

Testimony of Robert David Paulison
Acting Director, Federal Emergency Management Agency, before the
Senate Committee on Homeland Security and Governmental Affairs
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Good morning Chairman Collins, Senator Lieberman, and members of the Committee. I am David Paulison, the Acting Director of the Federal Emergency Management Agency (FEMA), within the Department of Homeland Security. I appreciate the opportunity to come before you today to discuss our ongoing relief efforts along the Gulf Coast and throughout the nation.

As you know, I was asked by President Bush and Secretary Chertoff to take over as the Acting Director of FEMA less than four weeks ago. I did not hesitate to accept the position to lead the dedicated men and women of FEMA. Each one of them is working tirelessly to provide relief to the millions of Americans impacted by the devastation of Hurricanes Katrina and Rita. I am humbled to be working with some of the finest people in all of government.

For those of you who do not know me, I was the Fire Chief of Miami-Dade Fire Rescue Department for nine years until being appointed the U.S. Fire Administrator in December 2001. I am no stranger to hurricanes or disasters. I have dedicated my career to emergency management and have been involved, as an emergency responder and manager, in emergencies big and small, including Hurricane Andrew and the crash of ValuJet Flight 592.

I began my career as a rescue firefighter and rose through the ranks to become the Miami-Dade Fire Chief. I was privileged to serve this Administration as the United States Fire Administrator, and I am honored that the President has asked me to take the reins as the Acting Director of FEMA.

Over time, I look forward to working with Congress to evaluate and address the lessons we have learned and continue to learn from this catastrophic event. I appreciate the attention and focus Congress is bringing to these important issues and I look forward to working with you in the coming months. However, that is not why I am here today. Today I am here to report on our ongoing relief operations which, as you would rightly imagine, are occupying all of our time and energy.

Recovery Operations in Brief

I would like to provide the Committee with a brief report on our ongoing relief operations. As response efforts involving immediate life saving and life sustaining efforts end, a long and immensely challenging recovery effort is already well underway.

FEMA coordinated the rescue of more than 100,000 victims from the greater New Orleans area by the National Guard, other Department of Defense entities, the Coast Guard, U.S. Department of Transportation, State and local officials, and our Urban Search and Rescue teams. Our Disaster Medical Assistance Teams treated well over

100,000 patients. As of October 3, 2005, we have delivered in the combined Katrina and Rita effort over 84,780,000 liters of water, 40,119,342 meals, and 175,880,000 pounds of ice. There are 84 Disaster Recovery Centers open in Texas, Louisiana, Mississippi, and Alabama. These numbers represent a significant increase in the amounts provided for the four hurricanes in Florida in FY 2004.

Families have been separated, lives have been turned upside down, and many have lost everything. FEMA, our Federal partners, the governors, mayors, parish presidents, county officials, emergency workers and planners, private industry, as well as our partner charitable and faith based organizations have a great deal of work ahead of us. This will require a team effort. We will work side by side with all our partners; united not divided. This is going to take hard work, but together we can get the job done.

To date, FEMA has registered over 1.7 million victims for disaster assistance and provided housing assistance in the form of money or direct housing to over 390,000 displaced individuals and families. At one point, there were more than 300,000 evacuees from Hurricane Katrina sheltered in congregate shelters spread throughout more than 40 States. Hurricane Rita added to this shelter population. Though today, fewer than 68,000 remain, we still have work to do.

Comprehensive Approach to Housing Assistance

The first and foremost priority in our efforts is to address housing needs of those displaced, while respecting individual autonomy as well as the impact on affected communities and States . State and local leaders will play a central role in determining the nature and shape of a long and arduous planning and rebuilding process. We will support and supplement these State and local efforts throughout the process while continuing to assist the individual victims of these disasters.

Our goal is to move all Katrina evacuees out of congregate shelters by the middle of October. In Louisiana, Mississippi, Texas and Alabama, hundreds of thousands of homes have been damaged or destroyed in one of America's largest natural disasters. The housing stock lost in the southern most impacted parishes and counties in Louisiana and Mississippi alone has created the need for short and mid-term housing for an estimated 600,000 households. Some are still in congregate shelters. Many of the displaced found their own temporary accommodations, such as hotels or motels, or with friends and family. They too will require assistance to get back on their feet. These families also will need to find longer-term housing. The Federal government is committed to helping the citizens of the Gulf Coast overcome this disaster and rebuild their devastated communities. The simple fact is the storm and subsequent flood were so devastating that a significant portion of the housing stock was completely destroyed. And, now we are faced with the challenge that housing demand outstrips housing supply.

Our recovery strategy is based on a single premise: Assist the victims of Hurricane Katrina in re-establishing a normal living environment as quickly as possible, in the

towns and communities where they want to live so long that the local infrastructure can support them in the long-term. In reaching these goals, we will apply three basic assistance methods.

The first method is to provide assistance directly to individuals and families, allowing them to take ownership of their lives, choose for themselves the best housing options, , where they can best fit into the job market, and how best to move forward. The Federal government's disaster assistance does not take the place of insurance, nor can its programs provide such comprehensive coverage. But we can help and will help. Each eligible family can receive assistance for temporary housing for up to 18 months.

Homeowners can receive home repair and replacement assistance and grants or loans for personal property and other immediate needs.

An individual whose unemployment or loss of self-employment is caused by a major disaster, like Hurricane Katrina, and who is not eligible for regular unemployment compensation, may be eligible for the Disaster Unemployment Assistance Program.

Unemployment that is caused by a major disaster includes situations where the individual is unable to reach the place of employment or was scheduled to begin work but is unable to do so, as a direct result of the major disaster, and also includes situations where the individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of the major disaster.

To date, FEMA has provided \$48.8 million to the U.S. Department of Labor for unemployment benefits and state administrative expenses under the Disaster Unemployment Assistance Program.

The second way is to provide assistance to State and local governments that are now encumbered by the increased demands on their limited resources. While many host States have welcomed thousands of displaced evacuees into their communities, churches and schools, they nevertheless face difficult challenges supporting the new population of evacuees. Their infrastructures, community services, and housing stocks are being strained, and the Federal government recognizes the urgent situation. Accordingly, we are committed to reimbursing States for many of these increased shelter-related costs through FEMA's public assistance program.

In areas directly impacted by Hurricane Katrina, we will provide funding to repair damaged schools and rebuild those that were destroyed, as appropriate, including funding for equipment, furniture and supplies. And we will build them in accordance with State and local codes. In host States that received a large number of displaced students, we will fund temporary classrooms in those schools where additional funding capacity is needed to accommodate the increase in the number of enrolled students. In addition, if more busses are needed to transport the students to school, we will fund those additional costs.

The third way is helping to rebuild the Gulf Coast in ways that make communities stronger, safer and less vulnerable to future loss of life and property. FEMA's public assistance programs and direct contracting authority will pay for much of this work. The States will pay for a portion of these efforts as well. Some of the remaining costs will be paid through flood insurance settlements administered by the FEMA National Flood Insurance Program (NFIP), and through mitigation grants, private insurance, Small Business Administration loans, Federal tax incentives, and the private sector. Hurricane Katrina has resulted in an unprecedented level of flood damage insured through the NFIP – there have been more claims from this one event than have ever been experienced in any prior year's worth of multiple events. We are working with our participating insurers to implement new claims handling procedures in order to expedite settlements and speed policyholder recovery. We are also providing NFIP guidance and advisory information to state and local governments in order to make use of the best available data in the rebuilding process to reduce future losses. The Administration plans to work closely with Congress to ensure a proper level of borrowing authority is available so that the NFIP can seamlessly meet its obligations to its insured policyholders. I also want to mention that we will work with Congress in the coming weeks on important program changes that will ensure the NFIP's long-term financial soundness as well as its continued progress towards meeting floodplain management and mitigation goals.

Also during the recovery process, FEMA awards grants under the Hazard Mitigation Grant Program (HMGP), as authorized by the Stafford Act, to assist State, local and tribal governments rebuild their communities in a way that will reduce vulnerability to future

hazard events. As they assess their risks, communities will need to consider adopting and enforcing disaster resistant building codes and standards, as well as making decisions about removing structures from the floodplain or elevating structures to create safer homes, businesses and infrastructures. HMGP provides grant funds to implement these mitigation measures.

The recovery process for Hurricane Katrina will be neither fast nor easy. I am confident that we will get there, but only by working together.

On September 23, 2005, the Federal government announced a comprehensive housing assistance program to meet the immediate needs of individuals and families displaced by Hurricane Katrina. DHS and the Department of Housing & Urban Development (HUD) announced measures to provide transitional housing assistance to evacuees that cut through red tape to provide evacuees the flexibility, choice, and portability they need to move from temporary shelters to more stable housing.

We also are expediting aid to evacuees with immediate housing needs. Because of Hurricane Katrina's unprecedented scope and the widespread dispersion of evacuees, FEMA is accelerating the Assistance to Individuals and Households Program, which provides housing assistance to homeowners and renters

To reduce up-front paperwork and provide immediate aid, households will receive an initial lump sum rental assistance payment of \$2,358 to cover three months of housing

needs. This payment represents a national average of the fair market rent for a two-bedroom unit. Because rental assistance is being delivered in an expedited fashion, it may be necessary to re-evaluate eligibility and to adjust payments to families after the first three months. Those who qualify for further benefits may be extended assistance for up to 18 months, or a total of \$26,200.

HUD also is providing specialized housing assistance to evacuees. While the majority of evacuees will receive assistance through FEMA, others will be eligible for comparable benefits under HUD's Katrina Disaster Housing Assistance Program. Housing vouchers will be given to evacuees who were previously in HUD-assisted housing programs or were homeless. These vouchers give evacuees the choice and flexibility they need to find housing for up to 18 months.

Through these programs, displaced families will have the opportunity to relocate to areas where housing availability and job markets will meet their immediate needs.

Contracting

As we also focus on the long-term rebuilding of the Gulf Coast region, many are asking how the Federal contracting process works and are rightfully concerned about the costs. Members of Congress also have inquired on behalf of their constituent business owners about how they can match their resources with the extraordinary demand in the impacted region.

There are three basic ways by which we will arrange and pay for the Federal recovery efforts.

In some cases, FEMA directly contracts for goods and services in accordance with Federal procurement regulations. FEMA also can issue mission assignments to other Federal departments and agencies to perform necessary work and reimburse them for their costs. In many cases, however, FEMA will reimburse State and local governments in the declared emergency areas for eligible activities through grants.

For example, FEMA issued a mission assignment to the United States Army Corps of Engineers to conduct large scale debris removal efforts in some of the most decimated areas of Mississippi and Louisiana. The Corps acquires services or supplies for these efforts through its contracting process. Companies interested in assisting in the debris removal efforts should contact local officials or go to the U.S. Army Corps of Engineers web site for guidance.

Similarly, last week, DHS placed on its website a list of companies with whom FEMA has contracted and posted a link that should be helpful for businesses interested in directly contracting with FEMA or in examining subcontracting opportunities.

Businesses in your constituent States that wish to pursue contracting opportunities should go to www.dhs.gov and click on “Working with DHS.”

As I have said, much of FEMA's spending will be to State governments in the form of grants. FEMA awards grants to assist State, local and tribal governments and certain private nonprofit entities with their respective responses to and recovery from disasters. Specifically, FEMA provides assistance for debris removal, implementation of emergency protective measures, and permanent restoration of infrastructure. While FEMA is not a party to contracts awarded by the State or their county sub-applicants, we will nevertheless not tolerate discriminatory contracting practices. Under the Stafford Act and its implementing regulations, local businesses or workers are to be given preference wherever practicable, and under various Federal laws and FEMA's regulations, minority- and women-owned businesses should be given a fair opportunity to compete for contracts.

Conclusion

Governments, whether local, State, or Federal, cannot compel any citizen to move back to the disaster affected region, nor should they. However, we must work with our State and local partners to develop opportunities that will facilitate their return, and provide help to those who choose to do so. We must promote ownership, entrepreneurship, hard work and dedication. Over time, and with encouragement, the good people of the Gulf Coast will return and make the region better, safer, and less vulnerable if disaster strikes again.

These States are suffering tremendously. It will take years to truly recover, and there will be countless hurdles to be overcome along the way. But the spirit and essence of this region, even amidst such tragedy, remains vibrant and strong, and all of us remain committed to the restoration of this important part of our great nation.

Working together, we will get through this.