

**THE FISCAL YEAR 2005 BUDGET RE-
QUEST FOR THE DEPARTMENT OF
HOMELAND SECURITY'S EMER-
GENCY PREPAREDNESS AND RE-
SPONSE DIRECTORATE, THE OFFICE
FOR DOMESTIC PREPAREDNESS,
AND FIRST RESPONDER FUNDING**

(108-56)

HEARING

BEFORE THE

SUBCOMMITTEE ON

ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT

OF THE

COMMITTEE ON

TRANSPORTATION AND

INFRASTRUCTURE

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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CURITY'S EMERGENCY PREPAREDNESS AND
RESPONSE DIRECTORATE, THE OFFICE OF
DOMESTIC PREPAREDNESS, AND FIRST RE-
SPONDER FUNDING**

Thursday, March 18, 2004

HOUSE OF REPRESENTATIVES, COMMITTEE ON TRANSPOR-
TATION AND INFRASTRUCTURE, SUBCOMMITTEE ON ECO-
NOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMER-
GENCY MANAGEMENT, WASHINGTON, D.C.

The Subcommittee met, pursuant to call, at 1:04 p.m. in room 2167, Rayburn House Office Building, Hon. Steven C. LaTourette, [chairman of the subcommittee] presiding.

Mr. LATOURETTE. The Subcommittee will come to order.

I want to welcome everybody today to this very important hearing. This will be the first in what I hope is a series of hearings on the issue of first responder preparedness and the ongoing debate of all-hazard versus threat-specific preparedness funding. Today's hearing will focus on the Administration's fiscal year 2005 budget request for the Department of Homeland Security's emergency preparedness response directorate, as well as the request for the Office of Domestic Preparedness, commonly known as EP&R and ODP.

In a letter to the Congress dated January 24, 2004, the Secretary of Homeland Security detailed his intention to transfer into the ODP grants that are currently being administered by other divisions of the Department. While we understand the desire of the Administration to consolidate these grant writing functions to realize efficiency, this Committee is very concerned that by removing the grant writing functions from the offices that make the policies, we create an opportunity for inconsistencies. This, I believe, has already become the case with the Port Security Grants.

Additionally, the Committee is concerned that the 2005 budget request does not fully reflect the Administration's stated policy of an all-hazards approach to preparedness. While it may suit one interest group or another to focus our attention on one kind of threat, the reality is that America faces a variety of threats that will require action from our emergency responders. Natural disasters, terrorism, chemical spills, train derailments, building collapses, and gas line explosions—each of these poses a danger to our communities, and each of these must be prepared for. That is why we need an all-hazards preparedness.

It is easy to understand the importance of an all-hazards approach to emergency preparedness. After all, it just makes sense to develop a system that prepares your communities for all of the threats that they face, be they natural or man-made. This does not mean buying every piece of equipment for every conceivable occurrence and then figuring out how it fits into your system; just the opposite. It means developing a plan that can be applied, no matter what happens, and having the training and resources to implement that plan.

Terrorism, and the threat of terrorism, is very troubling. There is no question that we all remember what happened on September 11th, and our concern that the thought of another similar event or an event involving a weapon of mass destruction. We must be prepared to respond to an act of terrorism.

However, our policy making must not be led by our fear of terrorism. Rather, we should be guided to rational planning by our hard won experience. As our communities are going to face many kinds of disasters, we must help them prepare to meet all of them. The best way to prepare to meet the threat of terrorism, as far as it is for all other kinds of threats that our communities face, is a comprehensive and effective all-hazards emergency response system.

Congress this year is going to appropriate billions of dollars for emergency management. This money will come in the form of grants for emergency management planning, first responder equipment, training for biohazard preparedness, as well as money for a myriad of other programs. It is my intention, along with the Chairman of the full Committee, and our distinguished ranking member of both the full Committee and the Subcommittee, to work vigorously to ensure that this money is being spent in a prudent manner.

It is vitally important that as we go forward we are creating an emergency management system that is not only prepared to meet all hazards, but also one that does not require ever-increasing budgets. By assisting States with the purchase of equipment and provision of training of programs, especially to train the trainer programs, we can begin to build such a system.

If we build this system using sound principles and established guidelines, we can meet the needs of all of America. By providing a base level of funding to every State, we can have disaster preparedness everywhere since despite what some of our colleagues may believe, disasters do, in fact, happen everywhere.

The solution in preparing America is not to throw massive amounts of money at the problem and hope a solution develops. Rather, we must ensure that the money that we do give out is spent wisely. There are four important steps to preparing America's emergency response personnel.

First and foremost, response personnel must know what they must do to be prepared for all hazards; second, show how the Federal assistance will get them to that point; third, that they working with their neighbors through emergency assistance compacts; and, finally, it is a level of preparedness that can be sustained with minimal Federal assistance.

If we build the system in this way with Federal money being spent wisely and in a coordinated fashion, then I believe we will

all be prepared for whatever disaster strikes, be it an ice storm, an earthquake, tornado, hurricane, chemical spill, gas explosion, biological emergency, and even terrorism.

It is now my pleasure to recognize the distinguished ranking member of our Subcommittee, Ms. Norton, for opening remarks.

Ms. NORTON. Thank you very much, Mr. Chairman. May I thank you as well for what seems to me to be very prudent and wise remarks about the need to look more closely at the all-hazards concept, something that we all embrace, of course. I especially applaud your intention to hold additional hearings.

This approach of now looking carefully at what we have done seems to me to be wise because there is some experience. If there are kinks, I think we can iron out the kinks based on that experience. I want to thank you, Mr. Chairman, for calling this important hearing on the fiscal year 2005 Department of Homeland Security's emergency preparedness and response directorate and the Office of Domestic Preparedness, and how the Administration's budget request interacts with its policy directives as well as how these directives serve to prepare the Nation for all the hazards that it faces.

The Administration's budget request reflects a number of new proposals that I believe require further examination. First, several grant programs are moving into the newly created Office of State and Local Government Coordination and Preparedness. Among these are the Port Security Grants from the Transportation Security Administration and the Fire Investment and Response Enhancement Grant program, and Emergency management Performance Grant Program from EP&R.

The fiscal year 2005 budget proposes to reduce funding for the EMPG program and limit the use of EMPG funds for personnel costs to 25 percent of the total grant amount. Although some of the money for this program is used for equipment or training costs, the program was created was support planning, which is a labor and salary-intensive activity.

Congress recognized the importance and appropriate use of EMPG funds to support State and local personnel when it included specific language in the fiscal year 2004 DHS appropriations bill when it stated, "EMPG is the backbone of the Nation's emergency management system...Now more than ever, the planning activities carried out in this program are of the utmost importance...The Conferees agree that EMPG shall remain in the Emergency Preparedness Directorate where the focus is an all-hazards approach to emergency management."

According to the National Emergency Managers Association, the 25 percent reduction may result in a loss of up to 60 percent of State and local emergency management staff. Additionally, the budget request consolidates the FIRE program within ODP, includes language that would provide a preference for applications that address terrorism, and request a \$250 million reduction in funds.

The original purpose of these grants was to support basic fire fighting needs and by focusing the program on terrorism, we may be losing the gains we have made in assisting fire departments throughout the country with their basic equipment and better training. Also, we may well be disadvantaging localities that have

a low risk of terrorism, but a high risk for fire when they compete for funds.

Since September 11, 2001, we are all acutely aware that our country must commit its resources to preparing for a possible terrorist event. We are particularly aware, if I may say so, in this City, the City that I represent, the Capital of the United States. At the same time, every year in this country we suffer the effects of a multitude of natural disasters of a virtual infinite variety, and many of them are very serious involving the loss of many lives and billions of dollars in property losses and damages.

In the last few years we have spent approximately \$2.9 billion on such damage. Thus, we need to explore the issue of the all-hazards approach to disaster preparedness which is a stated Administration policy and supported by the first responder community. The complicated task of reconciling how we fund, run, and coordinate our terrorism-related programs is a job still in progress.

Mr. Chairman, I would like to welcome the witness and look forward to hearing his testimony.

Mr. LATOURETTE. I thank the gentlelady very much.

I would now ask unanimous consent that our witness' full statement be included in the record, as well as the written statements of any members of the Subcommittee or Committee who so desire.

Without objection, so ordered.

Our first and only witness today is the Honorable Michael Brown, the Under Secretary for Emergency Preparedness and Response of the Department of Homeland Security.

Since the Agency's written testimony has been made part of the record, the Subcommittee is looking forward to your oral observations. Before you begin testifying, I have to begin with a disclaimer and apology. We expect our first and only series of votes today to occur about now, but hopefully we will be able to get in your statement. Then we will beg your indulgence.

Would you prefer to make your statement now and do questions when we come back, or would you prefer to wait for the whole thing?

Mr. BROWN. I would prefer to wait.

Mr. LATOURETTE. We will hurry back as soon as we can after the votes. I apologize. We will see you soon.

The Subcommittee will stand in recess until the conclusion of this series of votes.

[Recess.]

Mr. LATOURETTE. The Subcommittee will be in order.

Mr. Secretary, I apologize for that. This is a great job if we did not have to vote. We are very much looking forward to your testimony. Welcome, Mr. Secretary.

TESTIMONY OF HON. MICHAEL D. BROWN, UNDER SECRETARY, EMERGENCY PREPAREDNESS AND RESPONSE DIRECTORATE, FEDERAL EMERGENCY MANAGEMENT AGENCY, DEPARTMENT OF HOMELAND SECURITY

Mr. BROWN. Thank you, Mr. Chairman, and Congresswoman Norton.

I appreciate your very insightful opening comments earlier, Mr. Chairman. I think they were right on point.

My name is Michael Brown. I am the Under Secretary for Emergency Preparedness and Response Directorate of the Department of Homeland Security. I am honored to appear before you today to talk about FEMA's accomplishments over this past year since we became a part of the Department of Homeland Security. But more importantly, I want to highlight some of our priorities for fiscal year 2004 and discuss why your support of the President's budget request for 2005 is critical to ensure that FEMA can continue to fulfill its traditional mission.

FEMA has undergone changes since becoming part of DHS, both external and internal. But we have not changed our focus. As part of DHS, FEMA has continued its tradition of responding to help disaster victims and those in need whenever disasters or emergencies strike.

On March 1st, FEMA celebrated its first full year as a part of the Department of Homeland Security. We are proud to be part of this historic effort and are committed than ever to our duty as defenders of the homeland. We believe that the Federal-wide consolidation of all-hazards preparedness, mitigation response, and recovery programs brings real benefit to the American people.

In fiscal year 2003, FEMA responded to 62 major disasters and 19 emergencies in 35 States, four U.S. territories, and the District of Columbia. This included the record number of tornadoes in the Midwest, the loss of the space shuttle Columbia, Hurricane Isabel, and the wild fires in California. In total, FEMA obligated nearly \$2.9 billion in fiscal year 2003 in disaster funds to aid people and communities that were overwhelmed by disasters.

In fiscal year 2004, FEMA is focusing on our five major program areas—mitigation, preparedness, response, recovery, and national security. Our mitigation efforts center on modernizing our Nation's flood maps, providing pre-disaster mitigation grants and enhancing the National Flood Insurance Program.

In preparedness, we will support the Department's efforts to put into place a National Incident Management System which will help improve coordination of disaster response at all levels. We will also publish mutual aid system development, credentialling, and equipment in our operability standards.

In 2004, our response capabilities continue to grow as we field enhanced response teams and resources, improve our response times, put into place for catastrophic events, and improve our response training. For those who are impacted by disasters, FEMA continues to provide appropriate and effective disaster recovery assistance.

Finally, we are ensuring that the FEMA National Security Program has adequately staffed, trained, equipped, and exercised the continuity of operations and continuity of Government programs.

Looking ahead to fiscal year 2005, the President's budget request is critical to ensuring that FEMA can continue to fulfill its traditional mission. The President's budget again requests \$150 million for the Pre-Disaster Mitigation Program to help minimize the devastation caused by natural disasters.

The budget also requests \$200 million to continue the replacement and modernization of the Nation's flood insurance rate maps. The budget includes \$7 million in new authority for development

and implementation of the National Incident Management System as part of the National Response Plan. These two initiatives will ensure that all levels of Government across the Nation are prepared to work together efficiently and effectively, employing a single national approach to domestic incident management.

The President's budget request includes \$8 million in new budget authority for four incident management teams to act as the core field level response teams for major disasters, emergencies, and acts of terrorism. It also provides \$2.1 billion for disaster relief.

I can assure you that President Bush appreciates the importance of recovery. I had the honor of joining the President in touring Missouri last year after the devastating tornadoes struck Pierce City. The President talked to a couple who were standing in front of their damaged store front. They also had damage to their home. Using FEMA's temporary housing, our immediate needs assistance, their insurance, and SBA home and business loans, this couple is well on the way to recovery.

In fiscal year 2005, FEMA's Office of National Security Coordination will also continue to carry out its mandated mission to provide executive agent leadership to ensure continuity of national operations in response to all-hazards emergencies in order to guarantee the survival of an enduring Constitutional government.

In sum, during the last year, FEMA has continued to carry out its traditional mission. Successful implementation of the new initiatives, and the ongoing activities I have discussed today will improve our national system of mitigating against, preparing for, responding to, and recovering from disasters and emergencies called by all-hazards. We will continue to focus on our all-hazards mission.

In closing, on a personal note, Mr. Chairman, I want to thank the members of this Subcommittee for their past incredible support of FEMA. I appreciate the opportunity to testify before you today. I would be happy to answer any questions you might have.

Mr. LATOURETTE. I thank you very much for that testimony. It was worth the wait. I am sorry that we made you wait so long, however.

Mr. BROWN. No, problem; sir.

Mr. LATOURETTE. Before I begin my questions, Congressman LoBiondo, who is the Chairman of the Coast Guard Subcommittee, could not be with us today, but he has submitted some questions. I would ask unanimous consent that they be made part of the record.

We will get those to your staff in writing. They deal with the Port Security Grant Program. If you can have somebody get back to Congressman LoBiondo and for your records, we would appreciate that.

Mr. BROWN. Absolutely. We will do that, sir.

Without objection, so ordered.

Mr. LATOURETTE. I was glad to hear you touch upon the traditional missions of the Agency. As you know, there is a little bit of a tussle going on, not only within the emergency response community, but here in the United States Congress relative to: Do we need to set up a whole new terrorism apparatus?

I, along with the Chairman of the full Committee, expressed our concern to the Chairman of the Homeland Security Committee that all-hazards, in our view, the way to deal with it rather than have two missions out there, neither one of them funded sufficiently to take care of either job. It would be better to make terrorism part of the all-hazards approach and recognizing that terrorism is, in fact, one of the hazards that the country may face in the future.

I guess I would ask you, first of all, this. Is the all-hazards approach that is continued in the National Response Plan in HSPD 5 and 8, in fact, the Administration's policy?

Mr. BROWN. That absolutely is the Administration's policy, Mr. Chairman. I would reiterate my point in my oral statement that the President recognizes and understands, particularly in his context as a former governor, of the importance of all-hazards mission.

I would just give the Committee two quick examples. I would refer you to the April 19, 1995 bombing in Oklahoma City, and of course, the attacks of September 11th. In both of those instances, I think FEMA responded both in a Democratic Administration and in a Republican Administration exactly as we should have.

In particular to the 1995 bombing, a building blew up that I knew well. I actually lost some friends in that building. The response of FEMA, although almost nine years ago, was exactly the way it should have been, whether the Murrah Building had been brought down by natural gas accident, or explosion, or a pipe breaking under the building or something, or had it been brought down by an act of domestic terrorism, the response is the same.

On September 11, 2001, the response that FEMA initiated to help the victims of the World Trade Center, the Pentagon, and in Shanksville, Pennsylvania was exactly the same, whether it had been an act of terrorism, or some sort of phenomenal man-made disaster, or a natural disaster.

Mr. LATOURETTE. I thank you for that. As the Committee on Homeland Security begins its process of marking up that legislation, is the Department communicating that view to them as they craft their vehicle?

Mr. BROWN. I believe so. The Secretary refers to all-hazards. The Deputy Secretary, Admiral Loy, in particular having come from the Coast Guard, is very focused on the traditional mission of FEMA, and supports that mission. I believe that we have the full support of the leadership for this all-hazards approach.

Mr. LATOURETTE. Thank you. The Department of Homeland Security has proposed to place a terrorism emphasis on what I think has been a tremendously successful program and a good bipartisan program, and that is the Fire Grant Program. I guess my question would be: Would that not undermine the original intent of the program? Specifically, in my view, it would disadvantage areas that have the same fire need, but may not have a high level of terrorist risk.

Mr. BROWN. The overall function of the Fire Grant Program, Mr. Chairman, will not change. What is crucial to remember is that almost all of the training, the apparatus, the equipment, the personal protective gear, is primarily dual-use equipment. So whether you want to say that it is going for terrorism, or whether it is going for natural disasters, or for that matter, it is going toward helping

respond to man-made disasters of an unintentional effect, in other words, the chemical spill that just occurs on an interstate highway somewhere, it makes no difference to us. It is dual-use equipment that is going to be able to respond to any kind of disaster.

Mr. LATOURETTE. Thank you. You mentioned in your testimony the \$2.1 billion that is included in the President's budget for disaster relief. Could you describe for us how that amount, the \$2.1 billion, compares with historical trends in terms of dollars spent during a fiscal year?

Mr. BROWN. Well, Mr. Chairman, I am very pleased to answer this question because you are well aware of some of the tightropes we walked last year regarding the Disaster Relief Fund. The OMB request for the \$1.8 billion, coupled with our carry-over, and our recoveries that we are doing in-house, will fully fund the Disaster Relief Fund. This puts us back at the levels of the historical average of \$2.9 billion per year. I feel very good that we will be able to sustain and keep that average going into the future, barring any unforeseen catastrophic event that none of us can imagine.

Mr. LATOURETTE. A piece of legislation that I think is real important to this Subcommittee and the full Committee, and that we spent a lot of time on it, and a great deal of cooperation with Ranking Member Norton and her members, was our work on the Pre-Disaster Mitigation Program. I would ask whether or not the Department has had significant discussions with the other body on the other side of the Capitol in terms of impression upon them the need to reauthorize this legislation?

Mr. BROWN. We have engaged those conversations, Mr. Chairman, and we will continue to engage those conversations. As you know, the Administration very solemnly supports Pre-Disaster Mitigation. There is no better aspect of emergency planning than going to States and localities before a disaster happen on a competitive basis and having them come forward with plans to mitigate disasters before they occur.

Mr. LATOURETTE. I can remember, and I am sure that Ms. Norton does as well, the testimony that we received during the course of that legislation. It really is penny-wise and pound-foolish. The results that came in were relative to the communities that had prepared for earthquakes or floods in terms of money and sometimes lives saved.

During the aftermath of Hurricane Isabel, this Subcommittee traveled down to Southern Virginia, but there was a recent Washington Times report that FEMA was requesting that a number of the area residents were being requested to repay grants provided to them by FEMA. I was wondering if you could explain what that is about.

Mr. BROWN. We have asked our Director of Recovery to go back and found out in the field what recoveries are being asked. We rarely ask for recoveries unless money has been absolutely either improperly paid, obtained as a result of fraud, or whatever. We are doing a total in-house review of all of those requests at this time. As soon as we get information, Mr. Chairman, we would be happy to share that with the Committee.

Mr. LATOURETTE. We would appreciate that.

The last question that I have for the moment, because the Chairman of our full Committee could not join us today, is a matter that was brought up when you were kind enough to visit me the other day. Historically, the Department has funded emergency repairs at airports. Chairman Young asked me to ask you, for the purpose of this record, what are the specific conditions that apply when making this decision? Also, if you know today, and if not in the future, could you provide us with an update on the appeal submitted by the State of Alaska for funding at the Northway Engle Kanka Airport?

Mr. BROWN. I would be happy to provide for the record, Mr. Chairman, information about what we do and do not pay. I just learned yesterday of this appeal. It is apparently a second appeal that is coming in. We will get the status of that report back to the Committee.

Mr. LATOURETTE. I thank you very much.

I now recognize the distinguished Ranking Member.

Ms. NORTON. Thank you very much, Mr. Chairman. Thank you, Mr. Brown, for your testimony. Some of the issues that you have raised are issues that we are beginning to tackle with on the Homeland Security Committee, as well. I sit, as well, on the Subcommittee on Emergency Preparedness and Response, so your testimony is of special interest to me.

I note that in the President's 2005 budget, grants that the States are very dependent upon, the Emergency Management Performance Grants, are cut 25 percent. The States depend very substantially on these funds to keep their emergency management infrastructure going, to build it, in light of 9/11. I must tell you that they had better start building it in another way as well, after Madrid. I sent a letter today to Chairman Cox on my Committee on Homeland Security. We have not even begun to help the States deal with hazards in subways and rails just a few blocks from the Capitol. Indeed, four blocks from the Capitol, CSX carries hazardous substances every day.

Mr. BROWN. CSC rails go right behind the FEMA headquarters, also. We are quite cognizant of that, Congresswoman.

Ms. NORTON. Not to mention that Union Station, like New York, like 30th Street, like Boston, like Chicago, has just begun to do its own planning. We do not have any nationwide planning. Here are the States sitting there looking at Madrid and shaking their head and perhaps scratching their head the way I am and trying to figure out what to do. What they hear from the Federal Government is that there will be a 25 percent cut in these emergency management performance grants upon which they become more and more dependent. That comes out to a 60 percent cut of their staffs.

I need to know from you, since this is a partnership with the States, how they are to take on these increasing responsibilities to do more with what looks like a very substantial cut in their staffs because we are cutting very substantially their funds.

Mr. BROWN. I appreciate your use of the term "partnership" because FEMA, and frankly the Department of Homeland Security, is only successful to the extent that we have very strong and robust partnerships with our State and local governments.

Ms. NORTON. We do not need one of the partners to pull out or to cut.

Mr. BROWN. No, ma'am, we certainly do not.

Ms. NORTON. Particularly if I could say, one of the great untold stories, unless you live right on the ground with a State legislature, is the effect of this economy on the States. It has been ruthless. It is interesting. We in the Congress and the President have not paid the price. Governors have paid the price for the cuts that they have had to make, almost all of them flowing, not entirely, but the greatest percentage of them have been flowing from the way in which the national economy has performed.

That means that they are looking more and more to us, particularly with respect to national responsibilities, like homeland security. Here we are saying to them, there is a 25 percent cut. That is a huge cut to absorb at one time when it translates into a 60 percent cut in staff and in labor-intensive activity for homeland security.

Mr. BROWN. Yes, ma'am. I am going to keep those partnerships as robust as possible because we simply could not do what we do without strong State and local partnerships, and a strong robust State and local emergency management system. I would convey to you with all sincerity that I understand the concerns of State and local governments about this cut of the EMPG.

The philosophy of the Administration is that to the extent that we can shift the use of those funds away from direct personnel costs, and instead shift those funds to doing actual exercises in training, we can actually build a more robust system at the State and local level also.

Ms. NORTON. Fewer people and better trained will make up for a 25 percent cut in one year?

Mr. BROWN. We will train them to the best of our ability.

Ms. NORTON. May I express my skepticism? You would be far more convincing if you said, "Over a period of years, we expect to train people sufficient to make up for a reduction in personnel." But you have not convinced me that this huge reduction in personnel, in one year they will be robustly where they would other be. Again, I say the risk is on them. You are going to hear a lot of howls from the States.

I dissent strongly from such a large cut all at one time. You might have me, frankly, because I am with you. When I am talking about rail, I am not saying, "Why did not the Congress do rail, air, and ports? Why did it not put the same amount of money into those things?" I am with you. I do not think we can do all of this. We do not have the money to do all of this at one time.

We have to figure out how to make the kinds of transitions you are talking about. I do not have objection, because I assume that you can show—and it does not ring false to me that certain kinds of training would reduce the need for personnel—but what does not seem reasonable is to take such a huge cut at one time.

Mr. BROWN. I do very sincerely appreciate that concern. I think one way that we can soften that concern and soften that blow is by the increase in the NPG from the \$150 million up to \$170 million. That will help us make that transition.

Ms. NORTON. Let me ask a question now on the notion of the structural change. I am a big fan of one-stop places. In fact, I am a big fan of efficiencies like you could get me on your training versus more personnel. I ran a Federal agency and saw inefficiencies up close. If you believe the Government can do good, then you ought to be at the forefront of saying, "Government had better be efficient in doing good or people do not believe in Government in the first place." People will simply want to wipe out the function that you care about.

One of the things that I long thought made a lot of sense was one-stop. I want to know how you got to why in the shift the Administration chose for the preparedness grants, ODP and not FEMA? Why not FEMA?

Mr. BROWN. The President's original proposal back when the entire legislation was being discussed was to put those within FEMA. Secretary Ridge has made the determination to move those grants into ODP where he can have those as a direct authority under his office. We are supporting that by making certain that we have, as the personnel, the resources, and if you will, the programmatic expertise of how to manage those grants and make certain that they do lose their impact, that we are going to shift those over to ODP so that the programs will remain the same, they will remain just the same robust programs that we have all come to appreciate over the past ten years or so.

Ms. NORTON. Remember our concern is for all-hazards. So you are saying that he wants to have direct input himself because of the transition, and therefore, he wants it under his office?

Mr. BROWN. Well, Sue Mintz, Director of the Office of Domestic Preparedness, who will head up the new Office of State and Local Government Preparedness and Coordination, is a direct report to the Secretary. This will give the Secretary more management flexibility to make certain that the grants are doing exactly what they are intended to do.

Ms. NORTON. Let me ask you a question about an important development after September 11th. Congress was sufficiently concerned that it appropriated funds for updating the Emergency Operations Centers. Plans were drawn. That apparently happened without incident. Coordination of these emergencies obviously is of interest and concern.

Now that we have these plans to update these centers, there are no additional funds to do what the plans say. What funding is necessary? When is funding going to be there? Why did it get stalled once the plans were, in fact, developed?

Mr. BROWN. I was just making sure that I had the right figure. We did put approximately \$70 million on the street for the States and locals to actually make the improvements to the Emergency Operations Centers.

Ms. NORTON. Beyond the development of the plans?

Mr. BROWN. Yes.

Ms. NORTON. This is to actually begin the operational changes themselves?

Mr. BROWN. Yes, that is correct.

Ms. NORTON. When did that funding begin? I have no information that that funding has begun? How much is needed? It is \$70 million?

Mr. BROWN. \$70 million.

Ms. NORTON. Who received it? How did they choose which centers—

Mr. BROWN. They were on a competitive basis. We will get you the list.

All the States have done their assessments. We have done all of those.

Ms. NORTON. That I know.

Mr. BROWN. Then we did, on a competitive basis, about 20 States to actually make improvements to their facilities, including doing the construction to meet their assessments and secure equipment and that sort of thing. But we will get you a complete breakdown on that \$70 million and what it went for.

Ms. NORTON. Thank you. I would be particularly interested in knowing about the District of Columbia as well. Our burden here is very, very great. Frankly, there is no emergency preparedness of any size here. The City is large and the suburbs, of course, are smaller. They do not have a large city response. I would be most interested if my own folks are not competing for it. I am pleased to know that it looks like almost half the States are, in fact, competing and getting money.

Mr. BROWN. Yes, we will get you a complete breakdown on that.

Ms. NORTON. And I would also like to know as well the total amount that is available.

Mr. BROWN. Certainly.

Mr. LATOURETTE. Without objection, so ordered.

Ms. NORTON. I have a follow up to the Chairman's question on the Fire Grant Program. That is a program of great interest to I think every member of this Congress. The Fire Caucus may be the largest caucus in the entire Congress. It probably has been made larger by terrorism. That was before 9/11.

You are absolutely right on dual use. If you have a mask for going into a burning building, that mask can probably be used, as well as in the event of a terrorist incident. That is not my concern. You may have dual use equipment, but when it comes to natural hazards versus terrorist hazards, there is very different training. Everybody should understand that any equipment that they buy should be for dual use.

People may have been trained to some extent for natural disasters, like fires, training for the risks associated with terrorism is brand new in our country, for the most part. Even here in the District of Columbia just a few years ago when there was a substance left outside of one of the Jewish agencies, people were trying to figure out—here where we know more about it than other places—exactly how to go about it.

I am concerned about whether the money is available as well for the training that is necessary to respond to all hazards—biological, chemical, radiological—those hazards.

Mr. BROWN. Congresswoman, it is. It has always been a part of the Fire Grant Program, and remains a part of the Fire Grant Program. They can get the training. If they need Level A suits, that

is one of the things that they can compete for and actually get funds for. They can get the training to go into those kind of biological hazards also.

So I want to assure you that under the Fire Grant Program it does represent the all-hazards approach. They can get both basic fire fighting equipment and training and for the new kinds of threats that they face also.

Ms. NORTON. You are aware, of course, Mr. Brown, that some great deal of the money for terrorist risks comes out of additional accounts as well. One of the reasons that you will find members concerned about the ordinary risk of Fire Grants is because there are far fewer sources for ordinary fire grants. I am concerned about balance. Yes, we are doing training, not only from Fire Grants but from other accounts, which only brings me to believe that we should make sure that the Fire Grant Program is not neglected.

This is something that I realize we are feeling our way through. Just as 9/11 presented us with an entirely new challenge, this balance challenge could come to hurt us in the worst way. If we have a huge natural disaster here one day, and somebody looks closely and sees that FEMA was lopsidedly into protect against terrorism, something that happens ever year by the thousands, natural disasters all over the place, we are left unprepared. Then you are going to find the balance shifting just because we had not found the right balance. Forewarned, I think, is what I am trying to get across here.

Mr. BROWN. I appreciate that very much because I think it does require a balance. With the completion of the fiscal year 2003 budget, this President has put \$1 billion into the hands of the fire fighters to do that kind of dual use, all hazards approach to fire fighters. He recognizes that they need to be trained not just in the traditional things they have to face, but these new threats that they have to face, too. That \$1 billion he has provided will go an incredibly good long ways to help in that regard.

Ms. NORTON. I have been concerned about the Hazard Mitigation Grant Program. The Administration tried to zero out that program all together in the last budget. I need to know specifically about the future of that program. Why did you try to zero it out?

Mr. BROWN. There is a request this year for \$150 million in the Hazard Mitigation Grant Program. We believe both in pre-disaster and post-disaster mitigation. That is now at 7.5 percent on both sides. So we recognize fully that hazard mitigation is something that we must continue to do.

Ms. NORTON. I am not sure why it was zeroed out before. I am delighted. Maybe that was just part of the learning process that all of us are going through. I am delighted that that is no longer hanging by the threads, or some other metaphor that would even be worse to use at this point.

Mr. BROWN. It is a great program.

Ms. NORTON. I have one final issue. This Committee has long been involved with the Federal Protective Service. You are, of course, aware that that Service, polices and secures Federal buildings. I would like to know about the funding for the Federal Protective Service in the 2005 budget.

Mr. BROWN. Congresswoman Norton, I am not aware of the funding for FPS in 2005. But I will be happy to go back and be briefed on that, and get the information to you.

Ms. NORTON. I would ask that you submit the figure to the Chairman. Let me tell you why. I hope this is not correct. We have information that they have no new funding for fiscal year 2005, even though their duties have increased. Again, my sensitivity here should be the sensitivity of every member of Congress. This is where the great bulk of the Federal services are located, including 200,000 people to come to the District in order to do the work of the Federal Government.

There are increased duties. I am with you that there is not a lot of money for increases. I am particularly interested in these people whose protection against hazards is at the very center of our Government itself. I would appreciate any information you could give the Chairman. I would ask him to let me know as well about that figure.

Mr. BROWN. I will be happy to do that for you.

Mr. LATOURETTE. Without objection, so ordered.

Ms. NORTON. Thank you very much, Mr. Chairman.

Mr. LATOURETTE. I thank the gentlelady.

Dr. Burns?

Mr. BURNS. Thank you, Mr. Chairman. I appreciate the opportunity to be able to get up to speed on the challenges that you face, Mr. Secretary.

I want to touch base on flood map modernization and the digitalization process and the upgrading of that. I know that we have budgeted some dollars to do that, \$200 million or so. Is that going to help us digitize existing maps or will it actually improve the quality and the accuracy of the maps that are out there?

Mr. BROWN. Well, the great news is that it does both. It allows us to figure out what maps are good maps and get those digitized, while at the same time, getting new data and better data so we can update both new maps and the current inventory. We have about 300 of those projects underway right now, totally about \$85 million.

Mr. BURNS. How long do you anticipate before that project might see completion?

Mr. BROWN. I would say anywhere from five to seven years.

Mr. BURNS. And at a funding level of roughly \$200 per year?

Mr. BROWN. I think that is correct.

Mr. BURNS. That is a rough estimate? So we are looking at a five to seven year project?

Mr. BROWN. Yes; that is correct.

Mr. BURNS. There may be an issue on conflicts of interest between a national provider and their ability to contract for specific jobs in this area. How do you plan to prevent those conflicts from occurring?

Mr. BROWN. I am not aware of any potential conflicts, but I will certainly go back to our Procurement Officers and make sure that they are aware of those so that we can either work around those, or if there are conflicts that preclude from doing the job, that we will check it out.

Mr. BURNS. My only concern is that this is an area where we need to upgrade our information base. This is such a critical part of the National Flood Insurance Program.

Mr. BROWN. Absolutely.

Mr. BURNS. The only concern I may have there is number one, the time and investment that we are going to need to complete the project, and the second one, is to ensure that as we work through these work orders and these individual projects, that there is an independence there between that entity that might be overseeing it and that that might be providing service.

I do not want to beat a dead horse, but I have to concur with my colleagues on the issues of the Fire Grant Program. Representing a rural district from Georgia that spans from the ports in Savannah to Augusta, up the river to Athens. I have small urban, and then I have a good bit of rural environment. I am happy to say that I live in a low terrorism But our Fire Grants have made a significant contribution to our communities, not just in my district, but I think pretty much across our Nation. Even though I concur with your desire to focus in the terrorism environment, I want you to recognize how significant those grants are to our communities.

I do enjoy the opportunity to represent the second busiest port on the East Coast in Savannah. My biggest concern from a terrorist perspective is the area of port security and the ability to ensure that the commerce, as well as the lives of Americans and the property of Americas, is protected. Can you give me any input, perhaps, or share your perspective on how we are going to deal with this and how your Agency is preparing to deal with ports and the risks that we face from that challenge?

Mr. BROWN. Well, again, our part of the Department of Homeland Security is really focused on making certain that our partners at the State and local levels that may have ports within their jurisdiction, that we understand what their needs are, and they understand what we can do to help them when there is an attack or there is an incident—not necessarily an attack—that strains their ability to perform and do their job.

Mr. BURNS. But preparedness is a key part of that as well. The training and preparedness and the equipment that is—

Mr. BROWN. It absolutely is a key part of it. Even though you may believe and we all hope that Savannah is not necessarily a target, the fact remains that that particular fire department may be called on to back fill some place else. We have to make sure that all these communities have a baseline capability of responding to any kind of incident.

Mr. BURNS. Most concerns about hazardous materials is a normal part of our commerce environment.

Mr. BROWN. Correct.

Mr. BURNS. The last question or comment I have is this. We will enjoy the opportunity to host the G-8 in the coastal region of Georgia just south of Savannah in St. Simons in Congressman Kingston's district—although we share a portion of those environments. I just want to, for the record, point out that I appreciate the opportunity to work with Homeland Security in this area. I think that we have worked hard at the Federal, State, and local level to coordinate our activities and our preparations.

I would just certainly just ask that you continue those efforts to ensure that this is a successful meeting here that the President will be hosting in June in St. Simon's Island, Georgia.

Thank you, Mr. Chairman. I appreciate the opportunity.

Mr. LATOURETTE. I thank the gentleman for his insightful questions.

Secretary Brown, if you would be so kind, we will give you Mr. LoBiondo's questions, and if you would answer the Chairman's question on the Alaska airports when you can, and the Ranking Member's questions and anything else that you think may help us, that would be great.

We again apologize for carving up your afternoon so long. We thank you for coming and sharing your thoughts and answering our questions.

Mr. BROWN. Thank you, Mr. Chairman.

Mr. LATOURETTE. The Subcommittee is adjourned.

[Whereupon, at 2:10 p.m., the Subcommittee was adjourned, to reconvene at the call of the Chair.]

**Statement of Michael D. Brown
Under Secretary
Emergency Preparedness and Response Directorate
Federal Emergency Management Agency
Department of Homeland Security**

Introduction

Good Morning Mr. Chairman and Members of the Subcommittee. I am Michael Brown, Under Secretary for the Emergency Preparedness and Response Directorate (EP&R) of the Department of Homeland Security (DHS), which includes the Federal Emergency Management Agency (FEMA).

I am honored to appear before you today to talk about FEMA's accomplishments of this past year since it has become part of the Department of Homeland Security. More importantly I want to highlight our priorities for FY 2004 and why support of the President's Budget request for FY 2005 is critical to insure that FEMA can continue to fulfill its traditional role of preparing for, mitigating against, responding to, and recovering from disasters and emergencies caused by all hazards.

FEMA has undergone significant changes since becoming part of DHS – both external and internal - but it has not changed its focus. As part of DHS, FEMA continues its tradition of responding to help disaster victims and those in need whenever disasters or emergencies strike.

Transition into the Department of Homeland Security

On March 1st, FEMA celebrated its first full year as part of the Department of Homeland Security. We are proud to be part of this historic effort and are more committed than ever to our duty as defenders of the Homeland. We made significant strides in our first year as a component of the Department, and we continue to see the advantage of and realize benefits from being part of a larger organization. We believe that the Federal-wide consolidation of all-hazards preparedness, mitigation, response, and recovery programs brings real benefit to the American public.

Since March 1st of last year, FEMA has worked to merge disaster-related public health programs from the Department of Health and Human Services (DHHS) into a comprehensive and unified national response capability. These programs include the National Disaster Medical System (NDMS), which is designed to provide a single, integrated, national medical response capability to augment the Nation's emergency medical response capability when needed for major disasters and Federally declared emergencies. Another important public health-related program, the Strategic National Stockpile (SNS), maintains large quantities of essential medical items that can be provided for the emergency health security of the U.S. in the event of a bioterrorist attack or other public health emergency and to support State and local communities during emergencies.

FEMA also successfully merged a multiplicity of other disaster response teams and assets from different departments and agencies to create a unified national response capability within the Department of Homeland Security. Among these teams and assets, now merged within FEMA's Response Division, are the:

- National Disaster Medical System,
- Domestic Emergency Support Team, and
- Strategic National Stockpile

FEMA has also been given operational control of the Nuclear Incident Response Team in certain circumstances, including the event of an actual or threatened terrorist attack.

As we settle into DHS, we continue to leverage the extensive experience and capabilities of the Department's other components. For example, in responding to Hurricane Isabel, we received aerial imaging and aviation support from our friends at the DHS Bureau of Immigration and Customs Enforcement (ICE) and the U.S. Coast Guard. We are partnering with the Information Analysis and Infrastructure Protection Directorate to improve our damage prediction and resource placement decisions and to take advantage of their critical infrastructure resources and expertise. We look forward to continuing and increasing such cooperation in the future.

FY 2003 Accomplishments

In Fiscal Year 2003, the Federal Emergency Management Agency (FEMA) obligated nearly \$2.9 billion in disaster funds to aid people and communities overwhelmed by disasters, including floods, ice and winter storms, wildfires, tornadoes, hurricanes, typhoons, and tropical storms. In addition, FEMA obligated \$6.8 billion to fund projects associated with the September 11 response. Overall, FEMA responded to 62 major disasters and 19 emergencies in 35 States, 4 U.S. Territories and the District of Columbia. These events included the record Midwest tornados, Super Typhoon Pongsona and Hurricanes Claudette and Isabel. The 19 emergencies declared in 2003 included the loss of the Space Shuttle *Columbia*, the President's Day snowstorm, and the Northeast power outages.

While the California fires in October left an indelible mark in our memories, the Nation's fire season in 2003 was not as busy, with exceptions, in Montana and Arizona. But in the areas impacted, the fires were devastating and severe. In Fiscal Year 2003, FEMA approved assistance for 34 fires in 11 States, compared with 83 fires in 19 States in Fiscal Year 2002.

In FY 2003, Congress supported the President's efforts to promote disaster mitigation, through the creation and funding of two important initiatives: the Pre-Disaster Mitigation Grant Program and the Flood Map Modernization Program. Great strides have been made in both of these areas in the last year. These two programs will ultimately result in the reduced loss of life and property throughout our Nation.

FEMA's Preparedness Division awarded more than \$160 million in Emergency Management Performance Grants to the States to maintain and improve the national emergency management system. To date, the United States Fire Administration has awarded over \$650 million in grants to fire departments across the nation as part of the Assistance to Firefighters Grant Program. Both of these programs are now requested in the Office for Domestic Preparedness (ODP) portion of the Department's budget for FY 2005 and we are working very closely with ODP on transferring these programs. FEMA also provided a total of 17 interoperable communications equipment grants for \$79.57 million, and the Emergency Management Institute, the National Fire

Academy (NFA) and the Noble Training Center together trained more than 290,000 fire and emergency management and response personnel nationwide.

In our response to Hurricane Isabel, last September, we demonstrated a more forward-leaning and proactive response posture and made every effort to improve communication, coordination and timely delivery of critical disaster supplies. FEMA increased the frequency of daily video teleconferences with the impacted States and meteorological and river forecasting centers, jointly planned response actions with the States, pre-positioned materials, and opened multiple staging areas and mobilization centers in anticipation of response needs. These and other changes we have made allow us to continue to improve Federal disaster response efforts. We will continue to take advantage of the lessons learned and best practices from Isabel and other disasters, and apply them in our programs to change the impact of future events.

Also during FY 2003, FEMA launched the Continuity of Operations Readiness Reporting System, a single automated system that allows Federal Executive Branch departments and agencies to report the state of their Continuity of Operations capabilities and readiness. The System has been tested and will be fielded this year. In addition to technology upgrades and improvements, FEMA's Office of National Security Coordination maintained a 24/7 operational readiness capability in support of National Security programs, including the initial planning and coordination for an interagency Continuity of Operations exercise, Exercise Forward Challenge 2004, to take place later this year.

FY 2004 Priorities

In Fiscal Year 2004, FEMA is focusing on its five major program areas: Mitigation, Preparedness, Response, Recovery, and National Security.

Our Mitigation efforts center on modernizing our Nation's flood maps, providing Pre-Disaster Mitigation (PDM) grants, and enhancing the National Flood Insurance Program (NFIP). For Map Modernization over 300 mapping projects, valued at approximately \$85 million, were launched nationwide in FY 2003 and we are working with State and local representatives to identify projects for FY 2004. The PDM grants will again provide stable funding to assist State and local governments to reduce risks. The number of NFIP policies will be increased by five percent.

Our Preparedness Division will support the Department's efforts to put into place a National Incident Management System (NIMS) that will help improve coordination of disaster response at all levels. In addition, we will publish Mutual Aid System Development, Credentialing and Equipment Interoperability Standards. Our support for training and exercises continues to enhance the Nation's emergency management capabilities and increasing fire preparedness remains a central mission.

In 2004, our Response capabilities continue to grow. We will field enhanced response teams and resources, improve our response times, put plans into place for catastrophic events, and improve our training. We will continue to consolidate and integrate all of our different disaster response programs, teams, and assets; design new approaches; and implement new efficiencies that will result in a more unified, integrated, and comprehensive approach to all-hazards disaster response. We want to elevate our operational response capabilities to a whole new level of proficiency, one

that will further the principles of the National Response Plan (NRP) and the National Incident Management System (NIMS) to better serve the American people.

For those impacted by disasters, FEMA continues to provide appropriate and effective disaster recovery assistance. Simultaneously, we continue to focus on re-designing our Public Assistance Program and developing a catastrophic incident housing recovery strategy. These efforts will enhance our current capabilities and better position us to recover from a catastrophic event.

Finally, we are ensuring that the FEMA National Security Program has adequately staffed, trained, equipped, and exercised Continuity of Operations (COOP) and Continuity of Government (COG) programs to guarantee the survival of Enduring Constitutional Government.

FY 2005 Budget Highlights

The President's FY 2005 Budget for FEMA:

- Assumes a \$2.9 billion spending level for disaster relief—a level consistent with the average non-terrorist disaster costs over the past five years. This includes more than \$2.1 billion in new disaster funds, as well as funds expected to remain available from prior years. This is over \$300 million more than the FY 2004 appropriation.
- Continues implementation of Project BioShield, which encourages the development and purchase of necessary medical countermeasures against weapons of mass destruction. Through an advance appropriation, \$2.5 billion is made available beginning in FY 2005. These funds will be obligated through FY 2008.
- Includes \$20 million in new budget authority for planning and exercises associated with improving medical surge capabilities.
- Includes \$8 million in new budget authority for four Incident Management Teams (IMTs) to act as the core, field-level response teams for major disasters, emergencies, and acts of terrorism.
- Includes \$7 million in new budget authority for development and implementation of the National Incident Management System (NIMS), specially designed to provide a basic framework of organization, terminology, resource identification and typing; training and credentialing; and communications protocols to deal effectively with incidents of all sizes and complexities involving Federal, State, and local governments, Tribal Nations, and citizens.
- Continues the President's Pre-Disaster Mitigation program, which helps to minimize the devastation caused by natural disasters through a competitive grant process that supports well-designed mitigation projects. In FY 2005, we will initiate post-disaster evaluations to begin documenting losses avoided and assessing program impact.
- Continues the replacement and modernization of the Nation's Flood Insurance Rate Maps.

- Transfers the Strategic National Stockpile to DHHS. As a result of the transfer, \$400 million is moved to DHHS to maintain the stockpile and strengthen its future capacity with new and needed medical products as soon as they become available.
- Transfers the Emergency Food and Shelter Program to the Department of Housing and Urban Development.

Mitigation

FEMA's mitigation programs are an essential part of the Department of Homeland Security's charge to protect the lives and property of Americans from the effects of disasters. Mitigation programs provide us the opportunity not only to develop plans to reduce risks, but more importantly, to implement those plans before disaster strikes.

In previous years, Congress supported the President's efforts to promote disaster mitigation by creating and funding two initiatives:

- Pre-Disaster Mitigation Grants, and
- Flood Map Modernization.

The intent of the Pre-Disaster Mitigation Grants is to provide a consistent source of funding to State, local, and Tribal governments for pre-disaster mitigation planning and projects that primarily address natural hazards. The plans and projects funded by this program reduce overall risks to the populations and structures, while reducing reliance on funds from Federal disaster declarations. The competitive nature of the Pre-Disaster Mitigation Program encourages communities to assess their risks, to evaluate their vulnerabilities, and to implement mitigation activities before a disaster strikes. This budget proposes support for both pre-disaster and post-disaster mitigation assistance.

The Flood Map Modernization Program provides the capability to broaden the scope of risk management. This enables more expansive use of the geospatial base data needed to develop the flood maps. Communities, lenders, insurance agents, and others use the maps and the flood data approximately 20 million times a year to make critical decisions on land development, community redevelopment, insurance coverage, and insurance premiums. As flood hazard data is updated, the current flood map inventory is being changed from a paper map system to a digital one. New technology will enhance the usefulness and availability of flood data to all customers. The new system also supports the development and distribution of geospatial data of all hazards, both natural and man-made.

The FY 2005 budget will continue to update flood maps nationwide and increase State and local capability to manage flood hazard data. By the end of FY 2005, digital GIS flood hazard data covering 50 percent of our nation's population will be available online.

The National Flood Insurance Program (NFIP) has a significant impact on reducing and indemnifying this Nation's flood losses. Prior to the creation of the NFIP, floodplain management as a practice was not well established, and only a few states and several hundred communities actually regulated floodplain development. Flood insurance was not generally available. We are working diligently to refine and expand our all-hazards risk communication strategy to meet the goal of a 5 percent increase in NFIP policy ownership. This increase in

insurance policy ownership will reduce reliance on the Disaster Relief Fund and will foster individual economic stability.

Preparedness

FEMA's Preparedness Division helps ensure our Nation is prepared to respond to emergencies and disasters of all kinds. The Preparedness Division is responsible for Federal, State, local, and community emergency preparedness programs; assessments and exercises; grants administration; the Radiological Emergency Preparedness Program and the Chemical Stockpile Emergency Preparedness Program.

The U.S. Fire Administration works to prevent fire deaths and damage to property, and carries out its mission through leadership, advocacy, coordination, and support. The training programs offered at the National Fire Academy and the Emergency Management Institute promote the professional development of command level firefighters, emergency managers, and emergency responders, and are an important aspect of the U.S. Fire Administration's duties.

The Noble Training Center, located at Ft. McClellan, Alabama, is a new addition to FEMA. Transferred from DHHS in FY 2003, the Noble Training Center is the only hospital facility in the U.S. devoted entirely to medical training for Weapons of Mass Destruction (WMD). In FY 2005, Noble will continue to train medical personnel for State and local hospitals, emergency medical services, and the National Disaster Medical System.

In FY 2005, FEMA's Preparedness Division will work with other components of the Department to develop the National Incident Management System (NIMS) and the National Response Plan (NRP). These initiatives will ensure that all levels of government, across the Nation, work together efficiently and effectively, employing a single national approach to domestic incident management.

FEMA's Preparedness Division will continue to provide the States with technical assistance in their all-hazards planning. To avoid duplicative planning, our efforts will be closely coordinated with those of the Office for Domestic Preparedness to update State terrorism preparedness plans.

As part of our effort to prepare our citizens for all disasters, the Division will oversee the Community Emergency Response Teams, or CERT. This program, begun as a civilian training program by the Los Angeles Fire Department, has become a nationwide effort to train citizens in first aid and basic firefighting and emergency response techniques. CERT-trained citizens are able to provide those basic emergency services that would otherwise occupy the first responders. FEMA provides train-the-trainer programs to allow as many citizens as possible to receive this training across the country. The CERT program has grown from 170 teams in 28 States and Territories in March of 2002 to over 900 teams in 51 States and Territories.

Response

FEMA's Response Division is responsible for integrating national emergency response teams, systems and assets into a comprehensive and fully coordinated, national capability that supports States and communities in responding to all types of disasters, including acts of terrorism. This is accomplished by arranging the necessary and appropriate national assets, establishing a consolidated national incident response system, and effectively coordinating strategic resources

in full partnership with Federal, State, local, and tribal governments, the private sector, volunteers, and citizen partners.

The FY 2005 Response Division budget proposes to

- Create four Incident Management Teams (IMTs) and formulate plans for full implementation in FY 2006; the IMT is a highly responsive and flexible response team that will be able to quickly establish a strong Federal leadership capability in any disaster environment or high threat situation, including acts of terrorism involving the use of WMD;
- Continue all-hazards catastrophic disaster response planning for one additional US city, based on the pilot disaster planning template developed for New Orleans, Louisiana. The template will be used in the future as a basis for all-hazards catastrophic planning for other high risk areas of the country; and
- Continue efforts to develop the capability to provide intermediate emergency housing aimed at meeting the needs of large numbers of disaster victims displaced from their homes as a result of large scale and catastrophic disasters

FEMA's Response Division will also continue to implement measures to reduce response times for its teams and delivery of disaster supplies.

Additional funding requested in FY 2005 implements the National Incident Management System—NIMS. FEMA's goal for 2005 is to focus on the readiness of Federal response teams and the integration of Federal capabilities with that of State and local jurisdictions. We will conduct outreach to our Federal response partners and State and local counterparts to ensure connectivity and synchronization of response capabilities under NIMS, and will conduct NIMS and Incident Command System (ICS) training for Federal response teams. These activities will ensure we have the baseline skills for all teams to operate under NIMS and be fully integrated into the NIMS/ICS doctrine.

As highlighted previously, the President's FY 2005 budget proposes an initiative to develop FEMA's medical surge capability. Under this initiative, FEMA will evaluate supplemental capabilities for both a fixed and mobile facility to demonstrate the utility of using alternate facilities to support medical surge activities, as well as the utility of having a surge capacity that can be mobilized, transported, and made operational within set timelines. The second part of this initiative is to implement the concept through two pilot projects.

Recovery

FEMA's Recovery Division leads and coordinates the timely delivery of Federal disaster assistance to individuals and communities.

In FY 2005, the Recovery Division will continue to provide assistance to individuals for temporary housing, damaged personal property, crisis counseling, disaster unemployment, and disaster legal services. FEMA responded to over 2.5 million calls last year, from people seeking to register for disaster assistance and to have their questions answered. The Recovery Division processed more than half a million individual disaster applications.

The Individual Assistance Programs that meet victims' most basic needs provide assistance for housing, personal property losses, and medical and funeral expenses. In each disaster we ask our customers, the disaster victims, what they think of the service we provided to them. I am pleased to tell you that we consistently earn very high marks from our customers when they are surveyed. In FY 2005 we will continue to invest in technology that ensures we continue to meet our customers' expectations.

FEMA's Public Assistance Program, which accounts for the bulk of recovery expenditures out of the Disaster Relief Fund, is the primary means for community recovery. State and local governments and certain non-profit organizations can be reimbursed to repair facilities to their pre-disaster condition, as well as for costs associated with debris removal and emergency protective measures. FEMA is focusing on redesigning the Public Assistance Program to be more efficient and better prepared to meet the needs of a catastrophic or terrorist event by moving toward a web-based, user friendly, estimated based program, communities will be able to recover faster. In order to better prepare for the transition to a redesigned program, FEMA is establishing a methodology for estimating the total cost of large projects versus determining final costs after work is complete. Implementing the Public Assistance Program using cost estimates will allow State and local governments to better budget for recovery, improve our estimates of disaster expenditures, and reduce administrative costs and closeout timelines. In addition, we are working on proposed revisions to the Public Assistance Insurance Rule, which was last revised in 1991. The Stafford Act requires applicants for Public Assistance grants to "obtain and maintain" insurance on a damaged facility as a condition of receiving assistance. In the past, there have been concerns about this rule imposing a pre-disaster insurance requirement for all hazards. The proposed rule will not require insurance before disaster strikes, except for flood insurance in identified flood hazard areas, as required by the Stafford Act. The purpose of the rule is to simply clarify issues not adequately addressed in the current rule, such as eligible deductibles.

The Fire Management Assistance Grant Program is another key resource for States and local governments to mitigate, manage, and control forest or grassland fires to prevent damages that may otherwise result in a major disaster declaration.

I assure you that President Bush appreciates the importance of Recovery. I had the honor of joining the President in touring Missouri last spring after the devastating tornadoes struck Pierce City. Even though it was pouring rain during our visit, the President got out of his car to go over and talk to a couple who were standing in front of their damaged store front. They also had damages to their home. Using FEMA's temporary housing, immediate needs assistance, their insurance, and SBA home and business loans, this couple is recovering.

The massive California Wildfires of 2003 scorched over 750,000 acres and claimed 24 lives. During the response to the wildfires, the President and Secretary Ridge wanted me to be intimately involved in the coordination efforts between the Federal agencies doing work there. Through the formation of a pair of interagency bodies, the Washington-based California Fires Coordination Group and the field-level Multi-Agency Support Group, FEMA's Recovery Division was instrumental in assuring that each of our Federal partners was coming to the table with comprehensive plans that were complementary to each other, that minimized the sort of bureaucratic "stove piping" that results in duplication of efforts, and that continued to focus on the needs identified by the state and local communities as priorities. Our shared success is the natural result of FEMA's commitment to "all-hazards" emergency management, and a focus on a

scaled approach to meet the challenges of any kind of incident, from the floods, fires, and storms that happen all too often, to the catastrophic scenarios that we prepare for, but hope will never come to pass.

We take our mission to help communities and citizens recover very seriously. My goal is to continue to do the work we do now better and faster, and to build on our current recovery capabilities to be better prepared to face a catastrophic natural or terrorist event.

National Security

In FY 2005, FEMA's Office of National Security Coordination will continue to carry out its mandated mission to provide Executive Agent leadership to ensure continuity of national operations in response to all-hazard emergencies in order to guarantee the survival of an enduring constitutional government. Funding in FY 2005 will be used to ensure that all Federal Executive Branch departments and agencies attain and maintain a fully operational Continuity of Operations (COOP) capability. FEMA will provide assistance to Federal departments and agencies to help them attain and maintain fully operational contingency capabilities. FEMA will develop and implement a test, training, and exercise program that culminates in a complete exercise of the Continuity of Government (COG) program. In addition, we will provide technical support and guidance to our interagency, regional, State and local stakeholders across the Nation.

Conclusion

During the last year, FEMA has been busy but we continue to carry out our mission to prepare for, mitigate against, respond to, and recover from disasters and emergencies caused by all-hazards. The key to our continued improvement will be to take the lessons learned from previous disasters and incorporate them into our preparedness, planning, and procedures, so that we do an even better job of responding next time. We evaluate the lessons learned from each disaster and make plans to incorporate the new approaches and remedy problems. Hurricane Isabel provided such an opportunity, and it validated our priority to reduce disaster response times and improve our capability to gather information and effectively and efficiently manage the Federal Government's response to Presidentially - declared disasters.

Successful implementation of the new initiatives and the on-going activities I have discussed today will improve our national system of mitigating against, preparing for, responding to, recovering from disasters and emergencies caused by all hazards.

In closing, I want to thank the Members of the Subcommittee for their past support of FEMA and I appreciate the opportunity to testify before you today. I would now be pleased to answer any questions you may have.