National Emergency Management:

Where Does FEMA Belong?

Testimony

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I want to thank the Committee for this opportunity to discuss one of the most important issues of our day: how best to structure the federal government's emergency management system. I deeply appreciate the opportunity to contribute the lessons learned through our work at Penn, including the findings of our book, *On Risk and Disaster: Lessons from Hurricane Katrina* (University of Pennsylvania Press, 2006), to the national debate.

When Katrina struck the Gulf Coast last year, we learned painfully that management failures can have devastating consequences. Even worse, we had tried very hard to design FEMA precisely to avoid these consequences, and to learn the lessons of the 9/11 terrorist attacks. The fundamental tragedy is that everyone involved in FEMA's response to Katrina was trying their best. The central failure was a system failure. We now have an obligation to get the system right.

In response to this failure, some reformers have called on Congress to remove FEMA from the Department of Homeland Security and to restore its status as an independent agency. Some reformers have called on radical surgery for FEMA while keeping it within DHS. Almost no one proposes to keep FEMA as it now is.

FEMA needs fundamental reform. There can be no debate about it. The fundamental question is ***whether a different structure will prevent a better result***.

In brief, I believe that the answer lies ***in making important changes in FEMA's role and structure, but not in removing it from the Department of Homeland Security***. What it needs, more than anything else, is ***effective leadership clearly focused on achieving a more sharply defined mission.***

Over its history, FEMA has gone through a long and wrenching series of reorganizations. A Congressional Research Service study of the structure of federal emergency management has a chart of the function's structural evolution that stretches over five pages.[1] Anyone proposing another major structural change for FEMA bears a very heavy responsibility for ensuring that the restructuring will in fact solve FEMA's enduring problems. Just as important, reformers have a profound responsibility for ensuring that their changes will not make things worse. Change for the sake of change could simply induce organizational whiplash and further destabilize an already unsteady organization.

What follows flows from a careful look at FEMA's performance in recent years; at the fundamental reasons for its problems; at the searching (and often searing) investigations that have followed;[2] and broader lessons for organizational performance. From this analysis comes the following conclusions.

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[1] Henry B. Hogue and Keith Bea, *Federal Emergency Management and Homeland Security Organization: Historical Development and Legislative Options* (RL33369, April 19,2006).

[2] U.S. Senate, Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared* (May 2006); U.S. House of Representatives, Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, *A Failure of Initiative* (February 2006); White House Office of Homeland Security and Counterterrorism, *The Federal Response to Hurricane Katrina: Lessons Learned* (February 2006).

1. *The problem is not structural.* FEMA has substantial problems, but there is no evidence in recent times that it has performed substantially better as an independent agency than as a part of DHS; that differences in performance are the result of different structures; or that fundamental restructuring is likely to improve its results.

2. *The solution must develop the capacity for an all-hazards-plus strategy.* It is tempting to send a strong signal by pulling FEMA out of DHS. But that would only undermine its ability to accomplish its mission. Instead, FEMA needs to redefine its mission: to create capacity for an all-hazards-plus strategy that links preparedness and response, for both terrorist events and natural disasters.

3. *Some organizational solutions would make things worse.* That strategy requires keeping FEMA in DHS. Breaking these pieces apart—separating response to terrorism from response to natural disasters, separating preparedness from response, separating FEMA from DHS—would inevitably bring problems. We would surely suffer from duplication and overlap, as we recreate the same functions elsewhere in the federal government; and confusion and coordination problems, as we seek to link together what we have just separated.

4. *Leadership matters most.* Structure matters. But leadership counts far more.

Let me examine each of these points in turn.

1. The problem is not structural

By any measure, FEMA's performance following Katrina's strike was a disaster. Indeed, history may well record it as one of the most profound administrative disasters in American history. According to FEMA's website, its mission is "to lead the effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident."[3] When Katrina struck, it simply did not do so.

The failure was profound and fundamental. Some observers have concluded that the failure was the result of FEMA's move into DHS in 2002. They believe that restoring its former status as an independent agency would solve the problem.

In support of this argument, they point to the demonstrable success that James L. Witt achieved as director of FEMA from 1993 to 2001. Witt transformed a troubled agency and made it successful. Under Witt, FEMA was independent. Therefore, some observers conclude, FEMA should be restored to independent status.

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[3] http://www.fema.gov/about/index.shtm

However, history fails to support the argument. First, it is important to remember that FEMA did not perform well when Hurricane Andrew struck southern Florida in 1992—and that, at the time, FEMA was an independent agency. FEMA failed in 1992 even though it was independent.

Second, when Congress mandated a "no-notice" exercise in 2000, to test the nation's ability to respond to terrorism, FEMA demonstrated serious problems that presaged its Katrina failures in 2005.[4] This exercise, christened TOPOFF 2000 (for "top officials") simulated a terrorist bio-terror attack in Denver and Portsmouth, New Hampshire. Analysts identified important issues in communication and coordination. Many of those problems returned in the wake of Katrina. Problems surfaced in TOPOFF 2000 even though FEMA was then an independent agency: identifying who was in charge of producing results; ensuring adequate communication; clarifying uncertainty over decisions; and creating effective coordination between federal, state, and local officials. The problems were all fundamentally based in process, not structure. Their roots did not lie in FEMA's structure; changing the structure would not, in itself, have solved them.

In short, FEMA had demonstrable and significant performance problems when it was an independent agency. Independent agency status was no guarantee of good performance. Many of these problems were similar to the ones it had in 2005, as part of the Department of Homeland Security. The only logical conclusion is that independence is no bulwark against performance problems. There can be no confidence that restoring its independent agency state will improve its performance.

Reformers have an obligation to take a public sector version of the Hippocratic Oath: The first obligation is to ***do no harm***. The corollary is to ***ensure that they solve the right problem***. Making FEMA independent again, as a reaction to its Katrina problems, risks failing to learn the real lessons from the past; drawing the wrong lessons instead; and taking a substantial risk of making FEMA's hard work even harder.

2. The solution depends on an all-hazards-plus strategy

The federal government faces a difficult challenge, to be sure. It must have the capacity to respond adequately to terrorist-related events. It must also have the capacity to respond to natural disasters and major accidents. Neither citizens nor policy makers will have any more patience with failures of response that leave people in jeopardy.

Determining how best to respond to this challenge centers on three fundamental puzzles:

1. Are terrorist-related events similar enough to non-terrorist-related events (like natural disasters) that responsibility for them ought to be *housed in the same agency*?

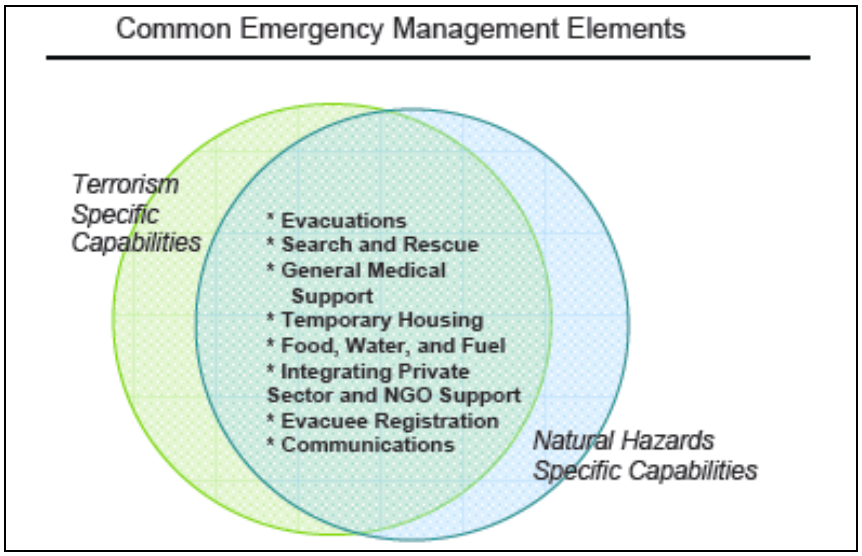
[4] National Response Team, *Final Report: Exercise TOPOFF 2000 and National Capital Region After-Action Report* (August 2001).

2. Is it possible to *respond effectively to terrorist-related events* if responsibility for managing them is separated from the rest of the homeland security functions? In particular, would the agency's capacity to respond to terrorist events be weakened if it is pulled away from the homeland security preparedness functions?
3. Is it possible to *respond effectively to non-terrorist events,* like natural disasters, if responsibility is housed in the Department of Homeland Security? Would the focus on the homeland security mission inevitably undermine capacity for other critical functions, like response to major storms?

To be sure, these questions are very hard—and absolutely central. The answers depend on defining FEMA's mission. The federal mission, in turn, must be defined in terms of what will get the job done. What matters, in particular, is leading from the top down so that the system works from the bottom up.

James Lee Witt explained the central importance of defining the mission. As he told a reporter in 1998, "It is absolutely critical that you look at your role and mission, and redefine that role and mission to what you feel is important for that agency to be responsible for."[5] In short, success in managing FEMA flowed from the leader's ability to lead: to frame the organization's mission and leading people to accomplish it. Structure can help support leadership. It can make it the job harder. But restructuring cannot *substitute* for leadership.

But what is FEMA's mission, and what should its leaders be responsible for accomplishing?



Source: Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina,* Recommendations—p. 5

[5] Quoted by Robert Worth, "Reinvention Lite," *The Washington Monthly* (September 1998), at http://www.washingtonmonthly.com/features/1998/9809.worth.gore.html

The report of this Committee, *Hurricane Katrina: A Nation Still Unprepared,* points to the key issue. In its section on "Recommendations," the report points out that FEMA has basic responsibilities to respond to natural hazards (like hurricanes and earthquakes). As the chart above makes clear, effective response involves a wide range of functions, including evacuations, medical support, basic food and water, and communications.[6]

However, the mission *also* includes capabilities that are terrorism-specific. For example, FEMA not only has responsibilities for ensuring basic medical care but also for ensuring the specialized medical care that would be required following attacks with biological agents or nuclear materials. Firefighters and police officers responding to the first stages of a major event, for example, not only need to rescue those trapped. They also need to assess whether the cause is an accident, like a gas main or chlorine tank explosion, or a terrorist attack, which might pose additional risks.

The front-line realities of this mission must define the federal strategy. All homeland security events, whether caused by terrorists or by natural disasters or by public health issues, begin as *local* events. Response to the 9/11 terrorist began as firefighters in southern Manhattan rolled to the scene of a very large fire, perhaps (they were told) caused by an airplane accident. Response to Katrina began when Louisiana National Guard troops in New Orleans noticed that the water was rising very, very quickly outside their Jackson Barracks. They concluded that could only happen if the levees had failed. The medical response to the monkeypox outbreak in 2003 began the same as to the 2001 anthrax attacks: patients arrived at physicians' offices with unusual symptoms.

On the front lines, where the first critical decisions must be made in response to terrorist events, there is no neat line between terrorist and non-terrorist events. Only when New York City firefighters, police officers, and emergency medical technicians were already engaged in responding to the first World Trade Center fire did everyone realize, when the second plane hit, that it was a terrorist attack. When Washington-area physicians treated the postal workers exposed to anthrax, they did not know for some time that they were dealing with a terrorist attack. Front-line first responders must be prepared to respond to all such events. Moreover, we have only one set of local first responders—not completely separate teams for terrorist and non-terrorist events.

Local first responders have long trained and worked on an all-hazard system. They have designed a single system with the goal of responding to a wide range of local events, from chlorine take explosions to large building fires and floods to earthquakes. Since 9/11, first responders now know that they could also encounter highly deadly agents like anthrax or radioactive materials. This means they must take additional care in assessing and responding to suspicious scenes. It does not mean that they send out completely separate fire, police, and emergency medical service teams for different disasters. They supplement their basic response teams with specialized units for new-generation terrorist

[6] Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina,* Recommendations—p. 5.

threats. In short, they have developed new operational strategies based on the traditional all-hazard system—plus new capabilities for responding to terrorist events.

The "all-hazards-plus" model is precisely the right one for local responders. The national government's strategy must be to support it. If the federal response does not match local operating realities, failure will occur. That is precisely the lesson of FEMA's failure when Katrina struck. FEMA has a profound responsibility to shape the system from the top down, so that it works on the front lines and is coordinated effectively from the bottom up.

Bringing the "plus" element into emergency response is an enormous challenge. It is especially a challenge for FEMA. Given the new realities of the post-9/11 world, it is perhaps its most important function. Thus, the answers to the fundamental questions:

1. The all-hazards-plus approach argues for basing responsibility for terrorist- and non-terrorist events in the same agency. There is so much common ground that effective management requires that the functions not be separated.

2. The all-hazards-plus approach argues for basing emergency response functions together with security functions. The operating realities for first responders do not create a neat dividing line between terrorist- and non-terrorist-related events. The same core group of first responders deals with most issues that arise in the community. To separate terrorist-related capacity from non-terrorist related capacity at the federal level is sure to create artificial divisions that will increase the difficulty of front-line coordination at precisely the moment when it is most needed. It would also be likely to weaken coordination at the federal level between those charged with *planning* for terrorist-related events and those responsible for *coordinating the response* to them.

3. The all-hazards-plus approach argues for basing all of these response functions in the Department of Homeland Security. As the Committee's diagram points out, there is so much overlap between terrorist- and non-terrorist-related events that it makes little sense to separate them. There is certainly a risk that the security-based mission of DHS might tip the balance of FEMA's focus. Keeping the balance just right will surely be an important, continuing challenge for FEMA's leaders. But separating FEMA from DHS is certain to create new, structural problems that would prove far harder to overcome.

Thus, the ***"all-hazards-plus" model must be the core of the nation's homeland security response system.*** In working through FEMA's organizational issues, great care must be taken to avoid making that critical job even harder.

3. Some organizational changes would make things worse

The operating reality for first responders is that there is no neat dividing line between natural and manmade disasters. FEMA should not be crippled by trying to create one. If artificial dividing lines are drawn—between response to terrorist events, natural disasters, more common emergency issues, and public health crises; and between preparedness for

these issues and response to them—we will inevitably create deep fissures between national policy and the realities of local response. That, in turn, will surely compound the difficult of producing an effective, coordinated response to future events. It will, in short, make a repeat of FEMA's Katrina failure more likely.

FEMA needs a structure to support this integrated mission. Pulling FEMA out of DHS would inevitably make that harder: because it would separate the traditional "all hazards" capabilities, especially for dealing with natural disasters, from capabilities for responding to terrorist attacks, which would remain within DHS; *or*, if the terrorist response elements are removed from DHS along with FEMA, it would separate the terrorist response units from the DHS units charged with threat assessment and preparedness. Either way, pulling FEMA from DHS would multiply the already daunting coordination challenges surrounding FEMA's mission.

That highlights a closely related issue. Response works best when it is tightly linked to preparedness. It is hard for responders to plan a response without close coordination with the officials analyzing the threats. It is even harder to develop the critical close partnerships among all the participants if there are artificial dividing lines between preparedness and response. It vastly complicates the job of first responders if they need to establish separate relationships with officials charged with preparedness and response. Trying to switch teams in the middle of a major event—or starting from scratch in the middle of an event to build new teams—would be even harder. That, in fact, is a major lesson from Hurricane Katrina.

Thus, ***pulling FEMA out of DHS would require wasteful duplication of efforts***: of those that would remain within DHS and those that would be spun off into an independent agency; or it would separate DHS's preparedness planning from those with the responsibility for carrying out those plans. Either way, costs would be greater and response would be worse.

For the same reason, ***preparedness and response ought to be united in the same agency.*** To do otherwise would either require duplicative effort—or would risk creating fundamental fissures between those functions at precisely the moment they most need to be joined.

Finally, it is worth noting that steps taken to reduce the consequences of natural disasters could also help reduce losses from terrorism. Steps taken to shore up foundations against earthquakes can also help make them bomb-resistant. Individuals who stock up on water, canned food, and batteries are better prepared to deal with major events, whatever their cause. It makes great sense to build remediation into the strategy—and to avoid creating artificial barriers between terrorist- and non-terrorist events.

4. Leadership matters most

What has separated FEMA's past successes from its failures is leadership, not structure. Structural change cannot ensure good leadership. Structural mistakes, however, can make it far harder for good leaders to lead.

The cornerstone of a revitalized FEMA must be *operational awareness:* a keen sense of front-line realities, and how to provide the federal support needed to maximize the effectiveness of front-line officials. FEMA has important functions to perform. Its mission, in brief, focuses on

> the process through which emergency managers prepare for emergencies and disasters, respond to them when they occur, help people and institutions recover from them, mitigate their effects, reduce the risk of loss, and prevent disasters such as fires from occurring.[7]

But these six elements—preparation, response, recovery, mitigation, loss reduction, and prevention—all require close work with others in the federal government, in state and local governments, in the private and nonprofit sectors, and among ordinary citizens.

The debate over structure has often flowed out of a search for command and control. Securing command authority in a disaster, of course, is critical. After Katrina hit, many parts of the Gulf suffered severely because of the loss of continuity of local government operations, and command over the federal response was confused and disjointed.

But most of what FEMA does most of the time is not a question of command and authority. It is building partnerships. Coast Guard Commandant Than Allen, whose leadership proved so effective in getting the federal government's efforts back on track in the months after Katrina hit, calls this a focus on "unit of effort," instead of "unity of command."[8] Results, not control, matter most.

An obsession with moving FEMA out of DHS could provoke a focus on authority that could blind participants to the core, underlying issue in improving FEMA's effectiveness: how to improve its ability to broker these partnerships.

FEMA's director, the nation's top emergency management official, needs to act as the conductor of a well-tuned orchestra, not as the commander of a hierarchy. In Katrina, there was an unseemly fight for the baton.

FEMA's core problem lies in its inability to secure effective coordination among all of those who help is needed to engage in effective preparedness and response. That is, fundamentally, a problem of leadership. An obsession with structure will surely blind an

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[7] http://www.fema.gov/about/what.shtm

[8] James Kitfield, "New Coast Guard Chief Discusses Lessons Learned from Katrina," *GovExec.com* (June 2, 2006), at http://www.govexec.com/story_page.cfm?articleid=34234&dcn=todaysnews

organization that faces a wide variety of homeland security issues whose nature and complexity are so often unpredictable.

Conclusion

We face a fundamental choice. We can continue to try to force problems into poorly designed organizations. Or we can try to build organizations nimble enough to respond to a wide variety of problems.

If we attempt the force our problems to fit our organizations, the problems will always win. We will face more Katrina-like failures. Out hope lies in building nimble organizations capable of flexible response. We need organizations that can rise to the challenges of the problems we face.

How can we create a nimble, effective, robust, results-driven strategy? We need strong leadership.

Such leadership, in turn, requires:

- Establishing FEMA as a reservoir of expertise, for preparedness, response, recovery, mitigation, risk reduction, and prevention.
- Creating within FEMA the locus of strong command. That command should focus bringing together the needed capacity wherever it can be found—not on insisting on giving orders through a hierarchy.
- Fashioning effective partnerships among the vast array of federal agencies whose expertise and capacity might be needed in a crisis. Not all agencies will be needed in every crisis, and which agencies will be needed when is impossible to predict.
- Building an effective intergovernmental link between FEMA and state/local governments.

This requires coordination that is both vertical (from local and state governments to the federal government) and horizontal (across the range of federal agencies with the ability to contribute to government's response). Such a system must, by necessity be flexible and lithe. It must be based on a networked, not a hierarchical approach to governance.

What it most definitely does *not* need is a continuing obsession with structure. We cannot have any confidence that alternative structures, including making FEMA an independent agency again, will produce better results than we saw in the aftermath of Katrina. We can identify important new barriers to effective coordination that removing FEMA from DHS would create. We can most certainly predict that yet another restructuring would further destabilize an agency in desperate need of finding an even keel.

There are two remaining counter-arguments to consider. One is that making FEMA independent would provide it with the stature required to accomplish its task. However, the task most required is the ability to connect, quickly and effectively, with top federal

officials, including the President. The Senate Committee's recommendation for giving FEMA direct access to the White House helps to addresses that issue.

The other is that making FEMA independent would make it easier in the future to recruit and retain top-quality leaders. FEMA's recruitment difficulties, of course, run from the agency's top to its front lines. The solution to all of them lies not in its structure but in its leadership. An independent agency with a weak sense of mission and ineffective leadership will never be able to recruit or retain top-level talent. On the other hand, a FEMA that is not so much restructured as re-imagined could prove an enormously exciting organization, with a mission of unquestioned importance and a culture that would attract top managers.

There is no escaping the basic lesson. FEMA has fundamental problems. Those problems are not fundamentally structural. Restructuring cannot in itself solve the problems. It can make things worse. The solution to FEMA's problems lies in strong, effective leadership. Building that leadership within DHS, around an "all-hazards-plus" strategy of federal preparedness and response, offers the strongest hope for building the national emergency management structure we so desperately need.

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He has consulted for a broad array of public organizations, including the U.S. Departments of Defense, Energy, Labor, Health and Human Services, and Treasury; the Forest Service, the U.S. House of Representatives Committee on the Budget, the Food and Drug Administration, the Federal National Mortgage Association, the Securities and Exchange Commission, the National Commission on the Public Service (Volcker Commission), and the National Commission the State and Local Public Service (Winter Commission). He has advised the White House during both Republican and Democratic administrations and has worked with the World Bank and the Organization for Economic Cooperation and Development.

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