

Hurricane Katrina: How is FEMA Performing Its Mission at This Stage of Recovery?

Statement of Senator Joseph I. Lieberman

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(As Prepared for Delivery)

Madam Chairman, thank you for calling this third hearing in which we will receive a much needed status report from FEMA about recovery efforts in the Gulf States in the aftermath of Hurricanes Katrina and Rita.

I look forward to hearing from Acting FEMA head David Paulison because I know all of us have many questions and concerns about the recovery efforts, given both the news we are hearing and knowing that the initial response phase was woefully inadequate.

There's a saying, often attributed to President Kennedy, that success has a thousand fathers, but failure is an orphan.

But, Madam Chairman, in this case failure has created – and is creating – orphans, both literally and figuratively. Children – we still do not know how many - have lost their parents. Families have lost their homes. And entire communities have vanished – their people now orphaned and rootless and spread across every state in America.

We have to get a hold of this recovery process and get it right for millions of our fellow Americans, and knowing that other storms and disasters – natural and manmade – are brewing will also require quick, concerted action.

I'm concerned by what I see. We seem to be making it up as we go. And some problems are getting worse, not better. For example, Madam Chairman, Katrina has decimated the tax base for several parishes in Louisiana. New Orleans and St. Bernard Parish are on the verge of having to lay off city employees who are working to rebuild their communities. New Orleans is laying off as many as 3,000 employees – almost half of the city's workforce. St. Bernard Parish has already laid off 120 people and has announced it cannot continue to operate without incoming revenue beyond October 15.

What is the federal government doing to address this problem? So far, not nearly enough. While FEMA funds can be used to hire and pay contractors full time, FEMA will only reimburse local governments for overtime for employees performing duties related to the recovery. That does not seem to make a lot of sense. It raises the question of whether or not FEMA's programs are designed to address the real problems that have emerged in the wake of the most costly natural disaster in our nation's history.

Last week, at our second hearing, the stories we heard from officials whose communities have opened their arms to hundreds of thousands of evacuees were not reassuring. The ongoing investigation by our staff has also found critical gaps in the recovery effort.

First, and most importantly, FEMA has encountered challenges simply getting services to many, many storm victims. In scores of hard hit communities, Disaster Recovery Centers (DRCs) still have not been established. As of Oct. 3, FEMA says that it had established 77 DRCs. But Hurricane Katrina alone affected some 90,000 square miles consisting of hundreds of local jurisdictions. How many communities, out of the national spotlight, but that were totally in Katrina's and Rita's sites, are there, and how many still do not have a convenient FEMA center where citizens without access to phones or the internet can go to for help?

It is also clear that FEMA has not always communicated effectively with those local officials who are working overtime to help. I am told that many local officials in Louisiana simply are having a hard time finding out who from FEMA is in charge of various issues, like housing. Others say that when decisions are made, they are not in the loop.

The most critical need that FEMA must address is housing. Madam Chairman, I am glad that FEMA and the Red Cross have decided to extend for now the program which is paying for a reported 438,000 evacuees to stay in hotel and motels. This program was originally scheduled to end on October 15. But with longer term solutions still not available for so many evacuees, I don't think FEMA had any other choice but to extend the program for the indefinite future.

I also understand that FEMA has already spent over a billion dollars for travel trailers and mobile homes. Yet, even when trailers are made available, FEMA has sometimes found it difficult to get them to suitable locations. And many officials fear a proliferation of dysfunctional "FEMA Cities" across the region where evacuees would have little access to jobs, schools, health care, public transportation and other services. Helping hundreds of thousands of evacuees who cannot return home find suitable housing is clearly an extremely difficult problem. We need to hear today how FEMA and the Administration plan to solve it.

Madam Chairman, I am also concerned that FEMA's handling of no-bid contracts for the response and recovery effort has created opportunities for waste, fraud and abuse. Some companies with questionable contracting histories have been awarded multi-million dollar, no-bid contracts. Others are reportedly receiving payments in excess of market rates. FEMA does not appear to have sufficient contract officers to prevent over-charging. Congress has already appropriated over \$60 billion for the relief effort and there is no doubt that more is on the way. We need to ensure that these funds are spent effectively.

I am pleased to see that the Administration has, wisely, decided to limit substantially the government's use of a statutory provision it originally asked for; the provision had increased to \$250,000 the amount that federal employees could charge to government credit cards for Katrina related purchases. This was inviting abuse – at a time when we need to take steps to guard against it. Congress should follow through by repealing the original provision, which was enacted without opportunity for debate.

Finally, I am concerned that there still is no one really in charge of this recovery effort. FEMA's role is obviously pivotal – under the National Response Plan, FEMA is charged not only with delivering its own programs. It is also the federal coordinator for long-term recovery that includes other primary agencies, including HUD, SBA, the Department of Agriculture, and Treasury. But a successful recovery from this disaster, compounded by Hurricane Rita, may be beyond FEMA's capacity to manage.

Madam Chairman, I know that Chief Paulison recently took the helm as Acting FEMA Director. And I appreciate his willingness to take on this job at this critical time. I look forward to hearing his ideas on the steps FEMA is taking to address the issues that we are uncovering.

I also know that the many career civil servants who work at FEMA must feel as if the weight of the world is on their shoulders. Our responsibility is to work with the Administration to make sure that those dedicated employees, and those across government who are working overtime to help our nation recover from the worst natural disaster in our nation's history have what they need to get the job done.

I look forward to hearing Chief Paulison's comments on what those needs are.

Thank you Madam Chairman.