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**BEFORE THE**

**COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS**

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Good morning, Mr. Chairman and Members of the Committee. I am Richard Skinner, Inspector General for the Department of Homeland Security (DHS). Thank you for the opportunity to discuss the Federal Emergency Management Agency's (FEMA) level of preparedness for a catastrophic disaster.

FEMA's efforts to support state emergency management and to lead the federal response and recovery efforts after Hurricane Katrina were insufficient. FEMA is addressing weaknesses identified in a range of post-Katrina reports and is in various stages of implementing the requirements of the *Post-Katrina Emergency Management Reform Act of 2006* (P.L. 109-295, Title VI – National Emergency Management, of the Department of Homeland Security Appropriations Act of 2007) (*Post-Katrina Act*). FEMA continues to perform well responding to non-catastrophic or “garden variety” disasters; however, it still has much to do to become a cohesive, efficient, and effective organization to prepare for and respond to the next catastrophic event.

As FEMA is planning to meet the demands of a successful all-hazards mission, the agency's programs and approach to business are evolving. FEMA's 2009 budget request targets processes and technology initiatives that will transition the agency to be better prepared for a catastrophic event. Increased funding to develop core competencies, integrate preparedness, and support new business systems will help. FEMA also is making efforts to retain experienced staff, and recruit and train new staff to build a highly qualified disaster management workforce. However, transition of this kind takes years to accomplish.

It is critically important that all disaster stakeholders at the federal, state, and local levels maintain momentum and continue to implement needed changes over time. Only by doing so will we, as a nation, be better prepared for the next catastrophic disaster, whether man-made or natural.

On July 31, 2007, the House Committee on Oversight and Government Reform held a hearing to review the level of FEMA's preparedness. During the hearing, the Committee requested that the Office of Inspector General (OIG) provide a high-level assessment of the progress made by FEMA since Hurricane Katrina. Today, I will focus my remarks on the results of the work we conducted and our recommendations for the agency. There are nine critical areas our report addressed:

- Overall Planning
- Coordination and Support
- Interoperable Communications
- Logistics
- Evacuations
- Housing
- Disaster Workforce
- Mission Assignments
- Acquisition Management

Our goal is to help FEMA turn lessons learned into problems solved.

## BACKGROUND

In responding to emergency situations, whether natural or man-made, current doctrine dictates that government agencies and organizations most local to the situation act as first responders. When state and local governments become overwhelmed by the size or scope of the disaster, state officials may request assistance from the federal government; federal agencies must always be prepared to provide support when needed. To better address the federal government response, President Carter issued an executive order in 1979 that called for merging many of the separate disaster-related federal functions into one agency, the Federal Emergency Management Agency (FEMA). Following the terrorist attacks on September 11, 2001 (9/11), the *Homeland Security Act of 2002* (P.L. 107-296) (*Homeland Security Act*) realigned FEMA and made it part of the newly formed Department of Homeland Security (DHS).

FEMA's statutory authority comes from the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended (P.L. 100-707) (*Stafford Act*), which was signed into law in 1988 and amended the *Disaster Relief Act of 1974* (P.L. 93-288). To access federal assistance under the *Stafford Act*, states must make an emergency or major disaster declaration request that is reviewed by FEMA for Presidential approval. The *Stafford Act* also permits FEMA to anticipate declarations, and pre-stage federal personnel and resources when a disaster threatening human health and safety is imminent, but not yet declared.

Hurricane Katrina, which made landfall on August 29, 2005, was the Nation's most costly natural disaster, killing more than 1,800 individuals, destroying 300,000 Gulf Coast homes, and displacing about 1 million people. Current estimates suggest that Hurricane Katrina caused over \$81 billion in damages.

Reports issued by Congress, the White House, federal OIGs, and the Government Accountability Office (GAO), among others, identified several issues as contributors to the poor response. These issues included questionable leadership decisions and capabilities, organizational failures, overwhelmed response and communications systems, and inadequate statutory authorities.

After Katrina, Congress enacted a number of changes to enhance the federal government's response capabilities for emergency management. In total, six statutes enacted by the 109<sup>th</sup> Congress contain changes that apply to future federal emergency management actions. While most of the laws contained relatively few changes to federal authorities related to emergencies and disasters, the *Post-Katrina Act* contained many changes that have long-term consequences for FEMA and other federal entities. That statute reorganizes FEMA, expands its statutory authority, and imposes new conditions and requirements on the operations of the agency.

When a catastrophic event occurs, it is important to keep in mind that response and recovery are not solely a FEMA responsibility—it is inherently the Nation's responsibility. The National Response Plan (NRP), now the National Response Framework (NRF), was established to marshal all the Nation's resources and capabilities to address threats and challenges posed by disasters, both natural and man-made. This concept made it different from the old Federal Response Plan, which primarily outlined the federal government's role in disasters. A successful response to and subsequent recovery from a catastrophic event can therefore be directly tied to

the resources and capabilities of citizens, local and state governments, the federal government, nongovernmental organizations, and the private sector. FEMA is the face of our Nation's response to large-scale disasters and is charged with coordinating the deployment of our Nation's resources and capabilities; but success can be realized only when all stakeholders are fully prepared and willing to contribute.

Our office has prepared a report to assess FEMA's readiness to respond to the next catastrophic disaster, entitled, "*FEMA's Preparedness for the Next Catastrophic Disaster*." Through the review of reports, including those of the DHS OIG, GAO, and congressional testimony, we were able to identify nine key areas critical to successful catastrophic preparedness efforts. In collaboration with FEMA officials, we identified two to five critical components within each key area. We assessed FEMA's progress in each of the areas using a four-tiered scale: substantial progress, moderate progress, modest progress, and limited or no progress. Overall, FEMA has made moderate progress in five of the nine key areas, modest progress in three areas, and limited progress in one area. FEMA is making strides in transforming itself to be better prepared to lead the federal effort in responding to a catastrophic disaster. FEMA can build on this progress by continuing to develop the nine key areas discussed in the report.

### **OVERALL PLANNING (Moderate Progress)**

We reviewed five critical areas in Overall Planning:

- Develop a strategic framework and guidance;
- Complete assessments of capabilities/readiness;
- Enhance preparedness at all levels;
- Enhance community preparedness; and
- Enhance preparedness for the management and resolution of catastrophic events.

Led by the National Preparedness Directorate (NPD), FEMA is focusing its efforts to respond to the next disaster and has achieved moderate progress overall.

It is the responsibility of the NPD to develop a single, strategic framework for integration of prevention, response, and recovery efforts of FEMA's various offices and programs. Officials have said that currently they are working from "dozens of different national strategies and directives." Reconciling multiple sources is hindering the achievement of "strategic coherence."

Only modest progress has been seen in the area of complete assessments of capabilities and readiness. The NPD is currently working to conduct assessments of capabilities and readiness at the national, state, and local levels, but the "assessment problem" is complex. Comprehensive state assessments raise questions about how to collect the right information without undue burden on the states. Performing nationwide assessments will be expensive and will require dedicated program support and funding. The office with principal responsibility for the assessments has a small budget and no separate appropriation, and it did not receive the level of staffing requested. The NPD has said their past progress was affected by not having all of the people involved with national preparedness efforts in one place within the DHS organizational structure, friction between FEMA and the former DHS Preparedness Directorate, and the

disruption of their analytical resources. The preparedness realignment prompted by the *Post-Katrina Act* has consolidated preparedness activities, and NPD officials said they believe they are now on the path to achieving unity of effort.

NPD officials said that while there is a long history of recovery and response planning, the preparedness and protection mission areas are just being built, and these areas and their preparedness requirements are still being defined. The challenge is mostly cultural; for example, federal efforts focus primarily on planning for low probability but high consequence events, while state, local, and tribal efforts tend to focus on events that are more probable but are usually not as damaging. The NRF stresses the important balance between these two planning structures. NPD is currently revising a guide for state and local emergency planning, and coordinating with core groups and other agencies to plan for a range of potential events.

In working to enhance preparedness, NPD officials face both budget and staffing challenges. The directorate faces an approximately one-quarter-vacancy rate, attributable to the temporary effect of realignment and significant workforce attrition. NPD officials said they have the necessary authorities and policies, but they lack the resources to get the job done.

Since 9/11, there has been increased recognition of the role citizens play in protecting the homeland and supporting first responders. After Hurricane Katrina, the White House recommended that “DHS should make citizen and community preparedness a National priority.” Implementation of National Priority 8, “Community Preparedness: Strengthening Planning and Citizen Capabilities,” is the responsibility of the Community Preparedness Division (CPD) of the NPD. Officials said that while the inclusion of citizen preparedness as a National Priority was a significant step, this is an ongoing challenge that requires actively seeking out “points of cooperation” and educating DHS and FEMA staff on the significant value of community preparedness and planning.

As with the other areas, budget and staffing affect the success of CPD’s efforts. The office is very small and has a very lean budget. Additionally, long delays in getting Office of Management and Budget (OMB) approval for data collection have hindered state and local data collection and research efforts.

Another challenge is that multiple offices within DHS have responsibility for elements of community preparedness and partnerships with nongovernmental entities. Some officials said it might be more effective to place the responsibility for all community preparedness and nongovernmental partnership efforts in a single office.

NPD officials discussed several planning efforts underway that will enhance preparedness for catastrophic events, including in the Gulf Coast, Florida, the New Madrid seismic zone, and Tier 1 Urban Areas. FEMA has made and is making significant progress. The primary problem is that the planning efforts discussed above are very geocentric. Disaster Operations officials said that the plans are not transferrable among jurisdictions; however, they also said that the planning efforts can provide a foundation for additional planning.

Given that individual citizens' preparedness can greatly enhance or hamper response, community preparedness planning should receive adequate funding and staff, and be better integrated into planning programs. Consideration should also be given to whether all community and individual preparedness programs should be coordinated by a single office in DHS or FEMA.

### **COORDINATION AND SUPPORT (Moderate Progress)**

In August 2005, the NRP was used in response to Hurricane Katrina, but it fell far short of the seamless, coordinated effort that had been envisioned at its creation. Problems ranging from poor coordination of federal support, to confusion about the roles and authorities of incident managers, to inadequate information sharing among responders all plagued the response to this catastrophic disaster.

To assess progress in this area, we assessed FEMA's efforts to:

- Implement the new NRF and Specific Operational Plans;
- Clarify the roles, responsibilities, and authorities of the Principal Federal Official and Federal Coordinating Official; and
- Ensure law enforcement access to FEMA records in support of Emergency Support Function – 13 (ESF-13), *Public Safety and Security*.

A revised NRP incorporating lessons learned from the 2005 hurricane season was released nine months after Hurricane Katrina. In September 2006, DHS initiated another revision process of both the NRP and the National Incident Management System (NIMS). FEMA officials said they reviewed several thousand comments on the newly named *National Response Framework* prior to releasing it on January 22, 2008. However, FEMA's National Advisory Council was not established in time to have meaningful input into the development of the NRF.

As part of the National Preparedness Guidelines, DHS developed 15 National Planning Scenarios to establish the range of response requirements to facilitate preparedness planning. However, FEMA officials said that operational plans, which build on the National Planning Scenarios and govern the response to disasters, have not been finalized.

Of particular concern in response to Hurricane Katrina was the confusion about the respective roles, responsibilities, and authorities of the Principal Federal Official (PFO) and the Federal Coordinating Officer (FCO). While FEMA officials stressed their confidence in the PFO/FCO clarification, there has been little time to assess whether the clarification is well understood by emergency management practitioners and other stakeholders. It will take additional exercises or an actual disaster before we will know for certain whether the roles are sufficiently clarified and understood in the field.

The greatest progress in FEMA's coordination and support was found in providing law enforcement access to FEMA records. Months after Hurricane Katrina made landfall, DHS and the Department of Justice (DOJ) executed an agreement providing law enforcement officials direct access to FEMA disaster recovery assistance files for fraud investigations. In January 2007, DHS and DOJ executed an access agreement for the purpose of locating missing children

displaced due to disasters. Recently, FEMA officials said that a third agreement was executed with the United States Marshals Service, which grants limited access to disaster assistance records for the purposes of locating sex offenders and apprehending fleeing felons in the aftermath of a disaster. FEMA said that work in establishing protocols, procedures, and processes with DOJ to improve data access and information sharing is 75% complete.

Overall, the operational plans that govern the federal response to a disaster are incomplete or have not been adequately reviewed or tested. Also, a single planning system has not been finalized to ensure the integration of strategic, concept, and operational planning across all levels of national preparedness. During FY 2008, our office plans to review FEMA's Remedial Action Management Program (RAMP) to determine to what extent FEMA is using RAMP to implement lessons learned from disasters and exercises, including a focus on communications and information sharing.

### **INTEROPERABLE COMMUNICATIONS (Moderate Progress)**

Multiple components within DHS and FEMA have roles and responsibilities for improving interoperable communications, which is a vital element of disaster response. The duties of the FEMA Administrator, as described in the NRF and *Post-Katrina Act*, include preparing for all-hazard incidents and helping ensure the acquisition of operable and interoperable communications capabilities by federal, state, local, and tribal governments and emergency response providers. We assessed the following critical areas, in which FEMA has made moderate progress:

- Achieve coordination among all DHS components charged with improving interoperable communications;
- Ensure federal disaster communications and operating procedures are in place for disaster response and recovery;
- Manage federal interoperable communication grants and programs.

Actions taken by DHS to improve disaster response communications and interoperability involved a major reorganization of DHS components charged with advancing communications interoperability. If success is to be achieved, DHS must achieve coordination among all its components, including FEMA, especially with respect to planning and establishing lines of authority, roles, and responsibilities. However, currently there is no single entity to coordinate the ongoing interoperability activities and initiatives.

DHS established the Office of Emergency Communications (OEC) to support "the Secretary of Homeland Security in developing, implementing, and coordinating interoperable and operable communications for the emergency response community at all levels of government." The OEC's goal is to better integrate DHS' emergency communications planning, preparedness, protection, crisis management, and recovery capabilities, including attainment of interoperable and emergency communications nationwide.

The *Post-Katrina Act* required the development of a National Communications Baseline Assessment to identify needed capabilities of first responders, assess current capabilities, identify

gaps and obstacles, and establish a national interoperable emergency communications inventory. According to DHS officials, the National Communications Baseline Assessment will provide the first comprehensive assessment of emergency communications capabilities, including operability and interoperability, across all levels of government. The final assessment and recommendations are expected in May 2008 and will be used to develop the National Emergency Communications Plan.

It is important to note that although technological improvements are important, cultural issues related to coordination and cooperation among emergency responders, and standard operating procedures and guidelines, are an equal or greater challenge.

FEMA is developing disaster emergency communications policies and procedures to facilitate effective emergency management operability and interoperability during catastrophic events. However, achieving effective coordination among all DHS components specifically charged with improving interoperable communications remains difficult. Each organization continues to operate independently within the limits of its own authorities established during the DHS reorganization. FEMA officials said they need specific authority to coordinate with and direct DHS components providing emergency communications during disasters to achieve substantial progress in this critical area.

FEMA officials said there is a renewed commitment to make emergency communications a core competency of the agency. The Disaster Operations Directorate is responsible for disaster interoperable communications, including tactical and operational functions, such as those provided by the Mobile Emergency Response Support (MERS). It is anticipated that Incident Response Vehicles with expanded communications capabilities will be available in each of FEMA's ten regions. FEMA continues to work with state, local, and tribal entities on interoperability plans, available equipment, and multi-jurisdictional interoperability.

FEMA officials said that the agency has hosted or participated in a number of conferences and exercises to share technological resources and knowledge, and practice interoperability across the full spectrum of disaster response operations using deployable systems of partner organizations and first responders. Also, FEMA has created the Disaster Emergency Communications Division and intends to be an informed and engaged advocate for disaster emergency communications issues and the communications needs of emergency responders.

A number of outstanding issues regarding interoperable communications still need to be addressed. Completion of the National Communications Baseline Assessment, incorporation of federal interoperability into SAFECOM, and the acquisition of additional MERS and Incident Response Vehicles are outstanding issues that need to be addressed before the next catastrophic disaster. In addition, there are overarching concerns. First, various DHS components have specific roles and responsibilities for improving interoperability, yet there is no single mechanism in place to link and orchestrate the numerous programs and initiatives underway, nor is there a clear line of accountability. Second, OEC is currently operating with a skeletal, full-time equivalent staff. OEC has assumed a large portion of responsibilities and programs directed at improving interoperable communications, and it requires additional staff and an adequate budget.

## **LOGISTICS (Moderate Progress)**

In April 2007, as part of the FEMA reorganization, Logistics was elevated from a branch to a directorate-level program office. The Logistics Management Directorate (LMD) is the agency's major program office responsible for logistics policy, guidance, standards, execution, and governance of logistics support, services, and operations. Its mission is to effectively plan, manage, and sustain the national logistics response and recovery operations, in support of domestic emergencies and special events. LMD is organized around four core competencies:

- Logistics Operations;
- Logistics Plans and Exercises;
- Distribution Management; and
- Property Management.

In times of domestic disasters, FEMA's LMD responsibilities include acquiring, receiving, storing, shipping, tracking, sustaining, and recovering commodities, assets, and property. LMD's ability to track commodities is one of the keys to fulfilling its mission. The disasters of 2004 and 2005 highlighted FEMA's lack of standardized policies and procedures, as well as inconsistencies stemming from multiple, independent computer and paper-based systems that generated incompatible tracking numbers not readily cross-referenced.

FEMA management is keenly focused on improving the logistics core competencies to a level that will effectively and efficiently respond to a catastrophic disaster. We reviewed two critical areas in FEMA's efforts to improve logistics:

- Establish total asset visibility; and
- Improve pre-positioning of commodities.

After the 2004 hurricane season, FEMA recognized a need for an improved total asset visibility (TAV) program. At the time Katrina struck, however, the TAV program was not fully tested. Currently, the TAV system is able to track the movement of more than 200 types of assets and commodities, with a primary focus on the "Big 8" commodities: water, emergency meals (MREs), blue roof plastic sheeting, tarps, cots, blankets, temporary housing units, and emergency generators. However, FEMA personnel said that there are many gaps in the system.

FEMA personnel said that two of the primary challenges to improving the TAV system are retaining a sufficient amount of staffing and overcoming TAV user resistance from the field. Officials said that field resistance is being addressed by increasing communications throughout FEMA and by providing role-based training.

The specific type and quantity of commodities and support assets that the public will need in the aftermath of a disaster or other incident varies, but emergency response experience indicates some common needs. Typically, state and local governments meet their initial citizens' needs for common commodities, but when state and local governments' capabilities are exceeded, the state may request FEMA's assistance. FEMA personnel said they did have supplies pre-

positioned during the 2005 hurricane season, but the quantities were insufficient and delivery was not timely.

LMD estimated that to pre-position commodities in the 11 hurricane prone states alone would cost \$350 million. FEMA has determined through an in-depth analysis that pre-positioning commodities is not logistically prudent nor an effective use of taxpayers' funds. Instead, FEMA is focusing on meeting disaster needs by obtaining goods through agreements with other federal agencies and the private sector.

FEMA has interagency agreements with key partners, including:

- Defense Logistics Agency,
- U.S. Army Corps of Engineers,
- Department of Transportation,
- American Red Cross, and
- General Services Administration.

FEMA's goal is to be able to support 1 million people and 20,000 federal responders within 72 hours of a "no-notice" event. Interagency agreements are expected to provide FEMA with MREs, fuel, ice, medical supplies, water, cots, blankets, tarps, and heavy equipment.

In an effort to develop a more responsive, flexible, and sustainable supply chain management strategy, LMD established a Distribution Management Strategy Working Group. The Working Group will support LMD as the National Logistics Coordinator (NLC), which will collaborate with other federal agencies, in addition to public and private sector partners, nongovernmental organizations, and other stakeholders, ensuring a fully coordinated and effective service and support capability.

LMD has made progress in a number of areas, but still needs to develop standardized policies and procedures, effective internal controls, and sufficient funding and resources. FEMA's reactive approach has traditionally encouraged short-term fixes rather than long-term solutions, contributing to the difficulties FEMA has encountered in supporting response and recovery operations. Without taking the time to fully define and document systems requirements, it is difficult for FEMA to evaluate viable alternatives to its custom-designed systems. Also, the reactive manner in which information technology systems are funded and implemented has left little time for proper systems testing before they are deployed.

### **EVACUATIONS (Modest Progress)**

In the aftermath of Hurricanes Katrina and Rita, it became apparent that the federal government might need to put resources into place proactively when state and local governments delay or are unable to request assistance, especially in the area of evacuations. According to one FEMA official, the agency is now working to better position itself to provide "accelerated federal assistance" to respond to a disaster. FEMA is also working with state and local officials to identify shortcomings in existing evacuation plans and find ways to mitigate those shortcomings prior to a disaster.

There is no one office at FEMA responsible for federal evacuation planning and operational efforts. The responsibility spans several directorates, including Logistics Management, Disaster Operations, and Disaster Assistance, as well as the Office of Acquisition Management. For this reason, it was difficult to gain a clear picture of FEMA's progress in preparing for a future disaster in the area of evacuations.

We gathered information on specific planning initiatives underway in the area of evacuations:

- Develop the Gap Analysis Program; and
- Enhance Gulf Coast Mass Evacuation Capability.

The Gap Analysis Program (GAP), which began in February 2007, serves as the starting point for planning efforts, beginning at the local level and working up through the states, to FEMA regions, and then to FEMA Headquarters entities. The first iteration of the GAP, conducted in 18 states in preparation for the 2007 hurricane season, focused on seven critical areas where needs of citizens must be addressed in the first 72 hours after a disaster: mass evacuation, sheltering, interim housing, fuel distribution, commodities distribution, debris removal, and medical needs. For the 2008 assessment, officials decided to drop interim housing since it is not actually necessary in the first 72 hours, and they added search and rescue.

Officials said GAP is helping to build trust between local, state, and federal partners. GAP gives FEMA officials a better idea of what preparations state and local governments have made, what assets they have, and where additional assistance might be needed. With assistance needs identified, FEMA can tap into its interagency partners to arrange additional assistance.

A lack of funding, which results in a lack of staffing, has slowed down the completion of the first round of GAP analyses for all states. Officials said they have the authority they need to carry out the GAP analyses, but they expressed frustrations in the area of information technology (IT). They do not have a dedicated IT staff for GAP, and they have been told they must use in-house IT support even though they believe they could get better IT support, including better analysis tools, by using a contractor.

Hurricane Katrina demonstrated a number of evacuation challenges. These included ensuring adequate transportation for evacuees, other states' willingness to accept evacuees, and coordinating resources, including buses and other modes of transportation. An additional challenge was to ensure that localities were not relying on the same resources in their individual evacuation plans.

The Gulf Coast Mass Evacuation Capability Enhancement Initiative was a structured program, carried out between April 2007 and July 2007, that targeted the Gulf Coast region's (excluding Florida) evacuation needs. The goal was to develop an organized plan for evacuating states and to have state-to-state agreements in place for transporting and sheltering evacuees. An important by-product of the initiative was starting a dialogue with and between states to discuss their planning shortcomings and how states could help one another.

Since the initiative was a one-time planning effort that is now complete, the responsibility for continuing the planning process will fall to FEMA's regional offices. For planning to proceed from the FEMA Headquarters level, additional funding will be necessary. This initiative merits the rating of substantial progress; however, despite repeated requests, FEMA has not yet provided us with the final report, i.e., briefing slides, on this project. Consequently, we cannot say with certainty that this initiative met its intended results.

The two programs highlighted above have helped FEMA in assessing evacuation needs and enhancing evacuation planning. However, adequate funding for continuing evacuation planning is an issue. Additionally, because of the multiple offices and disciplines involved in evacuation planning, FEMA should establish a single entity to take "ownership" of overall evacuation planning and implementation. Recognizing the span of responsibility across directorates/offices, FEMA needs an overarching strategic plan if federal evacuation efforts are to be successful.

### **HOUSING (Modest Progress)**

One of the major criticisms of FEMA after Hurricane Katrina focused on FEMA's inability to provide immediate, short-term housing assistance to evacuees, and then transition those still in need to more permanent forms of housing. According to FEMA, the National Disaster Housing Strategy (NDHS) will help guide future disaster housing assistance, but during the time of our review this document was still in draft.

FEMA needs to improve communications with state and local governments and other agencies with respect to disaster housing assistance, particularly with respect to what assistance FEMA can be expected to provide after a disaster. FEMA also needs to improve program guidance for state and local governments.

We reviewed three critical components to identify FEMA's progress in efforts to:

- Establish a National Disaster Housing Strategy;
- Develop plans to purchase, track, and dispose of temporary housing units; and
- Strengthen state and local commitment to house affected citizens.

When Hurricane Katrina struck the Gulf Coast region, there were not adequate plans in place at the federal, state, or local level to deal with the unprecedented movement of displaced evacuees or to provide sheltering or transitional housing on the scale required after this catastrophic disaster. The NRP, which guided the response to Hurricane Katrina, did not explicitly address catastrophic disaster housing plans.

The *Post-Katrina Act* requires FEMA to develop, coordinate, and maintain an NDHS. This strategy will not only guide FEMA and other federal agencies during disasters, but also will help identify operational gaps and additional authorities needed to improve sheltering and housing operations. The strategy should be flexible and scalable to meet the unique needs of individual disasters. FEMA needs to improve communications with state and local governments, and other agencies, with respect to disaster housing assistance, as well as improve the program guidance for state and local governments. While catastrophic housing is to be addressed by the NDHS,

FEMA officials said that there is a lack of adequate funding and resources to test the strategy once it has been finalized.

At the time of our review, the draft NDHS was still being reviewed, coordinated, and refined among FEMA and its interagency partners. The lack of a comprehensive disaster housing strategy could have a significant impact on FEMA's ability to meet housing needs for disaster victims in a future catastrophic disaster.

Under FEMA's Recovery (Interim) Policy 1003, FEMA will establish an annual baseline inventory for fully mission-capable temporary housing units, including travel trailers and mobile homes. This policy will guide FEMA in maintaining a sufficient inventory of temporary housing units to meet an immediate demand after a declared disaster. In FY 2008, it is FEMA's goal to have three to five indefinite delivery/indefinite quantity contracts in place for commercial production of housing units. These units will be built based on FEMA's specifications to ensure that new units are designed and constructed to emit limited levels of formaldehyde that are well below industry and HUD standards, and units will be tested to ensure they meet these specifications.

FEMA officials said they are continuing to make improvements to the Individual Assistance Technical Assistance Contracts (IA-TAC), which are used to support FEMA's housing mission after a disaster. FEMA's goal for the most recent IA-TAC contracts is to have a more comprehensive pre-disaster contract in place that will better address accountability, quality assurance, and tracking. FEMA officials said there is much work to be done in developing pre-disaster contracts for procurement of housing units and in developing an agency-wide strategy for disposing of housing units. LMD currently expends significant resources storing units that may never be used again because there is no clear disposition strategy in place.

In the wake of Hurricane Katrina, a number of local communities were very reluctant, or even directly refused, to accept FEMA mobile home and travel trailer group sites in their communities. In some cases, state or local governments agreed to temporary housing sites, but then reversed their decision after housing installation had begun. Each time this happened, FEMA was further delayed in housing disaster victims and incurred additional costs.

FEMA's current Mass Sheltering and Housing Assistance strategy to support catastrophic housing needs starts with exploiting all available existing rental or vacant household dwellings in the affected area, then expanding outward into other jurisdictions or states. However, FEMA still lacks some of the resources necessary to successfully and expediently execute the strategy, and many states have restricted the number of out-of-state evacuees they are willing to accept, potentially restricting access to otherwise available housing units. FEMA housing officials said that the absence of universal acceptance by state and local governments for contingency housing missions will inhibit an optimal response.

While FEMA is striving to improve its disaster housing assistance strategy and coordination, it needs to develop and test new and innovative catastrophic disaster housing plans to deal with large-scale displacement of citizens for extended periods. Traditional housing programs for non-traditional disaster events have been shown to be inefficient, ineffective, and costly. This raises

concerns about how FEMA plans to temporarily house disaster victims for future disasters when hotels, motels, and other rental units are often unavailable due to damage.

Recently the Centers for Disease Control and Prevention and FEMA released the preliminary results of the testing for formaldehyde in travel trailers and mobile homes used in the Gulf region to house Hurricane Katrina evacuees. The test results show that unacceptable levels of formaldehyde were detected in both types of units. The FEMA administrator stated, “We [FEMA] will not ever use trailers again.”

In July 2007, FEMA entered into an interagency agreement with HUD to administer the Disaster Housing Assistance Program (DHAP). The DHAP provides temporary housing assistance, by means of a monthly rent subsidy, to eligible families displaced by Hurricanes Katrina and Rita. Under the interagency agreement, HUD will act as the servicing agent for this program. We believe FEMA needs to carefully monitor the services provided by HUD and the costs associated with them.

### **DISASTER WORKFORCE (Modest Progress)**

The need for a trained, effective disaster workforce is one issue mentioned consistently in reports regarding FEMA’s response to Hurricane Katrina. FEMA’s disaster workforce consists mainly of reservists who serve temporarily during a disaster with no employee benefits. FEMA struggled to provide adequate staff in response to Hurricane Katrina and did not have the automated support needed to deploy over 5,000 disaster personnel on short notice. New hires did not receive adequate training during FEMA’s accelerated orientation process, and FEMA lacked a central training records management system. The shortage of qualified staff for key positions responding to Hurricane Katrina negatively impacted the effectiveness of FEMA’s response and recovery operation.

As FEMA and DHS have evolved, the disaster workforce structure and systems have not kept pace. Since 1992, FEMA has initiated 12 studies to look at the use and structure of its disaster workforce; however, FEMA has not implemented the recommendations from any of those studies. In FY 2006, FEMA obligated over \$2 million for another examination of its disaster workforce to remedy problems in three major areas: workforce structure, automated workforce management systems, and training and credentialing. This initiative resulted in a report entitled “FEMA: A New Disaster Reserve Workforce Model,” dated September 30, 2007.

We reviewed two critical areas identified as weaknesses after Katrina:

- Adopt a Strategic Human Capital Plan, including specific strategies for the development of a surge capacity disaster workforce; and
- Manage the disaster workforce consistent with the Strategic Human Capital Plan and integrate workforce management tracking systems to deploy, train, and credential disaster workforce employees.

FEMA has been criticized by both GAO and our office for not having a Strategic Human Capital Plan (SHCP). To its credit, FEMA has met its goal of increasing permanent, full-time staff to

95% of allowed on-board level by June 2007, hired a new Human Capital Director and Deputy Director, and begun a project to optimize the Human Capital Division. However, more work remains, including finalizing the SHCP and ensuring that newly hired staff are fully trained.

The report “FEMA: A New Disaster Reserve Workforce Model,” makes recommendations for structuring the disaster workforce and lays out a roadmap for accomplishing the recommendations. One significant recommendation is to establish a director-level office, the FEMA Office of Reserves, to improve the effectiveness and efficiency of professional operations and to drive integrated efforts from an agency-wide perspective. The study also discusses realigning and reducing FEMA’s disaster cadres from 23 to 9.

The study recommends:

- Establishing clear lines of authority and responsibility within a new Office of Reserves;
- Providing employee benefits to disaster workforce reservists;
- Increasing training and credentialing funds; and
- Creating consolidated systems to track the deployment and training of the disaster workforce.

FEMA has assigned a Project Management Officer to determine the feasibility of implementing these and other recommendations, including establishing a FEMA Office of Reserves.

Most of these recommendations are not new. FEMA has historically been slow to implement effective change for its disaster workforce. FEMA has already studied this problem 12 times but did not implement recommendations from any of the previous studies. FEMA has not taken advantage of two relatively quiet hurricane seasons since Hurricane Katrina to make needed changes to its Disaster Workforce. FEMA reports that it does not have the budget, staffing, policies, authorities, or IT needed to implement the corrective actions. Some of the recommended changes also will require legislative action to amend the *Stafford Act*.

FEMA has not completed 18 of the 36 corrective actions (50%) that it agreed to take in response to disaster workforce-related recommendations in our FY 2006 report, “A Performance Review of FEMA’s Disaster Management Activities in Response to Hurricane Katrina.” All but one of the incomplete actions originally had target completion dates before June 2007.

FEMA also has not completed or could not verify the completion of six of nine workforce-related actions required by the *Post-Katrina Act*. The six incomplete or unconfirmed actions are:

- Developing a Strategic Human Capital Plan;
- Establishing career paths;
- Conferring with state, local, and tribal government officials when selecting Regional Administrators;
- Training regional strike teams as a unit and equipping and staffing these teams;
- Implementing a surge force capacity plan; and

- Providing a report describing progress toward integrating various tracking systems (Logistics Information Management System (LIMS)/Automated Deployment Database (ADD)/National Emergency Management Information System (NEMIS)).

### **MISSION ASSIGNMENTS (Limited Progress)**

FEMA is responsible for coordinating the urgent, short-term emergency deployment of federal resources to address disaster needs and it uses mission assignments (MA) to accomplish this. FEMA is also responsible for stewardship of the associated expenditures from the Disaster Relief Fund. Past audits and reviews regarding MAs have concluded that FEMA's management controls were generally not adequate to ensure:

- Deliverables (missions tasked) met requirements;
- Costs were reasonable;
- Invoices were accurate;
- Federal property and equipment were adequately accounted for or managed; and
- FEMA's interests were protected.

MA policies, procedures, training, staffing, and funding have never been fully addressed by FEMA, creating misunderstandings among federal agencies concerning operational and fiduciary responsibilities. FEMA guidelines regarding the MA process, from issuance of an assignment through execution and close-out, are vague.

In November 2007, FEMA initiated an ambitious project to re-engineer the processes, relationships, and resources involved in managing MAs. Reflecting upon lessons learned from Hurricane Dean, the California wildfires, and TOPOFF-4, FEMA's Disaster Operations Directorate formed an intra/interagency Mission Assignment Working Group (MAWG) to review MA processes and procedures and develop recommendations for the management of MAs. The effort focused on meeting the goals of FEMA's FY2008-2013 Strategic Plan issued in draft in November 2007, complying with congressional mandates, and responding to various audits and studies. It is anticipated that the review, development, and implementation of these improvements will be completed by June 2008.

We reviewed three critical components to identify FEMA's progress:

- Improve guidance for mission assignments, i.e., regulations, policies, and operating procedures;
- Improve staffing and training; and
- Enhance management of mission assignments.

FEMA officials said there are 223 pre-scripted MAs under development and listed in the operational working draft of the "Pre-Scripted Mission Assignment Catalogue," which FEMA intends to publish by June 2008. FEMA has developed a standard operating procedures (SOP) manual for MAs that outlines the policies, procedures, and processes that FEMA uses to collaborate with other federal agencies and organizations when responding to disasters and intends to release an updated draft of this manual in March 2008.

Overall, the process for developing pre-scripted MAs is now well-established and ready for use in future incidents. FEMA plans to post approved pre-scripted MAs to the Homeland Security Information Network (HSIN) to increase interagency coordination and real-time situational awareness. However, these pre-scripted MAs are only one of an assortment of tools for conducting response operations and do not, by themselves, provide a complete picture of FEMA's readiness to carry out mission assignments. Additionally, our audit of HSIN disclosed that this network is not used extensively by those in the emergency management community and may not be the best avenue to make other federal agencies aware of pre-scripted MAs.

The MAWG's Strategic Plan identifies the goal of having new policies, procedures, training materials, and recommended revisions to federal regulations and possibly legislation completed by the beginning of hurricane season 2008. The most substantial MAWG recommendation concerned the establishment of and investment in MAs as a program area rather than a collateral functional process or duty that only comes into play during an incident response. The MAWG participants see development of an MA program office, with dedicated full-time staff and management team, pre-established budget, and officially delegated authorities and responsibilities, as the best chance for substantial improvement in all aspects of the MA process.

According to the MAWG's Strategic Plan, FEMA intends to develop a schedule of appropriate training by March 2008, which will be conducted through June 2008. The MAWG also plans to identify a cadre of MA managers and will introduce a credentialing program.

Support from FEMA management will be required to implement the MAWG's Strategic Plan, which calls for an infrastructure overhaul of the MA process. A significant investment of resources—personnel, training, time, and budget—will be required to begin the re-engineering efforts. After the revised infrastructure has been put into place, an MA program office will need resources to sustain the effort.

### **ACQUISITION MANAGEMENT (Moderate Progress)**

FEMA's acquisition function was heavily tasked in responding to hurricanes Katrina and Rita, and suffered from several shortcomings. These shortcomings included:

- A lack of pre-existing preparedness contracts;
- Untrained staff; and
- Poor planning for post-award monitoring and oversight.

Post-Katrina, FEMA management has focused on developing the acquisition function to a level that can effectively and efficiently respond to another catastrophic disaster. Moderate progress has been made overall, based on our review of the following three critical components:

- Have pre-disaster contracts in place;
- Recruit, train, and retain sufficient acquisition staff; and
- Provide for post-award oversight.

Prior to Hurricane Katrina, FEMA had few contracts in place to be used at the time of a disaster. Without pre-disaster contracts in place, FEMA is forced to award contracts on a non-competitive basis or to less qualified vendors in order to support a prompt response after the disaster occurs.

FEMA's Office of Acquisition Management (OAM) has awarded approximately 27 pre-disaster response contracts, up from the 9 pre-disaster contracts in place before Hurricane Katrina struck. Additionally, approximately 70 recovery contracts have been awarded. OAM also has entered into interagency agreements with other federal agencies, which will allow FEMA to use those agencies' pre-existing contracts. OAM officials said that all FCOs now have a list of these pre-disaster agreements in a "disaster response contract toolbox." However, OAM only recently provided us a list of those contracts and, consequently, we have not had the opportunity to review them.

OAM has also created an Acquisition Program & Planning (AP&P) branch, which will function as the primary link between acquisitions and the program areas that generate requirements, to assist with pre-disaster contracts.

When Hurricane Katrina struck, FEMA had just 35 contracting staff in place. Since Hurricane Katrina, this number has grown to 162 positions authorized, with 136 positions filled. OAM has expanded its policy office and is upgrading its contract writing system. Additionally, FEMA has updated its "Emergency Acquisition Field Guide," which is designed to define the critical elements of an emergency acquisition in plain language so that any member of the disaster support team can understand and apply proper procedures.

FEMA reports significantly increasing staffing of both Contracting Officer's Technical Representatives (COTR) and Contracting Officers. FEMA has established a COTR Program Management Office "to ensure COTRs have the training, support, and tools needed for effective contract administration." To date, more than 700 program officials have been trained and certified as COTRs.

OAM also reported building their training initiatives to ensure contracting staff have the necessary skills for their positions. The office has worked with the Defense Acquisition University and the Federal Acquisition Institute to ensure that OAM staff complete the courses necessary to meet qualifications requirements.

A lack of post-award oversight was a problem for FEMA in its response to Hurricane Katrina. Since then, FEMA reports taking some important steps in improving contract oversight. FEMA officials said that they have developed Contract Administration Plans (CAP) intended to improve post-award contract execution by providing consistency in how FEMA competes, orders, and administers task orders. FEMA said they believe CAPs will also foster consistent contract administration processes for COTRs across FEMA regions. FEMA also said the additional training and support being provided to COTRs through the new COTR Program Management Office will contribute to better post-award oversight.

While FEMA has made progress in a number of areas and seemingly improved its acquisition management function, many concerns remain. FEMA said that many more pre-disaster contracts

are in place, ensuring fair and reasonable prices. However, FEMA has not afforded us the opportunity to review them, nor have we been able to determine whether guidance on the use of the contracts has been developed and communicated to all federal, state, and local partners.

In our acquisition management scorecard published in April 2007, we reported several areas of concern. Of those, OAM is making some progress in the following areas:

- Developing a full partnership with other FEMA components;
- Developing policies and procedures for comprehensive program management; and
- Hiring and training a sufficient number of contracting staff.

However, FEMA continues to show weaknesses in:

- Developing an integrated acquisition system; and
- Developing reliable, integrated financial and information systems.

## **CONCLUSION AND RECOMMENDATIONS**

FEMA has made progress in all of the areas we reviewed, although in some areas this progress has been limited or modest. FEMA officials said that budget shortfalls, reorganizations, inadequate IT systems, and confusing or limited authorities negatively affected their progress. We agree with FEMA. We also believe FEMA would benefit from better knowledge management and plans for sustaining initiatives that are underway.

Our report includes the following three recommendations:

**Recommendation 1**- We recommend that FEMA conduct a comprehensive “needs analysis” to determine where they are now and where they need to be, *as an agency*, in terms of preparedness for a catastrophic disaster. This will assist FEMA with integrating their projects and avoiding duplicative efforts.

**Recommendation 2**- We recommend that FEMA develop and sustain a system for tracking progress of programs, initiatives, and enhancements, both planned and underway, using project management tools, e.g., Quad charts, Gantt charts, or similar tools. This system would benefit FEMA by providing a means of increasing awareness of FEMA’s efforts and the planning behind them. It would also help ensure that knowledge and vision that may reside with the agency’s leadership is shared among staff and other stakeholders. For each project, a single leader accountable for the success of the project should be identified.

Tracking system tools should, for each initiative or project, contain information including:

- Name of the project leader;
- Status of the project, including budget, schedule, and where necessary, approvals from DHS and OMB;
- Performance requirements or parameters; and

- Other key issues, concerns, or challenges to completion of the project, e.g., lack of funding or staffing, legislative changes needed, cooperation of other federal agencies needed.

**Recommendation 3**- To enhance accountability and transparency, and to enhance the ability of key stakeholders to assist FEMA in achieving its mission, we recommend that FEMA provide regular updates regarding progress on all major preparedness initiatives and projects.

Let me end my statement by reiterating our goal and intention, which is to take the lessons learned from the response to Hurricane Katrina and assist FEMA to form the foundation for critical improvements to prepare for the response to its next catastrophic event.

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Mr. Chairman, this concludes my prepared remarks. I would be happy to answer any questions that you or the Committee Members may have.