

Opening Statement
Chairman Mary Landrieu
Subcommittee on Disaster Recovery
Stafford Act Reform: Sharper Tools for a Smarter Recovery
May 12, 2010

INTRODUCTION

Today in America, families in Tennessee and Rhode Island are striving to bounce back from some of the worst flooding in each state's history. The Gulf of Mexico is bracing for what could be the largest maritime oil spill in the *nation's* history. And New Yorkers are breathing a sigh of cautious relief that the car bomb in Times Square didn't detonate. These are all events that triggered a Stafford Act declaration or conceivably could have. So let us remember as we begin this hearing, that the system we are examining must function during times of uncertainty and stress, it must address a wide variety of risks, and it must meet the immediate and long-term needs of different types of communities all across this land.

STAFFORD ACT STRENGTHS

The purpose of this meeting is to evaluate the Robert T. Stafford Disaster Relief and Emergency Assistance Act and proposals for its reform. The law was originally written to provide freedom of action to the President, but roadblocks to recovery have emerged due to restrictive interpretations and a focus on process over outcomes. FEMA built up a body of regulations and policies over time that were inconsistent with the law's intent, and thereby hampered flexibility and undermined mission effectiveness. The current Administrator has sought to revise outdated policies and change the culture at FEMA to emphasize results. I am grateful for his leadership, and we will hear more about some of those policy changes today.

NEED FOR REFORM

But I also believe that Congress must revise the statute to provide sharper tools for a smarter recovery. There are some limitations within the Act on Presidential authority that become very problematic after catastrophic events overwhelm state and local capacity. These circumstances require a more global approach toward housing and infrastructure, like repairing rental units and providing lump sum payments for facilities that serve the same purpose. The law also fails to recognize the importance of long-term recovery. Planning and interagency coordination have suffered as a result.

This Subcommittee has compiled numerous legislative recommendations from hearing witnesses over the last four years on issues spanning Public Assistance, housing, mental health, case management, children, host communities, hazard mitigation, recovery planning, environmental reviews, interagency coordination, and recovery block grants. I would like to spend a few minutes summarizing some important program limitations that we've identified along the way.

Public Assistance Reforms

Lack of Advance Funding - FEMA doesn't provide funding for public facility repairs until the work has been completed. That approach is manageable when a tornado destroys two schools or a fire station, but when a city like New Orleans loses 300 public buildings overnight, it will not have enough cash onhand to start rebuilding without federal help. Congress authorized FEMA to provide grants upfront on the basis of estimates 10 years ago, but the agency still hasn't issued regulations to execute that authority.

Arbitration & Appeals – Disagreements between FEMA and disaster-stricken communities frequently drag on for years. At the end of 2008, Louisiana had 1,300 projects in dispute with FEMA from the 2005 hurricanes. This

bottleneck led me to establish an arbitration panel to get projects moving again, but its jurisdiction is limited to Katrina and Rita. Unfortunately gridlock in the PA program isn't unique to these two hurricanes. As of September 30th last year, FEMA had 61 disasters that had been open for more than 10 years, primarily because of a broken dispute resolution process. According to the Inspector General, FEMA has missed the 90-day deadline for responding to hundreds of appeals, and it lacks procedures to even track them through the system.

Community Disaster Loans – The law caps federal loans to disaster-stricken communities at \$5 million. The purpose of these loans is to maintain services and prevent layoffs in communities that have lost at least a quarter of their annual revenue, but the maximum loan amount is woefully inadequate to meet the operating needs of any major American city whose revenues are in the tank.

Individual Assistance Reforms

Mental Health – The federal government doesn't have a strategy to address disaster-related mental health needs. Katrina followed a common pattern that we see in catastrophes, wherein demand for services rapidly outstrips supply. Disasters take away homes and livelihoods, leaving trauma, grief, depression, and anxiety in their midst. They also destroy mental health facilities and displace medical professionals, so the people in need have nowhere to go. Left untreated, suicide and substance abuse become more common, and law enforcement shoulders more of the burden. First responders commonly develop mental health issues of their own. The Crisis Counseling Program authorized under the Stafford Act doesn't support the provision of psychiatric treatment or prescription medication. Despite GAO recommendations issued over a year ago to expand services under the program, 3 hearings by this subcommittee on the subject, and the development of a White Paper by SAMHSA proposing specific reforms, no action has been taken.

Alternatives to Trailers – The Stafford Act doesn't allow FEMA to repair rental units, and the agency has still not acquired trailer alternatives on a significant scale. Trailers will play some role in disaster response for the foreseeable future. But after a catastrophe, they are not cost-effective, healthy, or conducive toward stabilizing the housing market, and they may be completely unusable in a dense urban area.

Case Management – After Katrina, the Federal government simultaneously operated multiple case management programs on the Gulf Coast, each with different rules and standards. Service providers were unable to access FEMA data on household needs, and cases were closed based on referrals instead of outcomes.

Lack of Interagency Coordination

Federal coordination of recovery efforts is lacking. There is no comprehensive source of program information or ongoing measurement of program effectiveness. Unified Command Centers and Joint Field Offices are abandoned after the response phase ends. This prolongs interagency disputes, such as FEMA and HUD's two-year battle over reconstruction of public housing units in New Orleans. Federal agencies have also failed to develop a unified environmental review process, so local governments are sometimes forced to complete multiple applications for the same project.

OBAMA ADMINISTRATION'S FOCUS ON RECOVERY

The National Response Framework assigns federal leadership for long-term recovery to FEMA. But within FEMA, recovery and mitigation have traditionally received less attention than preparedness and response. I know Mr. Fugate is working to correct that imbalance, and the new Administration has emphasized the importance of recovery more than any before it. New partnerships have expedited progress and opened doors along the Gulf Coast, and the White House has created a disaster recovery framework and working group to improve system effectiveness.

CONCLUSION

These initiatives will be the subject of our next subcommittee meeting, but today we remain focused on the Stafford Act and proposals for its reform. This hearing will provide an opportunity to review an array of recommendations and help this subcommittee determine whether the Act, and its accompanying regulations, policies, and procedures, can be improved to better serve the nation. I thank you all for being here and look forward to the witnesses' testimony.