars.

In order to rebuild after a natural disaster of this magnitude -- the size of which our country has never experienced before -- the first task is to recover. We have identified two key areas as "critical path" issues which must be resolved in order to move into the next stage of rebuilding in Mississippi.

The first "critical path" issue is debris removal. After the Gulf waters subsided, Hancock, Harrison (where we are today), and Jackson counties were left with more debris than 1992's Hurricane Andrew and the 9/11 World Trade Center attack -- combined. A problem of this scale required strong local leadership, and Governor Barbour and the local mayors, in partnership with FEMA and the Army Corps of Engineers, sprung to action. Today, I am happy to report that Mississippi has removed 27 million cubic yards, or almost two-thirds of the total debris. There is still a great deal of work to be done, but Mississippi is on the right track with the goal of completion sometime this spring.

The second "critical path" issue is to support evacuees through direct financial assistance and temporary housing. Hurricane Katrina left many of our fellow citizens stunned and uprooted, and the President believes it is the government's duty to remind them that their country cares about them and that they are not alone. Of the 450,000 Mississippi residents who received disaster assistance following Hurricane Katrina, 280,000 were approved for direct or transitional housing assistance totaling \$745 million. Another \$300 million went to some 115,000 Mississippians for Other Needs Assistance, which helps with everything from unemployment assistance to relocation services to reuniting victims with their families. And finally, more than 100,000 Mississippians received rental assistance, totaling approximately \$230 million, which is going to

pay for rent at apartments across the region. Mississippi has also done an exemplary job of establishing and transitioning evacuees into temporary housing. Today less than 2,000 households remain in Mississippi hotel and motel rooms. FEMA is already providing more than 31,000 travel trailers to hurricane victims that are residing in the state -- nearly 11,000 of these families in Harrison County, 8,000 in Jackson County, nearly 8,000 in Hancock County and more than 2,500 in Forrest County.

We still have very important work to do on these immediate issues, but we believe that things are moving in the right direction. I am encouraged every day by the strong leadership in this state and its successful partnership with Congress and the Administration.

As we transition our efforts from immediate recovery to helping with long-term rebuilding, we must achieve three key objectives; restoring long-term safety and security; renewing the region's economy and creating growth opportunities; and revitalizing communities.

Congress and the Administration have taken great strides to restore safety and security in Mississippi. The most important accomplishment is the \$29 billion reallocation legislation which provides for \$10 million for a comprehensive study of hurricane and storm protection and \$620 million for flood and storm protection projects across Louisiana and Mississippi.

The President along with Congress has also been focusing on the renewal of the region's economy. Last month the President signed into law the Gulf Opportunity Zones Act (or GO Zones). This legislation will help revitalize the region's economy by encouraging businesses to create new jobs and restore old ones. The law will also create new housing incentives for workers to return home, and will help finance new infrastructure to get the region moving again. Simply put, this law renews businesses, rebuilds homes, and restores hope.

In terms of providing loans and working capital to small businesses and families, the Small Business Administration (SBA) has also been working diligently to ramp up its capacity in response to the disaster. As of January 12, the SBA had approved over \$2.64 billion in disaster loans to almost 38,000 homeowners, renters and businesses in the affected region. In Mississippi, the total has been over \$1 billion: 12,000 home loans for \$867 million and close to 2,000 business disaster loans for \$170 million.

Workforce development will also be critical to long-term economic security. Secretary of Labor Chao and I attended a meeting just before Christmas with the President, labor leaders, civil rights groups and business associations to discuss workforce initiatives and overall employment issues facing the region. We tasked those leaders with devising a plan to prepare the workers of the region for the future of the Gulf Coast economy. We look forward to having worker training programs identified, developed and ready for delivery in the region by the end of the first quarter. We want to help create as many jobs as possible and prepare Mississippians to fill those jobs. We will continue to work to help make Mississippi a great place to invest, do business and live.

We are also focusing on revitalizing communities. The ravaging winds and waters brought on by Hurricane Katrina claimed the homes of many along the Gulf Coast. Congress and the Administration have taken several steps to return old and invite new residents to Mississippi's neighborhoods. The most direct of these steps is \$11.5 billion in Community Development Block Grants (CDBG) funds and \$390 million in housing vouchers allocated to the people of the Gulf Coast in the recently-passed \$29 billion reallocation package. Mississippi plans to use the bulk of its share of the \$11.5 billion to compensate affected under- or uninsured homeowners who resided outside of the floodplain. Aside from the housing aid and other public assistance, nearly 400,000 inspections have been completed in Mississippi and 48,000 roofs have been temporarily covered by FEMA's "Blue Roof" program operated by the U.S. Army Corps of Engineers. FEMA has provided over \$1 billion directly to Hurricane Katrina victims in Mississippi through the Individuals and Households Program. In addition, 13,800 Mississippians have received \$1.8 billion in National Flood Insurance Program claims. These families are and will continue to fill the

streets, schools and places of worship and will be a critical component to the revitalization of this great state.

Another important part of the community is the educational system. Education is the key to the future – it lets every American reach his or her potential and provides the foundation to live the American Dream. Without education, we would not have the American ingenuity that has made our country so successful in the world. The President assured school districts and families that they would be reimbursed for the unexpected costs of providing a quality education to the thousands of displaced students, including those in traditional, charter, private, and parochial schools, who were not spared by the storm. He made good on that promise by helping to secure \$1.6 billion for schools that were hardest hit by the hurricanes. Thus far, Mississippi has received \$100 million to get its educational system up and running again since the storm hit. And schools who took in the displaced students outside the state are being reimbursed up to \$6000 per displaced student in general education and up to \$7500 for those in special education. The U.S. Department of Education is expediting these resources so they can get to where they are needed as quickly as possible. Thus far, 93 percent of schools in Mississippi are up and running. Overall, the Mississippi Department of Education reports that they have 22 schools that are closed and 12 other schools that are open on a limited basis – one part of the building may be under repair, but another part is being used to educate the state’s learners. I applaud their efforts in the face of such adversity. As my good friend Secretary Margaret Spellings put it, “The education community’s response to Katrina has been overwhelming. Schools across the country have opened their doors and hearts to these children. They deserve[d] this support.”

Community health is also important. That’s why the Department of Health and Human Services, along with other agencies, quickly streamlined their processes to help hurricane victims access the many federal programs available immediately to help them get back on their feet, such as Medicaid, family assistance, child-care support, foster care assistance and mental health and substance abuse services. More than 40 percent of the storm’s evacuees living in a different zip code from the damaged areas received these types of benefits and services. In addition, the U.S. Public Health Service Commissioned Corps, one of the nation’s seven uniformed services, carried out the largest mobilization in its 207-year history by deploying more than 1,400 officers to work with state, local and private agencies in the hurricane-stricken states. America is committed to helping our citizens displaced by storms by improving our government’s outreach and cutting red tape.

Infrastructure is also a key component of any long-term recovery plan. Federal funds totaling \$750 million are being used for infrastructure in Mississippi - for repairs to damaged roads, bridges and other transportation uses. I am glad to see the progress made with those monies here, such as the two lanes that have been completed from Debuys Road to English Place for a total of 8.0 miles in this Long Beach-Gulfport region. In addition, the I-10 Bridge in Pascagoula is now open to two lane traffic in East and West bound directions. In Biloxi, the I-110 Bridge now has three of four lanes open to all vehicles, and two lanes have been completed from Porter Ave. to Brady Dr. for a total of 6.8 miles. And in Pass Christian, two lanes have been completed from Shadowlawn Drive to Henderson Avenue for a total of 3.7 miles. The I-90 is the next major thoroughfare to be rebuilt and it will help restore the region’s transportation network. Virtually all major freight lines are open with the exception of the CSX Transportation line from New Orleans to Pascagoula.

In terms of public transit, partial service has been restored in Gulfport/Biloxi and the City of Picayune, with full service restored in Jackson. The nine airports that were damaged by the storm are now either fully operational or open, but may be limited to visual and/or daytime operations. The ports along the Mississippi Coast are also all now operating in some capacity and we will continue to work to get them fully operational. Gulfport was the worst-hit of the ports, and has 2 piers that are back in operation.

In closing, I would like to note that the Gulf Coast has a strong history of overcoming adversity caused by Mother Nature. Spanish explorers as far back as the 1500s wrote about how the area had experienced severe floods. But every time some type of natural disaster has hit, the people of this region have come back, and come back stronger than before. Failure is not an option. As the President said last week “when people are determined, they can get things done.” He also repeated his promise to the region that it would “not just survive, but thrive.” He said “we’re not just going to cope, but we’ll overcome.”

We are heartened and encouraged by the progress made and we are proud of the work that has been accomplished to date. Governor Barbour has done an excellent job leading the charge. His Commission, lead by Jim Barksdale, has come up with a strong and unified vision. We have been very impressed with the Commission’s focus, its overall process to get to this point, and the speed with which they put the plan together. We look forward to working with them in the days, weeks and months ahead to assist in the implementation of their vision while serving as a good steward of the taxpayer dollars which the distinguished members of this panel, along with your colleagues, have helped secure. Again, I will come back to my earlier statement about this being a partnership – and that includes with the members of this distinguished committee and others in Congress.

Once again, working together, we can return the Gulf Coast to its rightful place in the American landscape. While the hurricanes cause much tragedy, I believe, as my father used to say, good things can come from the bad. It’s too important a task not to do it right.

Thank you.

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