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Calendar No. 951

110TH CONGRESS *2d Session*	SENATE	REPORT 110–453

FEMA ACCOUNTABILITY ACT OF 2008

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 2382

TO REQUIRE THE ADMINISTRATOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY TO QUICKLY AND FAIRLY ADDRESS THE ABUNDANCE OF SURPLUS MANUFACTURED HOUSING UNITS STORED BY THE FEDERAL GOVERNMENT AROUND THE COUNTRY AT TAXPAYER EXPENSE



SEPTEMBER 11, 2008.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 2008

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CONTENTS

		Page
I.	Purpose and Summary	1
II.	Background and Need for the Legislation	1
III.	Legislative History	2
IV.	Section by Section Analysis	2
V.	Evaluation of Regulatory Impact	3
VI.	Congressional Budget Office Cost Estimate	3
VII.	Changes in Existing Law Made by the Bill, as Reported	4

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Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, submitted the following

REPORT

[To accompany S. 2382]

The Committee on Homeland Security and Governmental Affairs, having considered the bill S. 2382 to require the Administrator of the Federal Emergency Management Agency to quickly and fairly address the abundance of surplus manufactured housing units stored by the Federal Government around the country at taxpayer expense, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

I. PURPOSE AND SUMMARY

The purpose of this legislation is to require FEMA to develop a plan for the storage, disposal, transfer, or sale of excess temporary housing units in the disaster housing program in order to reduce the expense of storing excessive numbers of temporary housing units.

II. BACKGROUND AND NEED FOR THE LEGISLATION

In response to Hurricanes Katrina and Rita, FEMA purchased approximately 143,000 temporary housing units, including travel trailers, park models, and mobile homes. Some were purchased from dealer lots and others specially-produced through contractors. Prices ranged from $12,000 to $36,000 per unit, not including transportation, storage, installation, and other operational costs.[1] They were delivered to hurricane victims beginning September 2005. Since that time, FEMA has stored temporary housing units for use in future disasters. In addition, many units used in re-

[1] E-mail from Legislative Affairs, FEMA, to Majority Staff, Subcommittee on State, Local, and Private Sector Preparedness and Integration (October 19, 2007).

sponse to Hurricanes Katrina and Rita have been returned to FEMA as residents have found other housing solutions.

As of June 23, 2008, FEMA stored more than 112,000 temporary housing units at 21 staging sites across the country. Of these units, nearly 108,000 were unusable either because they could not be prepared to house disaster victims within twenty-four hours or because it was not economically feasible to make necessary improvements to the units due to high formaldehyde levels or decay.[2] The three largest storage sites are located in Lottie, Louisiana; Hope, Arkansas; and Columbus, Mississippi. These sites contain approximately 25,600, 18,500, and 11,700 unusable temporary housing units, respectively.[3] By FEMA's calculation, each unit costs approximately $1,000 per year to store and maintain, resulting in an annual federal expenditure of $130 million, $92 million of which goes towards the maintenance of the unusable units.[4] Given these expenses, the Committee believes it is important that FEMA develop and implement a plan for storing an appropriate number of housing units to enable FEMA to be prepared for future disasters and for transferring, selling or disposing of excess or unusable units in order to save taxpayer dollars.

III. LEGISLATIVE HISTORY

S. 2382 was introduced by Senator Mark Pryor on November 16, 2007 and was referred to the Homeland Security and Governmental Affairs Committee.

On June 25, 2008, the Committee considered S. 2382. The Committee adopted one amendment. This amendment in the nature of a substitute offered by Senator Pryor made minor modifications to the bill. This amendment was adopted by voice vote. By a voice vote, the Committee ordered the bill as amended favorably reported to the full Senate. The Senators present for the voice vote were Senators Lieberman, Akaka, Carper, Pryor, McCaskill, Collins, Coleman, Coburn, and Sununu.

IV. SECTION-BY-SECTION ANALYSIS

Section 1. Short title; Definitions

This section of the bill defines "Administrator", "FEMA", and "major disaster".

Section 2. Storage, sale, transfer, and disposal of housing units

Subsection (a) requires FEMA, within three months of enactment, to determine the appropriate number of temporary housing units FEMA needs to store in order to be prepared for future disasters, and to establish criteria for determining whether the stored units are in usable condition, which shall include establishing appropriate criteria for formaldehyde testing.

Subsection (b) requires FEMA, within six months of enactment, to establish a plan for: (1) storing the number of housing units the Administrator has determined are necessary for FEMA to be prepared for future disasters; (2) transferring, selling, or otherwise

[2] E-mail from Legislative Affairs, FEMA, to Majority Staff, Subcommittee on State, Local, and Private Sector Preparedness and Integration (June 24, 2008).
[3] Id.
[4] Id.

disposing of excess usable units; and (3) disposing of unusable units.

Subsection (c) requires FEMA to implement this plan within nine months of enactment.

Subsection (d) requires FEMA, within one year of enactment, to submit a report to the Senate Committee on Homeland Security and Governmental Affairs and to appropriate committees in the House of Representatives on the status of the distribution, transfer, sale, or other disposal of the unused temporary housing units.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirement of paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. CBO states that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

VI. ESTIMATED COST OF LEGISLATION

JULY 7, 2008.

Hon. JOSEPH I. LIEBERMAN,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2382, the FEMA Accountability Act of 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Daniel Hoople.

Sincerely,

PETER R. ORSZAG.

Enclosure.

S. 2382—FEMA Accountability Act of 2008

CBO estimates that implementing S. 2382 would have no significant net cost over the next 10 years. Enacting this legislation would not have a significant impact on net direct spending and would not affect revenues.

S. 2382 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

S. 2382 would direct the Federal Emergency Management Agency (FEMA) to develop and implement a plan to dispose of temporary housing units (for example, mobile homes and travel trailers) that are in excess of current and future needs or are determined to be unusable. CBO estimates that developing such a plan would cost less than $500,000 in 2009, assuming the availability of appropriated funds.

Under current law, FEMA disposes of temporary housing units that the agency determines are in excess of its needs through the General Services Administration. Units are first offered for sale to current occupants. Thereafter, units may be sold to the general public or donated to state and local governments for the purposes of providing temporary housing to victims of a disaster. Sales proceeds may be retained by FEMA if used to purchase similar prop-

erty or deposited in the Treasury as miscellaneous receipts. CBO cannot predict whether any additional units would be sold or otherwise disposed of as a result of this legislation; however, CBO expects that the net budgetary effect of any sales would probably be insignificant.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

VIII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would make no changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.

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