

Testimony of
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Subcommittee on Homeland Security

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Introduction

Good Morning, Chairwoman Landrieu, Ranking Member Coats, and other distinguished Members of the Committee. I am Craig Fugate, the Administrator of the Federal Emergency Management Agency (FEMA), and I am grateful for the opportunity to speak here today.

I look forward to discussing the coordinated response that was undertaken in the immediate aftermath of Hurricane Sandy and the ongoing recovery efforts.

Prior to Hurricane Sandy making landfall, FEMA worked with our partners at all levels of government as well as within the private sector to assist our citizens and first responders as they prepared for the storm. As a result of these efforts, at the request of state and local officials the Agency was able to support a prompt, coordinated response that brought to bear the full resources of federal, state and local government, in conjunction with our private sector partners. The multifaceted coordination that took place on the front end provided our team with a keen understanding of the challenges that lay ahead, which allowed for planning for the recovery phase to begin before the storm even made landfall.

Over the past several years, FEMA's regional offices have worked closely with the state, local, and tribal governments across the country—including those directly in Sandy's path—to develop catastrophic, worst-case scenario plans that are flexible and scalable for incidents of all magnitudes. FEMA's ongoing partnership with states allows coordination and collaboration with the whole community to plan and prepare for a range of disaster events.

Immediate Response Operations

On October 28, 2012, the President authorized emergency declarations for Connecticut, the District of Columbia, Maryland, Massachusetts, New Jersey, and New York. The following day, the President authorized emergency declarations for Delaware, Pennsylvania, Rhode Island, and Virginia. Initially, these declarations authorized FEMA to provide direct federal assistance for emergency protective measures. The President later authorized major disaster declarations for Connecticut, Delaware, Maryland, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia. These declarations provide declared counties and states assistance with emergency work and debris removal as well as access to FEMA programs, most notably Individual Assistance, Public Assistance, and the Hazard Mitigation Grant Program which provide assistance to individuals and local and state governments following a disaster.

Hurricane Sandy also represented one of the largest personnel deployments in FEMA's history. By Sunday, October 28, there were 1,032 FEMA personnel deployed in anticipation of Sandy's impacts. Approximately one week after the storm made landfall, there were 5,384 FEMA personnel deployed. Furthermore, at the peak of the response, more than 17,000 federal personnel, and over 11,000 National Guardsmen were on the ground assisting with response efforts. This included the historic activation of the DHS Surge Capacity Force totaling 1,100 volunteers.

Before the storm made landfall, FEMA and its emergency management partners facilitated the establishment of shelters, Disaster Recovery Centers (DRCs), Points of Distribution (PODs), and Joint Field Offices (JFOs) in the affected areas. At peak, 716 shelters were open with a population of 26,913 in 16 states. FEMA, in collaboration with our interagency partners, moved to transition survivors out of shelters into long term housing solutions as quickly as possible. As of February 22, 2013, only two shelters remain open in New York, with an aggregate population of less than 100. FEMA continues to work with our partners to help disaster survivors who remain in shelters find permanent housing solutions.

Disaster Relief Fund (DRF) and Disaster Relief Appropriations Act of 2013

The DRF provides funding for eligible response and recovery efforts associated with domestic major disasters declarations that overwhelm state, local and tribal resources. Through the DRF, FEMA funds federal disaster support activities as well as eligible state, territorial, tribal, and local actions, such as providing emergency protective measures, individual and housing assistance, and debris removal. The DRF also funds: the repair and rebuilding of qualifying disaster-damaged infrastructure, hazard mitigation initiatives and other assistance to eligible disaster survivors.

FEMA was appropriated \$7.1 billion for the DRF in Fiscal Year (FY) 2012—\$700 million for non-major disaster declaration funding and activities authorized under the Stafford Act, and \$6.4 billion exclusively for major disasters. The FY 2013 short-term Continuing Resolution (CR), H.J. Res. 117, sustains this funding level until March 27, 2013. The CR provided FEMA with the resources to assist State, local, territorial and tribal governments to recover from ongoing catastrophic and non-catastrophic events that took place prior to Hurricane Sandy and respond to other major and non-major disasters during FY 2013.

Hurricane Sandy ravaged communities along the east coast from Maine to West Virginia leading to 13 major presidential disaster declarations. Given the scope of the damage wrought by the storm, Congress passed the Disaster Relief Appropriations Act of 2013, which the President signed into law on January 29, 2013. The bill provides an additional \$11.49 billion for the DRF along with critical funding for FEMA's interagency partners who will be leading efforts to help rebuild infrastructure, modernize flood control systems and revitalize damaged housing. The appropriation will allow the recovery from Sandy to move forward while ensuring that ongoing operations from previous disasters continue.

As of February 7, approximately \$3.5 billion has been obligated from the DRF for FEMA's response and recovery operations stemming from Sandy.

I want to thank the members of this committee for working to include several key changes to the Stafford Act within the broader Sandy appropriations measure. The provisions include significant reforms to the Agency's Recovery and Mitigation programs which will help FEMA lower costs while helping improve services to disaster survivors. Furthermore, a provision was also included that allows federally recognized Native American Tribes direct access to federal disaster relief. FEMA has strong, long-standing relationships with Tribal governments, and they are essential members of the emergency management team. Fully implementing this historic provision will require consultation with Tribes and other stakeholders, particularly as FEMA develops the administrative and programmatic requirements and procedures necessary to execute the law.

Given the current discussion on the Hill, I will note that if the impacts of sequestration are not addressed, the Disaster Relief Fund (DRF) would be reduced by nearly \$1 billion, potentially affecting survivors recovering from Hurricanes Sandy and Isaac, the tornadoes in Tuscaloosa and Joplin, and other major disasters across the Nation, as well as the economic recoveries of local communities in those regions. Sequestration cuts could also require FEMA to implement Immediate Needs Funding Restrictions during what is historically the season for tornados, wild fires, and hurricanes, which would limit funding for new projects in older disasters.

Recovery-Working as a Team

Federal assistance is an important step in helping disaster survivors recover from events like Hurricane Sandy, but is not the only option. State and local governments have robust capabilities to respond to and recover from natural and manmade disasters. In addition, the wide and diverse numbers of nonprofit and voluntary agencies provide an extraordinary amount of disaster relief and recovery resources to affected communities. As I highlight throughout this testimony, FEMA also works with many other federal and state agencies, such as the Small Business Administration (SBA) and the Department of Housing and Urban Development (HUD), to assist disaster survivors. Finally, we rely on the whole community's participation, including the help of the public to prepare for disasters.

Individual Assistance

In response to the Hurricane Sandy recovery efforts, the Individuals and Households Program (IHP) has provided monetary assistance to over 170,000 disaster survivors in New York, New Jersey, and Connecticut. Assistance available through IHP includes housing assistance, such as temporary housing, repair, and replacement, and assistance for other serious and necessary expenses, such as personal property, medical and funeral needs caused by the disaster.

As of February 25, FEMA, along with our partners at the U.S. Small Business Administration (SBA), who assist by providing low cost loans to cover uninsured property losses and for business owners, have approved more than \$1.7 billion for Hurricane Sandy survivors in New York. Under IHP, FEMA has approved over \$900 million including more than \$789 million for housing assistance and nearly \$123 million in assistance for other needs.

In New Jersey, disaster survivors from 21 counties have been awarded more than \$360 million including \$314 million for housing assistance and more than \$47 million in assistance for other

needs. Our partners at the SBA are also working diligently to help New Jersey businesses and families get back on their feet by approving nearly \$470 million in low interest loans.

Public Assistance

In New York, over 1,700 requests for Public Assistance have been submitted and nearly \$670 million has been obligated. Given the significant structural damage that Sandy left in its wake, debris removal, which is funded under FEMA's Public Assistance program, is a paramount factor in getting hard hit communities on the road to recovery as quickly as possible.

In addition to assistance for emergency protective measures and debris removal, Public Assistance provides funding for the repair, restoration, reconstruction, or replacement of infrastructure that is damaged or destroyed by a disaster. Eligible applicants include state, local and tribal governments. Certain private nonprofit (PNP) organizations that provide governmental services may also receive assistance.

I am pleased to report that as of the beginning of February, debris removal efforts are nearing completion. More than 95 percent of the debris has been removed within 95 days of the storm hitting New York. That includes everything from fallen trees to vehicles, boats, drywall and furniture, washers, dryers and insulation amounting to 5.25 million cubic yards of debris.

In New Jersey, over 1,600 requests for Public Assistance have been submitted and nearly \$153 million has been obligated. FEMA obligated \$29 million to the New Jersey Department of Human Services for providing temporary housing and resources for electrical crews working to restore power. Additionally, FEMA has approved 465 projects to help remove hurricane debris and restore disaster-damaged roads, bridges and other infrastructure. Among the largest grants to date was \$11.2 million to the Passaic Valley Sewerage Commission for emergency repairs to a wastewater treatment plant that serves 48 communities and treats 330 million gallons of sewage daily.

FEMA is working closely with its partners to proceed to project formulation and project worksheet preparation to address damage caused by Sandy. Through expedited payments, FEMA can reimburse local governments more quickly in order to help the local communities recover from the disaster. These are commonly referred to as "Expedited PWs." FEMA will obligate a portion of the federal share of the estimated cost of work under Category A (Debris Removal) and Category B (Emergency Protective Measures) as estimated during the preliminary damage assessment.

Hazard Mitigation Grant Program and National Flood Insurance Program

The Hazard Mitigation Grant Program (HMGP) assists in implementing long-term hazard mitigation measures following major disaster declarations. Funding is available to implement projects in accordance with state, tribal, and local priorities. HMGP funds may be used for projects that will reduce or eliminate losses from future disasters. Projects must provide a long-term solution to a problem, for example, elevation of a home to reduce the risk of flood damages as opposed to buying sandbags and pumps to fight the flood. In addition, a project's potential savings must be more than the cost of implementing the project. Funds may be used to protect either public or private property or to purchase property that has been subjected to, or is in danger of, repetitive damage. Eligible applicants include state, local and tribal governments as

well as certain non-profit organizations. Individual homeowners and businesses may not apply directly to the program; however a community may apply on their behalf.

In both New York and New Jersey, FEMA mitigation staff has met and continues to work closely with the State Hazard Mitigation Officers to discuss the states' priorities, types of projects available, and how best to proceed within that framework.

FEMA recognizes that mitigation is an essential component to national preparedness and emergency management. Working closely with the whole community, before, during, and after a disaster allows states and communities to plan and invest wisely into critical projects that save not only money, but, most critically, lives. As I will discuss in an upcoming section on the National Disaster Recovery Framework (NDRF), the Agency is urging our state and local partners to take concrete steps to mitigate against future events as they work to help their communities recover from Sandy.

In terms of the National Flood Insurance Program (NFIP), Hurricane Sandy has generated more than 143,000 claims in New Jersey, New York and elsewhere. Since that time, the NFIP has paid out more than \$5 billion to our policyholders. In New Jersey, there were over 73,000 flood insurance claims made and to date, over 51,000 have been closed. Congressional passage of H.R. 41, a bill which temporarily increased FEMA's borrowing authority under the NFIP, insured that the payment of claims has continued uninterrupted.

Housing

Housing in many communities was significantly impacted due to the widespread effects of Sandy. FEMA convened the Hurricane Sandy Catastrophic Disaster Housing Task Force on November 6, 2012, to address housing issues in support of State and field operations.

As all disasters are local, each community and state faces different challenges. The State-led Disaster Housing Task Forces in New York and New Jersey involve a collaborative approach to addressing the temporary housing and long-term needs of the disaster survivors, including the collection of available rental resources, projecting housing needs and exploring other options. Task Forces include representatives from state, local, and voluntary agencies, and federal partners including FEMA, the Department of Housing and Urban Development (HUD), the United States Army Corps of Engineers, the Small Business Administration (SBA), the Department of Veterans Affairs (VA) and the United States Department of Agriculture (USDA). The teams are working together to ensure they are making the greatest use of existing housing resources (such as apartments and rental units), enlisting voluntary agencies to make minor repairs so survivors can remain in their homes, and investigating other temporary housing options suitable for the area.

In both New York and New Jersey, FEMA has completed over 99% of all requested housing inspections. If a home cannot be repaired easily to safe and sanitary conditions, then local rental resources are the preferred first choice for housing disaster survivors as they recover. To address the difficulty in finding suitable rental properties at HUD Fair Market Rent (FMR), FEMA temporarily raised the rental assistance amount provided to eligible disaster survivors in New York and New Jersey and Connecticut to 125% of FMR. This increase was implemented

immediately after the disaster and will continue as survivors are recertified for temporary housing assistance for up to 18 months. In addition, through the [FEMA Housing Portal](#), eligible individuals and families who have been displaced by Hurricane Sandy can search for available rental units in their area that have been provided by Federal agencies such as HUD, U.S. Department of Agriculture, U.S. Veterans Administration, the Internal Revenue Service, as well as by private organizations and individuals.

As a particularly densely populated area, New York presents FEMA with many housing challenges. The Agency – along with the state, federal partners and voluntary organizations – has been working to implement housing solutions that will best serve Hurricane Sandy survivors in New York. A committee composed of FEMA, HUD, the state and other agencies convened to specifically address long-term housing solutions for survivors in New York. A similar committee was also convened in New Jersey. Both committees discussed the implementation of housing assistance strategies to address the unique needs of disaster survivors in each state.

On November 3, 2012, FEMA activated the Transitional Shelter Assistance Program (TSA) in both New York and New Jersey. The program allows survivors to stay in area hotels while FEMA, the state and voluntary agencies assist them with their long-term housing plans. Since its activation in New York, the TSA program assisted nearly 6,000 survivors. On February 21, 2013, FEMA extended the TSA program at the request of the State of New York for an additional 14 days. The extension was approved to help those applicants still eligible for the program to remain in hotels as FEMA and its state and local partners work to identify longer-term housing solutions.

In New Jersey, FEMA and the state temporarily sheltered more than 5,500 individuals and families through TSA, enabling survivors to work on longer-term housing solutions. On February 20, 2013, FEMA extended the TSA program at the request of the State of New Jersey for an additional 14 days. FEMA also coordinated a housing mission that included HUD, the New Jersey Department of Community Affairs and the U.S. Army Corps of Engineers, which used \$3.3 million to refurbish 115 housing units at Fort Monmouth, NJ.

On November 15, 2012, the President announced that Housing and Urban Development Secretary Shaun Donovan will lead the Sandy Rebuilding Task Force. In this capacity, the Secretary will work closely with governors, mayors and local officials in New Jersey and New York as they begin the process of identifying redevelopment plans for affected communities. HUD is already an integral partner in the Response and Recovery of areas affected by disasters. As I noted, we work closely with HUD to identify housing resources, provide the best housing support to disaster survivors, and serve as a crucial base of knowledge and guidance in disaster housing missions. FEMA looks forward to supporting Secretary Donovan in his mission and HUD's continued support of FEMA as we respond to and recover from Sandy.

National Disaster Recovery Framework

This National Disaster Recovery Framework (NDRF) is a guide that defines how the whole community will work together following a disaster to best meet the recovery needs of individuals

and families, communities and states. The Framework is based on the principle that all of our partners, including the private sector, non-profit organizations and individual citizens, and local, state, Tribal, and Federal government agencies have a role to play in the recovery process.

The NDRF introduces six new Recovery Support Functions (RSF) that are led by designated federal coordinating agencies. In addition to FEMA's established stakeholders, Recovery Support Functions involve partners in the local, State and Tribal governments and private and nonprofit sectors that traditionally have not been involved in emergency support functions but are critical in disaster recovery. Each RSF has a designated coordinating agency along with primary agencies and supporting organizations with programs, resources or focus relevant to the functional area. The six RSFs and their coordinating agencies are: Community Planning and Capacity Building (DHS/FEMA), Economic (Department of Commerce), Health and Social Services (Department of Health and Human Services), Housing (Department of Housing and Urban Development) Infrastructure Systems (United States Army Corps of Engineers) and Natural and Cultural Resources (Department of Interior).

As the level of response activities declines and recovery activities accelerate, the Federal Disaster Recovery Coordinator (FDRC) will engage with the RSF agencies to organize and coordinate Federal recovery assistance. As we saw in the aftermath of Hurricane Sandy, during this early recovery phase, the FDRC and the RSF coordinators are working closely with Emergency Support Function (ESF) leads to share information about impacts and assistance provided and working to foster relationships at all levels.

As we move into the long term recovery phase for areas affected by Hurricane Sandy, the benefits of working collaboratively under the NDRF are being demonstrated. The FDRC for New York initiated a Beach Infrastructure Task Force which brings together stakeholders from the Federal, State and local level to identify key damage areas and prioritize recovery efforts. Through a Mission Assignment, the Task Force utilized the technical expertise of the U.S. Army Corps of Engineers (USACE) to complete assessment of damages for emergency shoreline repair and compile environmental data related the sand sources.

Through the use of the Mitigation Advisor, the NY FDRC convened an Advisory Base Flood Elevation/Mitigation Task Force to ensure senior management and partners at the Federal, State and local level had visibility on the development and release of flood advisory data that could significantly influence rebuilding and restoration decisions. Comprised of FEMA program offices that administer Stafford Act programs, representatives across all RSFs, and FDRC staff, the Task Force is working in conjunction with State and local partners to identify and address the impacts of advisory data on insurance rates, building codes, and other intermediate and permanent efforts to recover.

In New Jersey, the FDRC has recruited and hired 10 local Community Recovery Assistance Specialists with local community expertise to provide redevelopment and planning technical assistance in impacted communities. These personnel, who will focus solely on Sandy recovery operations in the state, come from diverse professional backgrounds including community planning, economic development, finance, transportation, architecture, civil engineering, and municipal management.

In support of local disaster leadership, the Community Planning and Capacity Building RSF worked with local philanthropic organizations to identify funding sources for long term recovery planning and capacity building. This culminated in an opportunity to work with the Council of New Jersey Grantmakers, who selected New Jersey Future to receive a \$150,000 MERCK Foundation grant. New Jersey Future is a citizen-based, non-profit, non-partisan group that promotes smart land use policy; they will use the funds to hire a local disaster recovery manager to support recovery in at least three New Jersey communities.

In partnership with the New Jersey Department of Labor and Workforce Development, the Economic RSF in New Jersey developed an economic Data Sharing Task Force and established three working groups focusing on small business recovery, tourism, and marine and aquaculture industries. In coordination with the New Jersey Department of Economic Development, the Economic RSF sponsored three business forums for over 100 stakeholders to identify financial resources for small business recovery and facilitated “Access to Capital” forums throughout the State to communicate business funding and networking opportunities for struggling businesses. Participants of the forums included lending institutions, Chambers of Commerce, local economic development officials, Freeholders, Mayors, and businesses.

Procurement

Before concluding, I wanted to touch upon the role of FEMA’s Office of the Chief Procurement Officer (OCPO) in the context of our disaster operations. OCPO partners with FEMA’s program offices to establish prepositioned disaster response contracts. These contracts, used to provide much needed commodities, resources and services to devastated communities, are put in place well before disaster strikes, ensuring competitively awarded contracts with firm fixed prices, and reduced risk to the government. Presently, there are dozens of prepositioned contracts available to those managing the response to Presidentially-declared disasters and emergencies.

Following Hurricane Sandy’s landfall, FEMA’s Disaster Acquisition Response Team (DART) was deployed to the States of New York and New Jersey. The DART focuses on providing high-level disaster contracting and quality assurance support, contract oversight and quality assurance monitoring and timely closeouts of disaster contracts. The DART provided initial contracting support to Hurricane Sandy in New Jersey and will continue this contracting support through the close of this disaster.

On another note, the Industry Liaison Program (ILP), which includes our Local Business Transition Teams (LBTT), is the single point of entry for vendors seeking to do business with FEMA. Our Industry Liaison also maintains an enterprise-wide repository – used to supplement market research for Contracting Officers – of vendors who contact the Agency. Staffed with a help desk, the program processes and routes vendor profile data to the appropriate FEMA program offices, including the Small Business Office, for follow-up.

To date, the ILP/LBTT has responded to approximately 6,000 phone and e-mail inquiries providing vendors with information on how to do business with FEMA in support of Hurricane Sandy. LBTTs were deployed to Connecticut, New York, and New Jersey, where they conducted

vendor business outreach and provided acquisition support for acquisitions targeted for local buying.

Conclusion

FEMA will continue to work closely with the whole community, including our state, local, and tribal government partners, Secretary Donovan, HUD and other federal partners as long-term recovery efforts move forward. FEMA recognizes that we must look to local, tribal, and state leaders, as well as the whole community, to ensure the Agency is able to help locally-driven efforts to rebuild impacted communities better and stronger than they were before Sandy made landfall.

Thank you Chairwoman Landrieu for providing me this opportunity to appear before you today to discuss our ongoing recovery operations and the work that remains. I look forward to answering questions you or other members of the Committee may have.