

DEPARTMENT OF HOMELAND SECURITY
EMERGENCY PREPAREDNESS AND RESPONSE
DIRECTORATE FISCAL YEAR 2005 BUDGET

HEARING
OF THE
SUBCOMMITTEE ON EMERGENCY
PREPAREDNESS AND RESPONSE
BEFORE THE
SELECT COMMITTEE ON HOMELAND
SECURITY
HOUSE OF REPRESENTATIVES
ONE HUNDRED EIGHTH CONGRESS
SECOND SESSION

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**DEPARTMENT OF HOMELAND SECURITY
EMERGENCY PREPAREDNESS AND RESPONSE
DIRECTORATE FISCAL YEAR 2005 BUDGET**

Wednesday, March 3, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMERGENCY PREPAREDNESS
AND RESPONSE,
SELECT COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:34 a.m., in Room 2322, Rayburn House Office Building, Hon. John Shadegg [chairman of the subcommittee] presiding.

Present: Representatives Shadegg, Shays, Camp, King, Gibbons, Granger, Cox, Thompson, Cardin, Lowey, Norton, Christensen, Etheridge, Lucas of Kentucky, and Turner.

Mr. SHADEGG. [Presiding.] Good morning.

The committee will come to order. Pursuant to a unanimous consent agreement, opening statements will be limited to the chairman, ranking member and the full committee chairman, assuming he makes it here, and the full committee ranking member.

Today, we will hear testimony from Under Secretary Michael Brown—welcome, Secretary Brown—on the Emergency Preparedness and Response Directorate fiscal year 2005 budget.

A key mission of the Department of Homeland Security is to assist the nation to prepare for, mitigate, respond to and recover from domestic disasters, including acts of terrorism. Specifically, the directorate has a responsibility to ensure effective emergency preparedness, build and standardize incident response, and aid recovery from terrorist attacks and other major disasters.

Again last year, Mother Nature wreaked havoc on our country through snowstorms, a major hurricane and mud slides. Unfortunately wild fires also devastated our forests in the West, including my own state of Arizona, although man and unsound environmental policies played a contributing role in those wildfires.

During the 56 major disasters and 19 emergencies, the EP & R Directorate was able to provide assistance to communities in need. It was also able to train over 290,000 first responders to better prepare them to mitigate and respond to disasters, to train and equip its urban search and rescue teams to handle events involving weapons of mass destruction, and provide over \$650 million in grants to fire departments across the country.

As we look forward to fiscal year 2005, we see that the president has requested \$5.58 billion for the EP & R Directorate, an increase

of \$956 million. It is important to note that a large portion of this increase is due to important funding for Project BioShield.

As you are aware, our subcommittee and the full Select Committee on Homeland Security took a leadership role by passing H.R. 2122, Project BioShield, which would encourage the development of medical countermeasures against weapons of mass destruction. Unfortunately, this legislation still remains in the U.S. Senate.

Nonetheless, I am very pleased to see that the directorate is proceeding to work with the private sector to develop vaccines and drugs to inoculate and treat Americans prior to and after terrorist attack.

However, we still need to act on H.R. 2122, and I join the president's call on the U.S. Senate to pass Project BioShield.

I also want to note the transfer of budget authority for the strategic national stockpile back to the Department of Health and Human Services.

HHS had much of the day-to-day responsibility for the stockpile, and this transfer makes sense. But it is important that the directorate have statutory ability to deploy the stockpile in the event of an attack.

I know that Under Secretary Brown will comment on additional highlights in the fiscal year 2005 budget. But I want to take time to sound a note of concern.

While I understand the need to respond to natural disasters, I am concerned that the directorate is increasingly viewed as the Emergency Response Directorate, not the Emergency Preparedness and Response Directorate.

DHS was created to integrate functions better to prepare our nation for acts of terrorism and to mitigate their consequences. The other directorates are working to do just that.

My fear, however, is that the EP & R Directorate is viewed at least by some in the department and some across the country as, "Oh, those are just the response guys." I would like to know if, in fact, the EP & R Directorate intends to become just the ENR Directorate.

Based on what is happening in the department, the function for preparing for terrorists attacks appears to be shifting to the Office of State and Local Government Coordination. If so, the directorate is losing one of the important functions given to it by Congress, and one that I think is its most important function.

For example, it strikes me that the directorate should have a comprehensive inventory of all first responder prevention, preparedness and response equipment that exist in the state. But is the EP & R Directorate getting that information from the Office of Domestic Preparedness and the Office of State and Local Government Coordination? I do not know, but I would like to find out.

Congress has spent billions in taxpayer dollars since 9/11 to improve on our nation's ability to prepare for terrorism, but I fear that there may a duplication of that effort and wasted dollars if there is not close collaboration with other agencies in the department in preparation for acts of terrorism and other emergencies.

Clearly the department has come along way over the past year. We are indeed much safer today than we were when the

department was created roughly one year ago. But we must continue to improve.

I look forward to delving into these questions in greater detail with our witness.

OPENING STATEMENT JOHN SHADEGG, CHAIRMAN, SUBCOMMITTEE ON EMERGENCY
PREPAREDNESS AND RESPONSE

The Committee will come to order. Today we will hear testimony from Undersecretary Michael Brown on the Emergency Preparedness and Response Directorate's Fiscal Year 2005 Budget. A key mission of the Department of Homeland Security is to assist the nation to prepare for, mitigate, respond to, and recover from domestic disasters, including incidents of terrorism. Specifically, the Directorate has responsibility to:

- Ensure effective emergency preparedness
- Build and standardize incident response
- Aid recovery from terrorist attacks and major disasters

Again last year, Mother Nature wreaked havoc on our country in snowstorms, a major hurricane, and mudslides. Unfortunately, wildfires also devastated our forests in the West, including in Arizona, although man and unsound environmental policies played a contributing role. During the 56 major disasters and 19 emergencies, the EP & R Directorate was able to provide assistance to communities in need. It was also able to:

- Train over 290,000 first responders to better prepare them to mitigate and respond to disasters;
- Train and equip its Urban Search and Rescue Teams to handle Weapons of Mass Destruction events; and
- Provide over \$650 million in grants to fire departments across the country.

As we look forward to Fiscal Year 2005, we see that the President has requested \$5.58 billion for the EP & R Directorate, an increase of \$956 million. It is important to note that a large portion of the increase is due to important funding for Project Bioshield.

As you are aware, our Subcommittee and the Full Select Committee on Homeland Security took a leadership role by passing H.R. 2122, which would encourage the development of medical countermeasures against weapons of mass destruction. Unfortunately, this legislation is still stuck in the Senate.

Nevertheless, I am glad to see that the Directorate is proceeding to work with the private sector to develop vaccines and drugs to inoculate and treat Americans prior to and after terrorist attacks. However, we still need to act on H.R. 2122, and I join the President's call to the Senate to pass Project Bioshield.

I also want to note the transfer of budget authority for the Strategic National Stockpile back to the Department of Health and Human Services. HHS had much of the day-to-day responsibility for the Stockpile, and this transfer makes sense, but it is important that the Directorate does have statutory ability to deploy the Stockpile in the event of an attack.

I know that Undersecretary Brown will comment on additional highlights in the Fiscal Year 2005 budget, but I wanted to take time to sound a note of caution. While I understand the need to respond to natural disasters, I am concerned that the Directorate is increasingly viewed as the Emergency Response Directorate, not the Emergency Preparedness and Response Directorate.

DHS was created to integrate functions to better prepare our nation acts of terrorism and to mitigate their consequences. The other Directorates are working to do just that. My fear, however, is that the EP & R Directorate is viewed as "oh, those are just the response guys." I would like to know if in fact the EP & R Directorate intends to become the ER Directorate.

Based on what is happening in the Department, the function for preparing for terrorist attacks appears to be shifting to the Office of State and Local Government Coordination. If so, the Directorate is losing one of its important functions.

For example, it strikes me that the Directorate should have a comprehensive inventory of all first responder prevention, preparedness, and response equipment that exists in the States. But, is EP & R getting that information from the Office of Domestic Preparedness/Office of State and Local Government Coordination?

Congress has spent billions in taxpayer dollars since 9/11 to improve our nation's ability to prepare for terrorism, but I fear that there may be duplication of effort and wasted dollars if there is not close collaboration with other agencies in the Department in preparation for acts of terrorism and other emergencies.

Clearly, the Department has come a long way over the past year, but we must continue to improve. I look forward to delving into these issues in greater detail with our witness.

Now I would like to turn the ranking member of the subcommittee, Mr. Thompson, for any opening statement he would like to make.

But before I do, I want to let members and our witness and anyone in the audience know that we will have rotating chairmen in this position at times today. Chairman Cox and I both have an important markup downstairs in the Energy and Committee Commerce in which we expect votes and, as necessary, we will have to excuse ourselves from this hearing at times in order to make those votes in that hearing.

Now let me call upon the ranking member, Mr. Thompson, for his opening statement.

Mr. Thompson?

Mr. THOMPSON. Thank you, Mr. Chairman.

Good morning, Mr. Under Secretary.

Mr. Under Secretary, in June of last year, when you testified before the full committee, I stated that in its former life FEMA and EP & R Directorate was widely viewed as a success story by becoming more responsive to communities before and after major disasters and emergencies. And I wanted to be sure that EP & R could effectively perform its traditional disaster response and recovery mission, given DHS' primary focus on terrorism, prevention and preparedness. I wanted to be sure that we were ready for the next major earthquake or hurricane or, in my district, the next major flood.

In your written testimony, you stressed a continued commitment to all hazard emergency planning. But, Mr. Under Secretary, the president's budget ignores that commitment.

Let me highlight three examples from the president's budget that I believe prevents you and your employees from truly protecting this nation from all disasters and emergencies.

First, the budget transfers the Emergency Management Performance Grant Program to the Office of Domestic Preparedness and reduces the grant program by \$10 million from fiscal year 2004 level.

In addition, the administration proposes that only 25 percent of these grant funds will be able to support state and local emergency management personnel salary. This program is a principal source of funding for state and local emergency management agencies, your partners in all hazard preparedness.

A March 2002 survey by the National Emergency Management Association found that an additional 5,212 emergency management positions are needed, with 3,960 of those positions being full-time directors needed to manage the program.

How do you propose to respond to and recover from major disasters when your budget would eliminate many of these state and local partners?

Second, the president's fiscal 2005 budget request for the FIRE grant program represents a \$250 million, or 33 percent, reduction from fiscal 2004 levels.

More troubling, however, is the fact that the budget proposes that priority be given to grant applications enhancing terrorism

preparedness and limits the use of FIRE Grant funds to only four of the original 14 uses authorized by Congress.

The FIRE Grant program was created by Congress in order to meet basic critical needs of the firefighting community, which a December 2002 study by your U.S. Fire Administration and the National Fire Protection Association found to be significant.

Third, the president's budget eliminates the Metropolitan Medical Response System Program. The primary focus of the MMRS Program is to develop or enhance existing state and local preparedness systems to effectively respond to a public health crisis.

Again, how can we effectively respond to public health emergencies without effective planning and training at the state and local levels?

In our continuing efforts to prevent and prepare for acts of terrorism, we must not destroy the organizations and structures that have been created to prepare for, respond to and recover from floods, hurricanes, tornadoes and other disasters. Yet the president's request seems to ignore the critical role that these institutions play in our preparedness efforts.

There are elements in this budget request that are worthy of recognition.

The administration is again requesting \$200 million from the Flood Map Modernization Initiative. This initiative is important to flood-prone states, such as Mississippi. I am glad to see an adequate and timely budget request for the disaster relief fund.

Last year we were experiencing major floods in Mississippi. You came very close to running out of money in the disaster relief fund, and nobody wants to go through that again this year.

Mississippi endured two federally declared disasters last year. We are grateful for and in continued need of FEMA's program and expertise. I look forward to your testimony and working with you to preserve the programs that protect our communities from all disasters.

Mr. SHADEGG. Thank the gentlemen for his opening statement.

It is my understanding that Chairman Cox does, in fact, plan to attend and that he is en route, however he is not here.

I would propose that we call upon the ranking member, Mr. Turner, for his opening statement and would ask with unanimous consent that that be done without objection to Mr. Cox being able to give his opening statement when he arrives.

Is there any objection?

There being none, so ordered.

And I would call upon Mr. Turner, the ranking member of the full committee, for his opening statement.

Mr. Turner?

Mr. TURNER. Thank you, Mr. Chairman.

Secretary Brown, thank you for being here with us today. We all look forward to hearing your presentation regarding your directorate's 2005 budget request.

As I begin, I wanted to review just briefly the history of the principal component of your directorate, FEMA, and talk about the impact of some of the changes that have occurred, and suggest some of the things that hopefully can be done to continue of what was

historically the very strong reputation, particularly among our states and locales, of FEMA.

You may remember back in the early 1990s, we went through a period of time when Congress was calling for the abolishment of FEMA. Senator Hollings called FEMA “the sorriest bunch of bureaucrats I have ever known,” in the wake of FEMA’s much-criticized response to Hurricane Hugo in 1989.

Senator Barbara Mikulski of Maryland complained in 1992—she said, “I am outraged by the federal government’s pathetic, sluggish, ill-planned response to the devastating disaster wrought by Hurricane Andrew.”

And yet it seems that by the end of the 1990s, FEMA had turned around. There was a study conducted by George Mason University in March of 2000 that praised FEMA for its reinvention efforts, and held up the organization as a model of results-based management for both the public and the private sector.

It seems that FEMA had reinvented itself in a way that made it, in fact, one of the finest agencies of the federal government. FEMA employees seemed to be proud of their accomplishments and eager to work for that agency.

It is troubling when we saw the recent report of the Partnership for Public Service, published last November, that rated FEMA today as the worst agency for federal employees to work, ranking FEMA 28—last among all federal agencies.

It is difficult to understand what happened in FEMA to bring that about. I think it is very important for us to try to analyze why that change occurred and how we can be sure that we can turn this change around.

I also am beginning to hear from some of our state and local communities about their relationship with FEMA.

As we all know, our states and our communities depend very heavily on FEMA for resources and for expertise. And although our states have been very active in trying to increase their focus on terrorism preparedness, they still know that they must maintain the ability to cope with natural disasters.

It is troubling when I look at the budget request when I see that the administration proposes that we cut the FIRE grants by \$246 million and cut Emergency Management Performance Grants by \$9 million. This budget limits the ability of our states to get the job done.

With regard to the Emergency Management Performance Grants—the proposal that limits the use of funds our personnel has certainly been met with almost unanimous opposition by the National Emergency Management Association.

So when I see those proposals, it causes me grave concern that we may be moving back to a period—as I mentioned, similar to the early 1990s—where FEMA does not have the support of the Congress or the support of our states and local governments. And I think we need to be very careful.

We all understand the complexities of massive reorganization. And I know, Mr. Secretary, you have your hands full trying to get the job done.

But I do hope we can be very careful, particularly in these areas of funding—in the limitations on use of funds. As you know, the

Emergency Management Performance Grants is a 50/50 matching program, but to limit our states and their ability to use those funds for personnel, I am told is going to, in some cases, result in a 60 percent reduction in employees at the state level.

So those things concern me, combined with what I perceive to be some tension that would normally be expected with reorganizations.

But I know we have some fine career employees that have been with FEMA for many, many years, and I do hope that we can listen to them and be sure we maintain the strong standing and relationship between FEMA and our states and local governments.

And finally, I have also some concerns about our progress in trying to build our capabilities for public health and the public health preparedness sector, to deal with the threat of bioterrorism.

As you know, there was an exercise conducted not too long ago, the TOPOFF2 exercise, that raised the question, upon its completion, as to who had the real authority, the final authority to deploy the strategic national stockpile; was it DHS or HHS?

As I look at the interaction between those two agencies, it seems to me that we have to be very careful that we make a clear distinction as to what responsibilities the two agencies have, and who will make the decision regarding the issues which could be so critical in the event of a bioterrorist attack.

So by raising those two concerns, I hope you will be able to address them as you share your testimony today with the committee.

And again, I ask for your careful consideration of those two matters with full appreciation of the major task that you face, and the major responsibility that you have in reorganizing your portion of the new department.

Thank you, Mr. Chairman.

PREPARED STATEMENT OF THE HONORABLE JIM TURNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, AND RANKING MEMBER, SELECT COMMITTEE ON HOMELAND COMMITTEE

Thank you, Mr. Chairman.

Under Secretary Brown, thank you for appearing before the Subcommittee today, and I look forward to your testimony on the Emergency Preparedness and Response Directorate's fiscal year 2005 budget request.

First, though, I would like to take a few minutes to talk about the history of your organization, and some changes that I believe are necessary to ensure your success in the future.

Back in the early 1990's, many in the Congress were calling for the abolishment of the principal component in your directorate, FEMA. Senator Fritz Hollings of South Carolina characterized FEMA as "the sorriest bunch of bureaucrats I've ever known" in the wake of FEMA's much-criticized response to Hurricane Hugo in 1989. Senator Barbara Mikulski of Maryland complained in 1992, "I am outraged by the federal government's pathetically sluggish and ill-planned response to the devastating disaster wrought by Hurricane Andrew."

Yet, by the end of the 1990's, FEMA had achieved a complete turnaround. A March 2000 study by George Mason University stated that FEMA won widespread praise for its reinvention efforts, and held the organization up as a model of results-based management for both the public and private sectors. A clear mission, needed changes in organizational structure, and a shift in the organization's culture to a focus on the customer all contributed to FEMA's success. In addition, FEMA employees became proud of their achievements and eager to work for the agency.

That is why I am very troubled, Under Secretary Brown, that in a November 2003 survey of the best places to work in the Federal government conducted by the Partnership for Public Service, FEMA was ranked 28th, or dead last, by its employees.

What has happened to FEMA in the past three years that has resulted in the remarkably negative change? How is this drop in morale impacting your ability to

provide the highest level of service to individual citizens and state and local governments? I hope that you found this survey as troubling as I did, and that you will describe the measures you are implementing to address the needs of your employees.

The fact is that states and local communities look to FEMA to provide the resources and expertise they need to meet a wide range of challenges. While our states and local communities have increased their focus on preparing for terrorist attacks, at the same time we must maintain our ability to cope with natural disasters.

Yet, the Administration proposes to cut funding for Fire Grants by \$246 million and Emergency Management Performance Grants by \$9 million, and limits the ability of states to use these funds to meet the full range of their preparedness needs.

In addition, the President proposes to limit the amount of emergency management funds that can be spent on supporting state and local emergency planners. I recently spoke before the National Emergency Management Association, and their members strongly oppose this proposal. The President's budget would, by one estimate, lead to a 60 percent cut of state and local emergency personnel, exactly at the time when we are asking state and local governments to take a more active role in emergency planning and response. This does not sound like the partnership described by Secretary Ridge and President Bush.

Finally, I am also interested in understanding the progress you are making in building enhanced public health and bioterrorism preparedness capabilities—such as the National Disaster Medical System—in partnership with the Department of Health and Human Services.

To win the war on terrorism, and to fully prepare our communities for any hazard, we must take full advantage of the demonstrated successes of our emergency management community. I look forward to hearing your testimony, Mr. Under Secretary, and to working with you to preserve FEMA's all-hazards mission.

Mr. SHADEGG. I thank the gentleman.

The chair would now call on the full committee chairman, Mr. Cox, for his opening statement.

Mr. COX. Thank you, Mr. Chairman.

I want to thank Chairman Shadegg and our ranking member, Mr. Thompson, for the leadership that you have shown on the Subcommittee on Emergency Preparedness and Response.

And I want to welcome again Under Secretary Mike Brown.

Your directorate, Mr. Under Secretary, is where the homeland rubber meets the first responder road, and I look forward to your testimony.

This subcommittee and the full committee have held a combined total of 10 hearings and field visits to hear the concerns of our first responder community and to assess the nation's preparedness and response capabilities.

Last November, this subcommittee successfully marked up the Faster and Smarter Funding for First Responders Act, which, with impressive bipartisan support, passed unanimously and is now before the full committee.

The continued leadership of this subcommittee will be vital, as the full committee moves to mark up H.R. 3266. The bill provides for a more threat-based and cost-effective approach to homeland security grants and allows high-threat regions, as well as states, to apply for these grants.

The full committee, by the way, will continue its efforts to control spending and focus on threat in two other bills this session—one on metrics for the Department of Homeland Security's performance and the other an authorization bill to help sharpen our spending practices.

Yesterday, the ranking member of the full committee and I were with the president to celebrate the one-year anniversary of the

department. The president charged us to hold the government's feet to the fire. "None of us," he said, "charged with defending this nation can rest. We must never forget the day when the terrorists left their mark of murder on our nation."

Taking up the president's charge, we must recognize that the mission of the EP & R Directorate is central to the Homeland Security counterterrorism mission—to prevent, protect and respond.

Under Secretary Brown, we look forward to hearing the strides that your directorate has made over the past year in directing its capabilities towards the terrorist threat, while maintaining its focus on traditional all-hazard missions.

Creating the new EP & R Directorate for Congress meant that both preparedness and response were going to be incorporated in one place. Valuable lessons were learned from FEMA's experience in dealing heroically with major terrorist attacks in New York in 1993 and Oklahoma City in 1995.

After the Oklahoma City bombing, the GAO cited FEMA's need to cooperate more with law enforcement, to plan better for surges in resources demands, and to improve training and equipment to counter attacks involving WMD. Such challenges were even further magnified in the response to the second bombing of the World Trade Center in 2001.

An all-hazards approach to emergency management has worked effectively for non-terrorist missions in the past, but the terrorist threat requires more flexible and adaptive programs. We need to show that preparedness, not just response, is the mission of EP & R.

As you know, Mr. Under Secretary, Congress, the administration and the department have taken steps to improve our emergency response system. You have bolstered the department's response capabilities and you have developed plans to unify incident management.

Together, we have begun to reform the first responder grant-making process so that resources are better leveraged to provide essential capabilities to every state and locality.

In the president's fiscal year 2005 budget proposal, he has requested \$20 million to support medical response, through the enhancement of medical surge and capacity—a crucial need in a WMD attack. We look forward to hearing more about this today.

The National Incident Management System will significantly enhance the ability of the EP & R Directorate to collaborate with state and local first responders in implementing the proposed national response plan. This will unify domestic incident management by providing an operational framework for responders at all levels of government.

The department released the Interim National Response Plan in October, and the National Incident Management System Plan was released last week.

We expect that you will tell us, Mr. Under Secretary, more about these initiatives this morning.

The committee recognizes, Under Secretary Brown, your leadership and the bold steps you have taken to integrate the EP & R Directorate into the Department of Homeland Security and both to

clarify and strengthen its preparedness and response capabilities against terrorism.

I look forward to your testimony today.

And I want to thank you, Mr. Chairman.

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER COX, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRMAN, SELECT COMMITTEE ON HOMELAND SECURITY

I want to thank Chairman Shadegg and Ranking member Thompson for the leadership they have shown on the Subcommittee on Emergency Preparedness and Response and welcome again the Undersecretary Mike Brown. Your Directorate Mr. Undersecretary is where the homeland "rubber hits the first-responder road," and I look forward to your testimony.

This subcommittee and the full committee have held a combined total of ten hearings and field visits to hear the concerns of our first responder community and to assess the Nation's preparedness and response capabilities. Last November, this Subcommittee successfully marked up HR 3266 the 'Faster and Smarter Funding for First Responders Act' which, with impressive bipartisan support, passed unanimously and is now before the full committee. The continued leadership of this Subcommittee will be vital as the full committee moves to mark up HR 3266, which provides for a more threat-based and cost-effective approach to Homeland Security grants, and which allows high-threat regions, as well as States, to apply for these grants. The full committee, by the way, will continue its efforts to control spending and focus on threat in two other bills this session, one on metrics for DHS performance and the other an authorization bill to help sharpen our spending practices.

Yesterday, the ranking member and I were with the President to celebrate the one year anniversary of the Department. The President charged us to hold our feet to the fire: "*none of us charged with defending this nation can rest*" he said. "*We must never forget the day when the terrorists left their mark of murder on our nation.*" Taking up the President's charge we must recognize that the mission of the EP & R Directorate is central to the Homeland Security counterterrorism mission—to prevent, protect, and respond.

Undersecretary Brown, we look forward to hearing the strides that your Directorate has made over the past year, in directing its capabilities towards the terrorist threat while maintaining its focus on its traditional all-hazard missions.

Creating the new EP & R Directorate for Congress meant that both preparedness and response missions against terrorism would require new capabilities. Valuable lessons were learned from FEMA's experience in dealing heroically with major terrorist attacks in New York in 1993 and in Oklahoma City in 1995. After the Oklahoma City bombing the General Accounting Office cited FEMA's need to cooperate more with law enforcement, to plan better for surges in resource demands and to improve training and equipment to counter attacks involving weapons of mass destruction.

Such challenges were even further magnified in the response to the second bombing of the World Trade Center in 2001. An all-hazards approach to emergency management has worked effectively in the past. But the terrorist threat requires more flexible and adaptive programs. We need to show that preparedness not just response is the mission of EP & R.

As you know, Mr. Undersecretary, Congress, the Administration, and the Department have taken steps to improve our emergency response system—you have bolstered response capabilities and have developed plans to unify incident management. Together we have begun to reform the first responder grant-making process so that resources are better leveraged to provide essential capabilities to every state and locality.

In the fiscal year 2005 budget proposal, the President has requested \$20 million to support medical response through the enhancement of medical surge capacity, a crucial need in a WMD attack. We look forward to hearing more about this today.

The National Incident Management System will significantly enhance the ability of the EP & R Directorate to collaborate with State and local first responders in implementing the proposed National Response Plan. This will unify domestic incident management by providing an operational framework for responders at all levels of government. The Department released the interim National Response Plan in October, and the National Incident Management System plan was released last week. We expect the Undersecretary to tell us more about these initiatives this morning.

Undersecretary Brown, the Committee recognizes and commends your leadership and the bold steps you have taken to integrate the EP & R Directorate into DHS and to both clarify and strengthen its preparedness and response capabilities against terrorism.

I look forward to receiving your testimony today.

Mr. SHADEGG. I thank the gentleman for his response.

Again, Mr. Secretary, welcome. We appreciate your being here.

I have a brief amount of time, I would like you to answer the first—I am sorry. I would like to get to my questions, but I guess we ought to give you a chance to make your statement.

[Laughter.]

See how anxious I am to start grilling you?

You are welcome to make an opening statement. We appreciate your being here.

**STATEMENT OF THE HONORABLE MICHAEL D. BROWN,
UNDER SECRETARY FOR EMERGENCY PREPAREDNESS AND
RESPONSE, DEPARTMENT OF HOMELAND SECURITY**

Mr. BROWN. Well, thank you, Mr. Chairman. And I also want to express my appreciation for the very kind words and the things that you had to say in your opening remarks too.

But I know you are anxious to get to questions, so I will, with due haste, speed through this oral statement, so you can start grilling me pretty good, you bet.

My name is Michael Brown. I am the Under Secretary for the Emergency Preparedness and Response Directorate of the Department of Homeland Security, which does include the Federal Emergency Management Agency.

I am truly honored to appear before you today to talk about FEMA's accomplishments of this past year since it became a part of the Department of Homeland Security.

But more importantly, I want to highlight our priorities for 2004 and why support of the president's budget request for 2005 is critical to ensure that FEMA can continue to fulfill its mission.

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 more committed than ever to our duty as defenders of the homeland.

We have made significant strides in our first year as a component of the department, and we continue to see the advantage of and realize the benefits from being a part of this larger organization.

Since March 1st of last year, FEMA has worked to merge disaster-related public health programs from the Department of Health and Human Services into a unified national response capability.

These programs include the National Disaster Medical System, which is designed to provide a single integrated national medical response capability to augment the nation's emergency medical response capability.

Another important public health-related program, the strategic national stockpile, 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.

FEMA has 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.

FEMA has also been given operational control of the nuclear incident response teams in certain circumstances, including the event of an actual or even a threatened terrorist attack.

As we settle in to DHS, we continue to leverage the extensive experience and capabilities of the department's other components. We look forward to continuing and increasing such cooperation in the future.

This year, FEMA is supporting the department's efforts to put into place a National Incident Management System that will help improve coordination of disaster response at all levels. We will field enhanced response teams and resources, improve our response times, put plans into place for catastrophic events and improve our training program.

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 and the National Incident Management System to better serve the American public.

We will enhance our current recovery capabilities and better position ourselves to recover from a catastrophic event by focusing on redesigning our public assistance program and developing a catastrophic incident housing recovery strategy.

Finally, we are ensuring that the FEMA national security programs have adequately staffed, trained, equipped and exercise our continuity of operations and our continuity of government programs to guarantee the survival of enduring constitutional government.

Looking ahead to fiscal year 2005, the president's budget request is critical to ensuring that FEMA can continue to fulfill our mission.

The president's request continues implementation of Project Bio-Shield, which encourages the development and the purchase of necessary medical countermeasures against weapons of mass destruction. During advance appropriation, \$2.5 billion is made available, beginning in fiscal year 2005. These funds will be obligated through fiscal year 2008.

The president's request also includes \$20 million in new budget authority for planning and exercises associated with increasing our medical surge capabilities. It 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.

The budget includes \$7 million in new budget authority for the development and implementation of the National Incident Management System.

In the coming year, FEMA will continue to work with other components of the department to develop the National Incident Management System and complete the National Response Plan.

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.

In fiscal year 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 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 these new initiatives and the ongoing activities I discussed today will improve our national system of mitigating against, preparing for, responding to, recovering from disasters and emergencies caused by any kind of hazard.

In closing, I want to give a personal note of appreciation to all members of this committee for the incredible support that you have shown FEMA in the past. That does not go unnoticed by either myself, my leadership team or the employees of the agency, and we truly do appreciate it.

Mr. Chairman, with that, I will be happy to answer any questions.

[The statement of Mr. Brown follows:]

PREPARED STATEMENT OF THE HONORABLE MICHAEL D. BROWN, UNDER SECRETARY,
EMERGENCY PREPAREDNESS AND RESPONSE, 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 fiscal year 2004 and why support of the President's Budget request for fiscal year 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.

Fiscal Year 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 fiscal year 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 fiscal year 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 fiscal year 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.

Fiscal Year 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 fiscal year 2003 and we are working with State and local representatives to identify projects for fiscal year 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.

Fiscal Year 2005 Budget Highlights

The President's Fiscal Year 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 fiscal year 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 fiscal year 2005. These funds will be obligated through fiscal year 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 fiscal year 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 fiscal year 2005 budget will continue to update flood maps nationwide and increase State and local capability to manage flood hazard data. By the end of fiscal year 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 fiscal year 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 Fiscal Year 2005, Noble will continue to train medical personnel for State and local hospitals, emergency medical services, and the National Disaster Medical System.

In Fiscal Year 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 Fiscal Year 2005 Response Division budget proposes to

- Create four Incident Management Teams (IMTs) and formulate plans for full implementation in Fiscal Year 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 fiscal year 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 fiscal year 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 Fiscal Year 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 fiscal year 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 Fiscal Year 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 fiscal year 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.

Mr. SHADEGG. And a fine statement it was.

Let me begin by letting you add to it.

We heard some discussion here already today about dramatic cuts. I think that it is important to put the funding levels in context. It seems to me that across the board, within the Department of Homeland Security, since its creation and since 9/11, we have done radical plus-ups in funding.

In instance after instance, we have said, "Wait a minute, we were doing nothing about this," or "We were doing way too little about this in the past," so we were going to pump it up exponentially in a very short period of time.

I doubt if anyone would maintain, or certainly I do not think it is reasonable to maintain that kind of dramatic increase can persist over time.

My understanding, for example, is that with regard to emergency management grants, they were prior to the creation of the department roughly \$130 million. They have been plussed-up to somewhere in the neighborhood of \$179 million, a pretty dramatic increase—30 percent.

With regard to fire assistance grants, it is my understanding that they went from \$100 million prior to the creation of the department to a request by the president of \$500 million last year, which is repeating this year. So he is proposing still a rather significant plus-up.

And it is my understanding that it is accurate to say that this administration has done more than any administration in American history to assist local fire departments in their efforts to prepare and to do their jobs.

I guess I would like to begin by giving you an opportunity to comment on what is reasonable in terms of the immediate plus-up of funding and then where we go over the long haul.

Mr. BROWN. Well, Mr. Chairman, first of all, your statement just now and question are exactly the points that I would make in terms of funding.

I would say, first of all, the president has absolutely recognized the problem we had last year with the DRF, the Disaster Relief Fund. The request now is such that it will give us plenty of room to do what we have historically done, about \$2.9 billion over the average year, which is what we did last year.

So we feel very good that the president's request is at a level that will keep us from having to come back, barring any catastrophic event in the future, on bended knees and ask for money for the Disaster Relief Fund.

The points about first responders I think we cannot ignore.

You said it very eloquently, Mr. Chairman: This president has requested more and gotten more for first responders than any president in the history of this country.

When I came into FEMA, the requests for the firefighter grants was at about \$100 million.

That was increased to \$500 million—the exact same amount the president is requesting this year. So the president has not requested a cut in that amount that he requested at all.

The same is true with the EMPG program.

There was a dramatic increase in that request by the president last year. He has made the same request this year.

And so the cuts that you see or the difference between what the president has requested and at the end of the day what Congress actually ends up giving us, which is more.

So I think we are in very good shape.

On the firefighter grant program, the reason I think that is a reasonable request and a reasonable level to put out is that there is so much that the local fire departments at any one time can consume and take on.

The way this program is set up, it enables us to—I mean, forgive me here if I get on my soap box about the FIRE grant program, because I think it is truly one of the best grant programs in the federal government.

It has a peer review process. Those categories allow fire departments to come in, they review among themselves where the greatest need is and that is where those dollars go and they go directly to those fire departments.

And those fire departments know in advance what they have asked for. So when they have to meet that match, they have already gone to their city council, to their county commissioners, to their state legislature and said, “We are going after this money and we need to be able to, if we get approved to move on that stuff, make those purchases and get that training, the equipment, whatever it is, into our local department.”

That request has not changed. And that request is still at such a historical level that I am certainly supportive of that.

Mr. SHADEGG. I would be happy to let you go on, except my time is limited.

As you know from our private conversations, and as I expressed in my opening statement, I am concerned about preparedness. I understand the importance of response and I understand that many of my colleagues are concerned about response to natural disasters in their districts.

I am not proposing that you lose your focus on response, but I think there is a legitimate question presented by whether or not it should be preparedness and response combined in a single function, whether or not you think it should be or should we separate preparedness from response and, if so, should Congress be considering doing that? And if not, do you think you are getting the support to adequately focus on response?

And, for example, are you getting or should you be getting a list of, for example, the equipment that is purchased, so you understand the degree to which we are prepared for a terrorist attack?

Mr. BROWN. Well, first of all, it is an old axiom in the military, and I think it is true whether you are a football coach or whether you are the director of FEMA or whatever, that you fight as you train and you train as you fight, and we must continue to do that.

We must figure out a way that, within the Department of Homeland Security—and I think we are doing a pretty good job of it now—of tying those two things together, knowing what is occurring on the preparedness side and knowing what is occurring on the response side.

And the details of that, Mr. Chairman, we get that information now. We know what fire departments purchase. We know because of our great relationship with state and local governments, particularly with the emergency management community, law enforcement—I think that has changed dramatically over the past several years—we know what their capacity is. We know what their abilities are.

We do assessments. We started doing in-depth critical assessments immediately following the September 11th attacks of what are the vulnerabilities at the state, what capacity they have. That is why we use our regional offices at all levels to find out what is going on in those states.

What can they do? What can't they do? So that when we have to respond, whether it is a wildfire in California or a flood in Mississippi, whatever it is, we know what that capacity is out there.

Mr. SHADEGG. My time is expired, but I have a series of questions on crisis counseling grants, disaster medical assistance teams and emergency communication systems which I will submit to you in writing.

Mr. BROWN. Great.

Mr. SHADEGG. Now at this point, I would call on the ranking member, Mr. Thompson, for his questioning.

Mr. THOMPSON. Thank you, Mr. Chairman. And I guess your comment is where I can start from in my questions.

In June of last year, this committee sent some questions to you, Mr. Brown, and we never got an answer on those questions. If the chairman's comments of those questions go forward, can you assure us that this time we will get the answers, say, within two weeks?

Mr. BROWN. Well, let me tell you, first of all, Congressman, that if you submitted questions and we did not respond to those then, one, I am appalled and I apologize, and heads will roll for that, because that is unacceptable to me. I will find out—

Mr. THOMPSON. —you a copy of the letter that the committee sent.

Mr. BROWN. Absolutely. That is unacceptable to me.

Mr. THOMPSON. Thank you. And I appreciate your support in getting the information to the committee.

One of the concerns I have is the FIRE program. You talked a little bit about it. Our authorization was up to \$900 million, and we came from \$100 million up to \$500 million, and Congress bumped it up to \$750 million.

Now we are back to \$500 million.

I do not want to get in a numbers game, but it appears that Congress is placing a higher value on that program by giving you more money every year, and we get requests asking for less.

Are we doing the wrong thing by giving you more money for the FIRE program?

I hope you understand where I am going.

Mr. BROWN. I understand exactly where you are going, Congressman. And I think that we have shown our ability that whatever the funding levels are, we can get that money out the door and get it to those fire departments that need it.

We ramped up after 2001, where we went from \$100 million to \$500 million. We ramped up and got that out within that calendar year. We had that money obligated, out the door, in the hands of those fire departments.

So at whatever level it is funded, we assure you that we will get the money out the door. Whether that program is in FEMA or whether it is in ODP, we will do whatever to assist ODP to make sure that money gets out.

Mr. THOMPSON. For those individuals who live in metropolitan areas, can you explain the administration's or the department's rationale for doing away with the Metropolitan Medical Response System?

Mr. BROWN. We are not actually doing away with it, Congressman. For the past several years, we have used the money that Congress has appropriated to use to get that program up to its baseline. And our object was to get it to the baseline, get certain capabilities there, and then let the localities take that over and continue that program.

We reached that baseline last year, and so there was no request for additional funding.

Mr. THOMPSON. So your testimony is that all the metropolitan communities in this country have met that baseline?

Mr. BROWN. That is correct, 125 through fiscal year 2003. The goal was 125, and we reached that goal of 125 communities.

Mr. THOMPSON. Very good.

I have no more questions, Mr. Chairman.

Mr. SHADEGG. I thank the gentleman, and would call upon Ms. Granger for her questioning.

Ms. GRANGER. Yes, thank you very much.

Let me go back just a minute to something that was mentioned before.

In the last 10 years, my district has experienced tornadoes, floods, chemical releases, computer viruses that shut down everything.

The city of Fort Worth operates an emergency management program that is multi-jurisdictional, so it includes Tarrant County,

which is one of the most populous counties in the nation, and 12 smaller cities.

The part of it that is so important is the ability to plan and respond to all types of disasters. The concern I have is the capping of that EMPG personnel fund at 25 percent.

And what I am saying, primarily as a former mayor, is this is local planning. So to give the local communities the flexibility to know how to spend their money, we can have all the equipment we need, if we do not have the people to plan and operate that equipment.

So where is that 25 percent cap coming from? And then listen to my concerns of letting the local communities decide where they need personnel, equipment, whatever.

Mr. BROWN. Congressman Granger, first of all, let me talk about Tarrant County and the way they have integrated all their jurisdictions. I mean, they are doing an incredibly good job of that, and I really appreciate their efforts to not just be narrow-mindedly focused on just the county or whatever. They are doing it on a good regional basis.

Second of all, I want to emphasize to the entire committee how incredibly important state and local planning capabilities are for the success of FEMA when we have to respond to a disaster of any kind.

We must have a robust state and local emergency management capacity and we must understand what the capacity is when we go in to respond so that we are able to complement what it is that they are able to do. And what they are not able to do, we can go in and backfill in that regard.

So we think it is a very important component in how we operate under this national response plan in the federal system.

It is the position of the administration that the cap needs to be placed on so that more of the personnel costs are shifted to the state and locals so that we can therefore increase the amount of money that goes to state and locals for exercises and training as opposed to actual personnel costs.

Ms. GRANGER. Okay. I am not sure that I agree with it, but I understand the reason and thank you very much.

Thank you, Mr. Chairman. I yield back my time.

Mr. SHADEGG. The chair would call on the gentleman from Maryland, Mr. Cardin, and would advise him that he has eight minutes because he did not make an opening statement.

Mr. CARDIN. Thank you, Mr. Chairman. I appreciate the chair's generosity.

First, on a personal note, Secretary Brown, I want to thank you for the personal attention you paid to the people of Maryland during Hurricane Isabel. We very much appreciated your personal leadership.

And as we told you before, we want to express our thanks to all the FEMA personnel that came to Maryland. It was excellent. You were there before the hurricane struck, you were there when it struck and afterwards. And it was extremely helpful to the people of Maryland and we very much appreciate and now fully understand the capacity that we have at the federal level to respond to a disaster, and it is very impressive.

So only my compliments in that regard.

I do, though, want to follow up on some of the issues that have been brought up, because I do think it raises additional issues.

It is interesting that on ability to respond, we have built up capacity in regards to terrorism. And although I may disagree with you on the dollar amounts going to local responders—because I think we need to do a better job on local responders there—clearly, in response to disasters, though, there is a different capacity here.

We rely on our local governments to a large extent to respond to the issues surrounding disasters, and yet their capacities are nowhere near as strong as they need to be in that regard.

We are somewhat at a disadvantage because we have not enacted an authorization bill for homeland security. And I think if we had an authorization bill, Mr. Chairman, we would be able to talk about these issues in a more coordinated way from the congressional point of view.

But dealing with where we are today and looking at some of the issues in response to Congresswoman Granger's comment on the cap and trying to get more money into the training issues—but as I understand it, the total dollar amounts have been reduced.

So it is hard to understand how we are increasing local capacity in this program, when we are reducing the size of the pie going to local government. I think you may have a stronger point if we were increasing the size of the pie.

I look at a lot of other programs that are in this year's budget that deal with the ability for us to deal with mitigation. And the chairman mentioned this, mitigation and preparedness. It is an area that needs to be prioritized.

We need to do more to mitigate disasters and to prepare and train people for it, rather than just responding to the circumstances that are taking place.

For example, you have combined two of the mitigation programs for the national flood program and other areas and they have different funding sources. And we are concerned that in the budget process this may, in fact, weaken our capacity to deal with mitigation and to deal with training and preparedness.

So I am going to give you another chance to try to reassure this committee that you have the resources that you need, that we need to do, in my view, more to deal with the issues of local capacity, for mitigation, particularly in regards to natural disaster issues.

Because I tell you—in Maryland, as you know, you saw the homes—the homes that were properly built sustained very little damage; those that were not were wiped out.

Doing things to mitigate these issues are very important.

Mr. BROWN. I think, first and foremost, the president's request to do both pre-disaster and post-disaster mitigation is a great step forward, because I believe very sincerely in both of those issues.

We were able to, on a competitive basis, go after the state and locals and say, "Give us your best plan, show us on a competitive basis what you can do to minimize disasters before they occur." And we are in the process of awarding those grants now.

By the same token, I also know that, just like we saw in Hurricane Isabel, that there are lessons learned after a disaster and peo-

ple are very interested after a disaster, like, “Oh, my gosh, I can’t let this happen again.”

So by taking both tacks now, I think we are able to get the best of both worlds and help mitigate in that respect.

I am determined, Congressman, we are not going to lose either our mitigation or our preparedness efforts within FEMA because, again—I go back to that—some would say it is a trite saying, but I firmly believe it, that we fight as we train and we train as we fight, and we have to continue to do that.

Whatever reorganization occurs within DHS, we will continue to work with those parts of DHS that now has civil preparedness functions to make certain that we are getting from them what we need, and that they are indeed doing out in the field what we need to get done, so when we have to show up, we are not there for the first time and we are there all the time, from beginning to end, just like we are today.

Mr. CARDIN. Let me then touch on the one specific issue, the Emergency Management Performance Grants Program, that you indicate by putting a cap on the personnel cost that we will cover at the national level, more dollars will get into the actual training.

But the local governments are going to have to pick up those personnel costs. They do not have the capacity to do it with these budgets, and you are putting a smaller amount of total dollars into the pot. How does this all add up?

Mr. BROWN. Primarily because we do sincerely believe that this is a shared responsibility, that the state and local governments have a responsibility to absorb some of those personnel costs.

In exchange for absorbing some of those personnel costs, we will increase the amount of funding that goes to the state and locals for the training and exercises of that.

And so if they can reprioritize some of their monies to keep those personnel intact, then we will go out and train and exercise them and make sure they are still capable of doing what we need them to do when the responders show up.

Mr. CARDIN. It does seem to be inconsistent with the other statement that we made that we want to give local governments flexibility. Seems to me that we have become so prescriptive, we take away some of the creativity that we are trying to create through the federalism concept.

I would just urge you to reconsider that Congress may very well have a view on this also that may be different than the administration’s. But I would just urge that we look at this from a broader point of view than just the narrow purpose that we are trying to accomplish in the shared responsibility issue.

I want to touch upon one other point we have not really touched upon much, and that is the engagement of the private sector. That offers a lot of hope, promise. There is a lot creativity. There is a lot of will in the private sector in regards to the issues that come under your area.

Could you just give us some indication of what you have been doing in order to try to energize the private sector more and focus more toward the national game plan in responding and preparing for natural disasters or for terrorism attacks?

Mr. BROWN. Well, I would say on the very broad scale, Congressman, through our private sector office in the Department of Homeland Security, we are reaching out to them every single day. We have people on the road everywhere trying to—we are actively engaging the private sector in all of our efforts. We are talking to them about mitigation efforts and what they can do. We are expanding the flood insurance program to get more and more agencies and companies involved.

I am going to Houston this week to speak to the Texas Hospital Association about what these private hospitals can do to more actively engage in mitigation preparedness because of our experience in Tropical Storm Allison.

So I think we are doing a really good outreach to them, and they are really beginning to wake up and understand they need to be a part of this entire response also.

Mr. CARDIN. Well, I will just make just one general observation.

What you are saying here today is certainly very encouraging. I think, though, there is somewhat of a disconnect between the budget and some of the objectives that you are trying to accomplish. And I understand the position that you are in.

And, Mr. Chairman, I would hope that we will have an opportunity to try to assist Secretary Brown in his work by the work that we do here on the budget and on the authorization bill, because I think we have the same priorities. It is a matter of how we get there.

Thank you very much for your appearance here today.

Mr. SHADEGG. I thank the gentleman.

Let me explain for the committee's understanding that we will call upon members who were here when the gavel fell in order of seniority, and they will each get eight minutes. And then we will call on those after the gavel fell. And under the rules of the committee, they will each get five minutes.

So the chair would now call on the gentlelady from the Virgin Islands, Ms. Christensen.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

And welcome, Under Secretary Brown. It is good to have you back with us.

I share all of the concerns that my other colleagues have raised, but I would like to also say that, as a person whose district has been prone to natural disasters and who has a longstanding relationship and a very good relationship with FEMA, I am also concerned that the directorate have sufficient resources to carry out its principal mission of assisting state and local governments in preparing and responding to terrorist attacks, major disasters and other emergencies, and also that we are not weakening that well-earned legacy of FEMA and its programs and the people that work there.

You mentioned that you were going to speak to the hospital association in Texas, so let me start out with a hospital question.

Because I note that \$20 million is authorized for improving medical surge capabilities, which is something that has been raised as a great concern. Once the committee has gotten through—at least this committee—BioShield, that was our next focus.

But that seems like a very paltry sum, given that hospitals across the country, like mine in the territory, have a lot of work to do to just be in a basic state of readiness before they can even surge. And I wondered if you agree with that, and has an assessment been made of what funding is needed to meet that basic level of readiness. And, if so, what is the figure and how does that \$20 million compare?

Mr. BROWN. We have not done an assessment of what the total cost would be to get them to a baseline. What we are trying to do is to prudently use the taxpayers' dollars and say, for this initial study, to find out what we need to do to increase our medical surge capacity.

We need this \$20 million to build the training, the exercises, the programmatic efforts, if you will, within the federal government, in partnership with state and local governments, to figure out where we need to go.

And once we do this \$20 million and we have set up some different projects, so we know what that capacity is and how we can go about doing it, I am certain we will be back in future years asking for money to now take that to the next level.

This is something that we believe we need to just find out what it is going to cost to get us to a base line by doing these kinds of projects and build that initial capacity.

Mrs. CHRISTENSEN. All right. Because, I mean, that is a lot of your first line of response is taking care of anyone that might be injured or in need of care. And if they cannot surge, we are going to have a problem.

I have another health-related question.

An emergency management official had said in an interview that—and this is something I agree with and I know all of my colleagues have heard me talk about this over and over again—this is a quote: “There’s a tremendous bias in the Department of Homeland Security towards law enforcement or making the question just a fire and hazmat issue. People there just do not understand the medical communities and public health industry points of view.”

So what can you tell me to convince me that that is not the case and can you explain what the—well, what can you do to help me understand that we are having—we talked about hospitals.

Now I am talking about the public health infrastructure which any assessment—and I have listened to experts talk about it. We have had several reports on it. It is not intact. Labs and emergency rooms are already overstretched by a significant amount.

Mr. BROWN. I am always fascinated by those kinds of comments, because there is clearly a mission within the department to focus on law enforcement and the prevention of terrorism.

But when you get beyond that mission and you ask those law enforcement folks—whether they be the Border Transportation folks or anybody else within the department, Coast Guard, whomever—they understand how we, being FEMA, operate, how we prepare, what our incident and management systems are and they have fully integrated into that.

So while there is a bias because of what their job is, there is no bias in terms of what our preparedness capabilities are, the way we prepare or how we respond.

They understand that entirely. And they have not only expressed that understanding, but have integrated into that, as we have seen over the past year.

The wildfires in California—we relied heavily upon our partners in DHS.

The tornadoes—any disaster we responded to this past year, being within DHS, we have been able to turn to those other components and say, “We need you to do X.” Sometimes even before we have asked them, they have come and said, “Can we help in any way?”

So I do not think that statement that you read is really indicative of a true bias that exists within the department.

Mrs. CHRISTENSEN. Okay.

Just as in hospitals, the amount of funding that is available to get our public health system into some level of readiness, and given the fact that some of their other core programs are being cut, is of concern to me.

Mr. BROWN. Well, next year I will come back to you and show you where this \$20 million with these two demonstration or pilot projects, what we are able to do, and I bet you next year I am asking you for more money to extrapolate that across the country.

Mrs. CHRISTENSEN. Okay. Great.

And you were talking also about where you fit into the response—when we went to Seattle as a committee and spoke with first responders and reviewed—I think the report of TOPOFF2 had just come out—the complaint from the first responders was as an exercise took place, folks from DHS came in and tried to manage.

And you have been very clear on how that is supposed to happen, and I do not think—as I recall, FEMA was not immediately involved in that.

And I am really unclear still about how in an incident, is it the same model that you used for national disasters now that you are in homeland security? Or does now some other level of homeland security come in and try to run the program in a different manner? Where do you fit in? And how does that compare to what you used to do?

Mr. BROWN. The proof of that is in the 62 disasters we responded to this past year and that our model continued to be utilized. We continue to do exactly what we do in the way that we have done it.

In TOPOFF, we necessarily tried to confuse the situation by creating all these different variables in so that we as a department could exercise and figure out what did not work so we could come back and fix it.

Mrs. CHRISTENSEN. Okay.

I noticed that, if I am correct, that the management of the stockpiles was moved from the Department of Homeland Security to Health and Human Services. Can you tell me a little bit about the discussion that led that to happen? What was the rationale for that?

Mr. BROWN. Well, the rationale was that the budget and operations really should be tied together, so by moving it back into HHS you do that. You tie the day-to-day management and operations to the day-to-day budget activities.

At the same time, though, we do not—being FEMA and the Department of Homeland Security—do not lose the capacity to utilize that and deploy that as we need it. We can still use the National Response Plan and the ESS structure we have within our response mechanisms to still deploy it and task HHS to send it out and utilize it.

Mrs. CHRISTENSEN. One last question I think I have time for.

ODP, not being a part of or the same as EP & R, how are we assured that there is a seamless operation between the planning and the response and the granting given that that just seems not the way it should be set up and it seems a way to just create confusion, create gaps, have things fall through cracks?

Mr. BROWN. I am going to make sure that works by detailing people, personnel, resources to ODP to support them in any possible way so that there is that type of—.

Mrs. CHRISTENSEN. Don't you think it would be better if they were all in one, all together?

Mr. BROWN. That issue is really above my pay grade. I take and implement whatever is given to me and make it work.

Mrs. CHRISTENSEN. We know that from experience.

We thank you for the work that you have been doing.

Mr. SHADEGG. I thank the gentlelady for her questions and would call upon the gentlelady from New York, Ms. Lowey.

Mrs. LOWEY. I knew that you—.

Mr. SHADEGG. I just thought I would be nice and give Mr. Gibbons a little more time to get ready. And you have been here diligently.

Mrs. LOWEY. Thank you, Mr. Chairman. And since I have to go to another hearing, I really appreciate that.

And I thank you, Mr. Under Secretary, for being here today.

If I may go back to the FIRE grants program for a moment, because it is an incredible program that has such support in my district. And none gets better reviews from state and local officials than the FIRE grant programs.

If the program is so successful—I have a few questions about it—what is the justification for moving it to the Office of Domestic Preparedness? And what is being done to ensure that the program does not lose its effectiveness at ODP?

Frankly, I am not sure that moving it was the right decision, but I certainly respect your experience being in the middle of it. And many of us are going to be watching very closely.

Another question, as you well know, Congress created the FIRE grant program to meet the basic critical needs of the fire-fighting community.

Study after study has shown that those needs are significant.

The needs of firefighters, both career and volunteer, are great and there simply is not enough funding to go around. Unfortunately, the fiscal year 2005 budget proposal calls for a 33 percent cut in the program, \$246 million less than last year's appropriation.

And to add insult to injury, this year's budget mandates that states give priority to terrorist preparedness, not that I do not think that is absolutely critical and that my constituents do not

think it is critical, but it seems to be contrary to the original intent of the program.

So I wonder where will this policy leave a small-town volunteer fire department in my district and many others that does not even have enough masks to outfit the entire department or enough radios to ensure that firefighters can talk to each other?

How will the focus on terrorism preparedness, which ultimately guts the overall funding for this program, help fire departments respond to some of the basic gaps in preparedness that were outlined in FEMA's report, a needs assessment of the U.S. Fire Service?

And I ask this because I do not think any of us question the importance of terrorism preparedness. But as you know, there are many other categories for that. This program was so well received because it deals directly with the most basic needs of our fire departments.

Mr. BROWN. I do not want to sound smart-alecky in my answer—

Mrs. LOWEY. Pardon me?

Mr. BROWN. I do not want to sound smart-alecky in the answer that I am about to give you, but I sincerely believe this: Every single thing that we do to prepare any fire department in this country to do its basic job prepares it for a terrorist attack also.

It may not prepare it necessarily for a biological attack or a chemical attack, but to the extent we prepare every single fire department to do its job, it will help in the war on terrorism.

Why do I say that? I go back to 9/11.

On 9/11, we had departments responding from Connecticut and New Jersey, from everywhere. What we forget is, is that once those departments respond to that incident, somebody has to backfill them because at that point there is still another fire or something going on in New Jersey or something going on in Connecticut and they have to respond.

And not to take this to its absurd conclusion, but once they backfill, somebody has to backfill for them.

On 9/11, the rest of the firefighting community did not sit around with nothing to do. They had other things they had to do on 9/11, backfilling all over the country as departments would respond and do things.

Urban Search and Rescue teams—as Director Allbaugh dispatched almost all of the Urban Search and Rescue teams to either the Pentagon or the World Trade Center, those people were taken out of local fire departments. They then need to backfill so those local fire departments can still do what they need to do.

That is why I sincerely believe and will always believe that this all-hazard approach is the only way to effectively prepare this country for both terrorist attacks and manmade disasters, whether they are incidental or intentional.

Mrs. LOWEY. Well, I think that makes a lot of sense, and the proof will be in the actual giving out of the grants and to see whether it is meeting the basic needs of our fire department.

If I may follow up on another area, you may remember way back in I think it was May 2003, many of us asked you questions about equipment interoperability standards.

Now, I live in New York. We are 30 minutes from the World Trade Center. If my fire departments and police were waiting for the standards to come from the federal government, constituents would be up in arms because it is taking so long.

There seems to be a number of DHS organizations working on these standards. If you could discuss with us the division of responsibility for developing standards among EP & R, the Science and Technology Directorate, the Office for Domestic Preparedness and any other DHS organizations involved in developing standards?

What equipment will you publish the standards for? When will the standards be published? Will they be actual standards or technical specifications as stated by the secretary last week?

And—I bet you want the answer to that one—who should, right now, state and local governments look to for definitive guidance on equipment standards?

Frankly, I find in my district we are so close, we are right in the middle of—God forbid any emergency would happen—we are right there. And most people feel that the department is just taking too long.

And frankly, I think our local police and firefighters and all those who have to coordinate with them should be reimbursed for what they bought, or you should put in place some kind of a buyback program. But it is over two years; how can they wait?

So maybe you can tell us when these standards are coming out, when they can expect to hear the word.

Mr. BROWN. Well, we just announced this past week new standards for personal protective gear, so we are well on the way of putting those standards out. And that is?

Mrs. LOWEY. Are you going to reimburse fire departments who could not wait for the gear that they already bought?

Mr. BROWN. That is something we will have to take into consideration and look at.

Mrs. LOWEY. I really think that is very important.

The chairman may remember that I had a chief come here from New Rochelle and he said, “Look, folks, before you turn to code orange, you better provide for code green. Give us some money,” because they have been getting ready.

Mr. BROWN. We just announced those standards this week, and it is a great example, also, of the inner workings of the Department of Homeland Security.

I wish Congressman Cardin was here, because this is also in response to his question about the private sector.

That was a joint effort between FEMA and EP & R, Science and Technology, Office of Domestic Preparedness and the private sector. There must have been five or six different organizations representing the private sector at the presentation last week, all of whom were involved in the development of these standards for personal protective gear.

At the same time, FEMA has—do not quote me on this—but it seems like it is \$25 million or \$60 million, I forget which it is, of demonstration projects out in the field right now to bring to us the interoperability projects that we competed across the country, that will show us the best practices so that we do not mandate every department, “You can do it this way or you do it this way.”

They bring us the best practices, we pick out the ones we think are the most effective around the country, and we will hold those up and say, "Here's a way for you to do it." Those are due by the end of the year.

So I think we are making pretty good progress in getting those standards and projects out the door.

Mr. SHADEGG. The time of the gentlelady has expired.

The chair would now call upon the gentleman from Nevada, Mr. Gibbons.

Mr. GIBBONS. Thank you very much, Mr. Chairman.

And, Secretary Brown, I do apologize for my absence during your testimony. I have a series of other hearings that are going on at the same time.

Let me turn back, if I may, to an area that was briefly touched upon by my colleague, Ms. Granger from Texas, and that deals with the Emergency Management Performance Grants.

And as you know, that is the one way that many of our states have of employing individuals in the emergency management areas of individual states. And you are proposing a reduction down to 25 percent of the pre-existing funds.

Has the directorate at any time requested inputs in that decision from the states regarding how this decision will affect their operations?

And let me ask my second question—and you may address that as well: Considering states are presently dependent today on federal funds that come from this area for the salaries of their emergency management personnel, rather than having a dramatic impact by this 25 percent allocation this year, have you thought about instituting a less precipitous decline, in other words, a phased-in approach to weaning states into a more self-sufficiency in these cases, other than the approach you have taken today?

Mr. BROWN. That is the first I have heard of the latter, Congressman, and that is something that I would certainly welcome and encourage us to look at.

As to your first question, once the budget hit the streets, we received a lot of information about the impact that this particular decision would have. And I have certainly taken that into consideration and I have read every bit of information that the states have provided to me about it.

Mr. GIBBONS. Have you gone out directly and asked them or has this just been an informal, involuntary response to your operation?

Mr. BROWN. It has been part of both.

Mr. GIBBONS. And you have asked.

Mr. BROWN. I have actually asked, talked to some of the folks at the National Emergency Management Association, including its president, and others about?

Mr. GIBBONS. Have you talked to anyone in Nevada?

Mr. BROWN. Not that I recall, I have not.

Mr. GIBBONS. And when will you make a final determination as to the impact that these states or regions have with regard to your decision? When will you report on that effect?

Mr. BROWN. I just received I think it was just in the past, say, 48 hours the complete breakdown from NEMA about what the im-

pact is across all states and localities. And I have just started browsing through that yesterday.

Mr. GIBBONS. So what you are saying to the committee is that the decision was made before all of the input, all of the data that you have now before you, you have made that decision.

Is there any review process, now that you have this additional information, with regard to the Emergency Management Performance Grants, rather than continuing down the road of a 25 percent cap versus a phased-in approach, as suggested earlier?

Mr. BROWN. I do not know if there is a review process within OMB or not, Congressman, but I will certainly sit with my finance folks and see if there is some way that we can do that.

Mr. GIBBONS. Well, I think that was the one area that a lot of our emergency management personnel in the state of Nevada have expressed to me a great concern with.

They would like to see some adjustment to the policy or the practice that you have just established in this bill.

Mr. BROWN. And I will let you know, Congressman, I share that concern.

Mr. GIBBONS. With that, Mr. Chairman, I apologize to you for being tardy, and I will yield back the balance of my time.

Mr. SHADEGG. I thank the gentleman for his attendance.

Without objection, it is the chair's intention to offer those that remain a second round of questions. And I will begin that round.

Mr. Secretary, I remain somewhat confused about the issue of the ability to deploy the stockpile.

As I understood your answer to a question propounded by Ms. Christensen, it was that you believe you have the authority to turn to HHS and direct them to deploy the stockpile. That would have to arise through some form of executive authority or some form of internal department policy, not statute.

We are in the statute business down here on Capitol Hill. And I guess we are interested in where do you get that authority. Do we need to clarify that in fact you have such authority statutorily or do we need to resolve this issue? Because we would not want to be a position where there was any ambiguity on that type of any issue.

So let me begin with that question.

Mr. BROWN. That is something I think we need to come back and give you more information on. But right now, if we were to have the disaster today, we would probably turn to HHS—we needed to deploy it—and task them through the ESF, through our operations center, to deploy and utilize it.

We are also currently working on—I do not think it is complete yet—an MOU with HHS by which we are defining under what circumstances we have agreed that we will deploy it and they will go do the things we ask them to do.

Mr. SHADEGG. But you cannot say for me at the moment, specific, either executive order or statutory authority?

Mr. BROWN. No.

Mr. SHADEGG. Okay. Well, I agree with you. We need to get the clarification from you because that authority ought to be clarified.

I did not hear, in response to my earlier question, a definitive answer from you on the issue of preparedness versus response. It

seemed to me that in your answers to some other questions I heard you say, "Well, we work with the people doing preparedness elsewhere in the department and we are comfortable with that."

In the absence of a specific grant of authority, and therefore responsibility, I worry, and I think Congress would worry about who to hold accountable on the preparedness issue.

So if in fact, as a practical matter, you are functioning with some of the preparedness functions or responsibilities shifted elsewhere as a working arrangement, again, that looks to me like it ought to be formalized.

And in the creation of new department, sometimes you find you have to fine tune the law to account for a reality on the ground and what actually works.

So let me ask it again: Do you see—and maybe the answer to this is already provided by what you are doing—a value investing the preparedness functions somewhere else as opposed to the response function?

Mr. BROWN. And, Congressman, my answer is this: You must have a link between preparedness and response in order to be effective. If you do not have that link, then I am afraid that Congressman Turner is absolutely correct that FEMA will revert back to its early days of not being effective.

So my job, my goal is to make sure that that link is there wherever and however I can create it and make sure it exists.

Mr. SHADEGG. And I think we ought to explore that further in conversations as we go forward to make sure we clarify it.

Let me ask you a couple of other questions that I had said I would submit in writing to see if we can get a couple of those done.

There are a number of private entities in the Phoenix area that have come together to form a disaster and medical assistance team. A long list of cities in the metro area are interested in participating and yet they have been told that no new teams are being recognized to date.

I realize you are trying to build a capacity of the existing teams over a several-year period. I would like to know what you have learned and when you think we will be able to get an answer on the creation of new teams?

Mr. BROWN. I hate to speculate, because we are truly taking all of the NDMS teams now, doing a complete evaluation. It was started by HHS, but we are doing it kind of now with our personnel the way we do evaluations and assessments.

And I would hope that by the end of this calendar year we at least have an idea of the capacity of all those teams, their location, our ability to strategically deploy them and whether or not we need to increase the numbers.

It is much like the US & R teams. I do not go out and just willy-nilly create new teams until we know exactly what we have and what their capacity is.

Mr. SHADEGG. So at this point, you do not have a date that you can bring—

Mr. BROWN. We have no date, sir.

Mr. SHADEGG. Emergency communication systems, I think they are extremely important. As you know, the broadcasters have been

propounding some idea of assisting along the line of the Amber Alert program.

Can you tell us where the directorate is with regard to those kinds of communications? Are you working with the broadcasters? How close are we to implementing an improved emergency communications system?

Mr. BROWN. I do not know how close we are to coming to a final product, and I will certainly get that information to you.

I will tell you, Mr. Chairman, that we are working incredibly close with Partnership for Public Warning and the broadcasters and all of those groups out there right now to see what do they have and educating them on what we have and see what kind of link-ups we can make.

Mr. SHADEGG. Last question I had.

There are many groups that are interested in participating in crisis counseling and getting crisis counseling grants. I happen to be in communication with NOVA, which is the National Organization of Victim Assistance programs. They would like their trained volunteers to be able to assist in that. And there are others that are interested in participating as well.

Can you tell me whether or not we are looking at expanding the participation in those crisis counseling grants?

Mr. BROWN. We are, Congressman.

I meet probably at least once every couple of months with a private organization about the services they have to offer and how we can either through HHS or through FEMA and DHS itself reach out to some of those to perform programs for us that we think are worthwhile and are going to actually assist victims or communities after a disaster.

Mr. SHADEGG. I thank you, and I look forward to working with you in the future.

The chair would now call upon Mr. Thompson.

Mr. THOMPSON. Thank you, Mr. Chairman.

Mr. Under Secretary, generally every time members of Congress come in contact with police departments or airport authorities, there is always the question of when the terror alert is elevated there are a number of costs that are associated with that.

This committee has looked at legislation creating a reimbursable fund or something of that nature. And I think since the elevated alert is something created by your department, in your opinion, does that make sense?

Mr. BROWN. It is an idea I would have to look at, Congressman.

And I think what I would ask you to do is, as you look at that kind of legislation, work closely with us. Because I know that Secretary Ridge and others, particularly in the Information Analysis and the Infrastructure Protection Group, are looking at the alert system and how do we need to tweak it, refine it, fine tune it.

And so, I think if we work together, we could probably come up with some sort of idea that would help state and locals.

But I would hate to see us both just continue down some path without talking to each other.

Mr. THOMPSON. Well, but you do understand that there are costs associated with the heightened alerts that right now is a burden

on the backs of local government, and the pressures that we feel from those units of government to do something.

Mr. BROWN. Trust me, I understand and recognize what those concerns are.

Mr. THOMPSON. Look forward to working with you.

Mr. SHADEGG. The chairman calls on the gentleman from New York, Mr. King, for five minutes.

Mr. KING. Mr. Chairman, I actually arrived late, so actually I just have a question regarding the BioShield, unless you covered this in your testimony.

I am just wondering, how is the lack of Project BioShield authorization legislation affecting the department's efforts to encourage development of necessary medical countermeasures?

Mr. BROWN. Congressman, I am one of those that understands the three branches of government. And I would encourage you and hope that we get some authorizing legislation.

But I am also a realist and recognize this war that we are fighting right now. And so the department is moving forward. And if we need to do certain things to utilize that funding, we may have to do that in the future. But I would feel much more comfortable if we had an authorizing legislation.

I think the president yesterday encouraged Congress to move on it and get that done.

Mr. KING. Now, with that language not being there, how is the department working to encourage the pharmaceutical and biotechnology companies to develop and manufacture the new vaccines and other bioterror countermeasures?

Mr. BROWN. We are working with some of the pharmaceuticals right now, Congressman, on some of additional new anthrax vaccines, and are fairly close to moving forward on it.

Mr. KING. Can you define what you mean as far as "working," or you prefer not to at this time?

Mr. BROWN. No, I would just say that we are talking about some of the new vaccines that we think we may need in the anthrax area. And we are actually in discussions with them about what we could utilize and how we could fund some of that production.

Mr. KING. Thank you.

Mr. SHADEGG. The chair would call on the gentlelady from the Virgin Islands, Ms. Christensen, for a second round.

Mrs. CHRISTENSEN. Thank you, Mr. Chairman.

I have basically two questions. I would like to follow up on the BioShield because, just to ask basically, how does your directorate interact with the Department of Health and Human Services?

We had many hearings, and I am glad to hear that our delay in really doing the authorizing will not hold up anything that must be done.

But how does the Department of Health and Human Services work with you on that? How does that work?

Mr. BROWN. Well, again, we go big picture. Department of Homeland Security understands what the threat is, based on the intelligence fusion that we do within the department, kind of where we need to be going in terms of preparing for bioterror attacks. The expertise of what kind of pharmaceuticals, what kind of medicines, what kind of antibiotics, that rests within HHS.

So, believe it or not, Congresswoman, there really is this incredible cooperation between the departments about: What do we need? How are we going to go get it? What do you recommend, you know, HHS, in terms of what kind of mediations? Here is the threat that we see and understand, now what are we going to do with the drug companies?

There is that kind of cooperation almost on a day-to-day basis.

Mrs. CHRISTENSEN. Well, I am glad to hear that, but I am always concerned because sometimes it depends on the people that are in the office. And I am not sure that the infrastructure is there to ensure that that cooperation happens.

Mr. BROWN. Of course, it is government, so it always boils down to people.

But I think what you have imposed on the people now within our bureaucracies and all these departments and agencies—at least I know it is true within FEMA and I have seen it within HHS—is this new-found feeling of urgency and necessity that we cooperate and do this.

We cannot be bureaucratic. We cannot be lazy about this stuff. We have to move expeditiously, cooperatively, and we have to forget about these stupid turf wars.

Mrs. CHRISTENSEN. I agree.

In the budget, I guess, under Preparedness, you said—or it is written that in 2005, Preparedness will assess 10 percent of tribal nations, 5 percent of U.S. counties under EP & R's national emergency management baseline capability assessment program, so up by 2009, 50 percent of states, 20 percent of tribes and 25 percent of counties.

Am I to assume that under states, territories is included?

Mr. BROWN. Yes. I am sorry, I was not sure—.

Mrs. CHRISTENSEN. Just want to be sure.

Mr. BROWN. Yes.

Mrs. CHRISTENSEN. Because it specifically talks about counties—.

Mr. BROWN. Yes.

Mrs. CHRISTENSEN. So I can be assured that in that assessment—.

Mr. BROWN. Absolutely.

Mrs. CHRISTENSEN. —the territories are included.

I have no further questions, Mr. Chairman.

Mr. SHADEGG. I thank the gentlelady.

The chair would now call upon the gentleman from Nevada, Mr. Gibbons, for a second round of questions.

Mr. GIBBONS. Thank you very much, Mr. Chairman.

And, Secretary Brown, I had just one area that I would like to question you on.

I did look back and read though your testimony. You talked a brief bit about the Disaster Relief Fund in your testimony and I appreciate that.

My curious thought is, is that looking back at the events of September 11, 2001, the overall cost to the taxpayers of this country that were put into assisting those people in that disaster seemed like a tremendous or an enormous amount of money that was

placed out of the U.S. Treasury into helping those people, and probably rightly so.

My initial question is, is the \$2.1 billion proposal in the president's budget adequate when you consider the overall picture of multiple-city threats that we have had in the latest round of terrorist threat warnings? Do we believe today that what we are asking for is adequate to cover that?

And how much money do you project will remain unexpended in this budget from previous years' obligations with just this \$2.1 billion request?

Mr. BROWN. I would say, first of all, Congressman, that the overall request represents the president's recognition that we need to fully fund the DRF at our historical level of \$2.9 billion.

So that is great news for us. That puts us in a good position of not worrying about getting money out to victims, as we face disasters in the future.

We currently have about \$1.8 billion that is unobligated in the DRF. Our monthly burn rate is about \$300 million a month.

So based on our unobligated amount, our expected recoveries, we think this fully funds us for our historical average over the past five or 10 years.

Now, having said that, if we have another terrorist attack that involves multiple cities, or is something that none of can imagine, all bets are off. And I cannot sit here in good faith and say to you that \$2.9 billion, which is a historical average in the DRF, is sufficient to allow us to respond to or to take care of victims in some unforeseen, catastrophic terrorist event.

Mr. GIBBONS. So much like what the Department of Defense does, it is unable to project where an outbreak of demand or a military action will take place.

You would be looking then to come back to Congress under some sort of a supplemental then if it were necessary to fill this out?

Mr. BROWN. Only if it were necessary, and I would say only in some sort of catastrophic event that causes us to completely deplete the DRF above and beyond what we normally do in a normal disaster year.

In our world, the term "catastrophic" is a term of art, so I am talking about a truly catastrophic event that affects literally tens of millions of people.

Mr. GIBBONS. So the \$2.9 billion is literally your best estimate of what you will need in not only future expectations in the coming year but also to cover your existing obligations from previous years' obligations?

Mr. BROWN. That is correct. That gets us to our historical average over the past five to 10 years.

Mr. GIBBONS. And I would agree: There is really no way to look into the crystal ball and foretell the future.

Mr. BROWN. That is right.

Mr. GIBBONS. Thank you, Mr. Chairman.

Mr. BROWN. Now the chair would call upon the gentleman from North Carolina, Mr. Etheridge, who was here at the outset of the hearing and waived his opening statement and is therefore entitled to eight minutes for questioning.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

And, Mr. Secretary, I apologize for having to step out. But as you know, some of us have two meetings going at the same time. Thank you.

And let me thank you for being in North Carolina last week in bad weather to listen to our first responders. I will not cover that area. I assume you have already covered that adequately. I am sure they explained to you the needs and challenges they face.

Let me go to a couple of other areas in my allotted time.

In the national response plan, states that, "private business and industry play a significant role in helping to mitigate the physical effects and economic costs of domestic incidences."

According to the plan, the Secretary of Homeland Security would urge business to identify their risk, develop contingency plans and to take actions to enhance their overall readiness.

That being stated, in your budget justification document, you mentioned the Business and Industry Preparedness and Response Partnership. Would you describe what this program is and what its goals are?

Mr. BROWN. That is our attempt to reach out to businesses at the state and local level who need to do exactly what you just described. It is in their best economic interest to take care of their employees, take care of their business, just like we have continuity of operations plans, for them to do also.

So this is really an outreach effort to encourage them to do exactly the same thing.

Mr. ETHERIDGE. That being said then, to what degree is the government relying on the private sector to take care of itself?

Mr. BROWN. That is a great question, Congressman. I am not sure that I know the answer to that, but I will get back to you with an answer on that.

Mr. ETHERIDGE. Okay. I think that is important as we, you know, develop this partnership.

Secondly, private sector representatives, were they involved in defining their roles in the emergency preparedness and response? And if so, how? And if not, why?

Mr. BROWN. They were.

We have an incredibly good relationship because of having a private sector office within DHS. Al Martinez-Fonts is the director of that office, a former banker from New York and I think in Texas, who is doing outreach in conjunction, not just with FEMA, but all of the other directorates to bring the private sector to the table so we know what their concerns are and we can have this dialogue about what can they do, how can we help them and vice versa.

It is a great office and I am very thankful it is there.

Mr. ETHERIDGE. That being said, then, how will you know if the business community and the people you are engaging do not follow your suggestions? And will it take a disaster or a major domestic incident to find out whether or not that is happening?

Mr. BROWN. Well, the terse answer is yes. It will probably take a disaster to find out whether they have really done things or not. But I hope we do not rely on that. I hope that we do enough outreach and that we do enough discussions with them that we know what their capabilities are, because we are going to rely upon them in a disaster.

I go back to Hurricane Isabel. It is not the federal government's responsibility to turn on the power. We have to rely upon the utility companies to do that. So we have got to have a good working relationship with them to understand what their capacity is, understand what we can do to assist them, by clearing roads and doing things so they can get in to restring line.

Mr. ETHERIDGE. Let me just make a suggestion in that regard. It seems to me some kind of mechanism for a trial run to sit down periodically for an update would be a great tool, rather than wait to find out—

Mr. BROWN. I agree. I agree, and I will go back to staff and talk to them about.

Mr. ETHERIDGE. Please do.

Let me move to another, if I may.

In your description of the preparedness programs fiscal year 2005 goals, you referenced FEMA's intention to conduct terrorist-related training, as it relates to the increased risk in our nation's schools.

Would you share with us this training program or anything else FEMA is doing to make our schools safer? That is something of I think great interest to all of us, and me very particularly.

Mr. BROWN. Two things. We are going to start an outreach program not only for businesses but for schools also.

Currently, the secretary has a great program that I will tout right now, Ready.gov and 1-800-BE-READY, where we reach out to individuals about what they can do to prepare themselves. We are getting ready to do the same outreach to businesses and schools.

And I wish I had brought with me today our training and exercise schedule for this upcoming month because there are literally hundreds of exercises that we do and we are encouraging at the local level for schools and other entities to be involved in some of those exercises.

Mr. ETHERIDGE. Let me follow that up.

When you talk about schools being involved, are you talking about you are providing resources for them similar to what I assume the schools did in the 1950s and early 1960s with the whole issue of disaster being concerned about the nuclear issues? Or are we just telling them to be aware or what?

Mr. BROWN. We have not reached that level, and I think right now we are just basically doing outreach to the schools and giving them information and encouraging them to be a part of anything that might be going on in the state and local governments.

We are not doing anything specific, exercising them, no "duck and cover" exercises or anything like that.

Mr. ETHERIDGE. Well, it seems to me that to be effective you really need them engaged on the front side rather than on the back side, because they have about all they want on their plate right now.

Mr. BROWN. Congressman, we need everybody at the state and local level involved in this.

Mr. ETHERIDGE. And that would be of great help.

Mr. BROWN. Let me just touch one issue that I guess is now a couple years ago.

Congress passed a bill that I had introduced and a lot of my colleagues to sign on—I think most all of them here have—regarding the flood indexing system, similar to the Saffir-Simpson Scale on wind, to deal with on floods as related to the whole issue of mitigation.

And one of FEMA's stated goals is to develop and update existing public warning and communications guidance material for states and local jurisdictions.

Mr. ETHERIDGE. And my question to you: Is the funding and development of this flood warning system included in this plan?

Mr. BROWN. I do not know. And I am not familiar with that. I need to find out more about that.

Mr. ETHERIDGE. Would you check the matter? Because it should be coordinated. NOAA, I know, is working on it. Got money appropriated last year and it ought to be a part of FEMA's deal.

Because the goal was to get an index so that if, you know, a hurricane is coming in and flood waters are moving, the way that this will let people know that "you are not having a flash flood." What does that really mean?

Mr. BROWN. Right.

Mr. ETHERIDGE. Is it six inches or six feet?

Mr. BROWN. I will find out more about that.

Mr. ETHERIDGE. Thank you.

And finally—for my time is almost out—while we continue to focus on the immediate threats of homeland security and natural disasters, they still are the big issue that most state and local governments deal with.

I know in my home state, we sort of stick out there and, you know, we get hit with about every hurricane or tornado or flood, et cetera. And in the 2003 law that took effect, they changed the post-disaster Hazardous Mitigation Grant program from 15 to 7.5 percent of the disaster cost. This change has put major hurt on local governments and others.

How would you see that mitigation across the nation would improve if we restored that back to the 15 percent?

Mr. BROWN. Well, if there are additional resources, we would certainly use those to just do more mitigation projects around the country.

But I think the president struck a pretty good balance of doing both pre-disaster and post-disaster, because I do not think we should really favor one over the other. We ought to convince people as much as possible to do as much pre-disaster mitigation as they can because in the end that will save the taxpayers money.

Mr. ETHERIDGE. But if we do not do it, we are going to pay anyway.

Thank you, Mr. Chairman.

Mr. SHADEGG. The time of the gentleman has expired.

The chair would now call upon the chairman of the full Select Committee on Homeland Security, the gentleman from California, Mr. Cox.

Mr. COX. Thank you, Mr. Chairman.

Welcome again, Under Secretary Brown.

I just want to follow up on the chairman's questions in the discussion that the two of you had because, as you know, we are writ-

ing legislation to completely overhaul the way we do first responder grants.

And I want to get your sense of our legislation and in particular the role that your directorate plays or might play under our legislation in first responder grant making?

Mr. BROWN. Mr. Chairman, I would love to see this directorate play as significant a role as you and the president can work out, because I think that this particular directorate has the best relationship with the first responders. We understand what their needs are.

And I might add, when I talk about first responders, I am talking about not just the firefighters, but it goes all the way to the public health officials, the public works people, law enforcement, all of those folks that respond initially to a disaster of any kind, and that is who we have the relationships with, that is who we have to rely upon and work with every single day before a disaster occurs and after one occurs.

So to the extent possible, I would like to see us evolve as much as possible in that relationship, in that future relationship.

Mr. COX. I am just getting a note about some of what was discussed while I was out of the room.

In our legislation, we are proceeding from the premise that before 9/11 there were priorities for first responders that haven't anything to do with terrorism and that post-9/11, those priorities are still there, that we had grant programs established for pre-9/11 programs and that we do not want to rob Peter to pay Paul in the post-9/11 environment.

So we want to protect those programs from being stretched to do double duty and rather make sure that we are focused in addition to those pre-9/11 missions on the new mission of homeland security, which ought to be threat-based, we ought to be matching our known vulnerabilities to the threats that our intelligence analysis within homeland security tells us we face, the known capabilities and intentions of our would-be terrorist enemies.

The discussion of an all-hazards approach tends to fudge this principle in the sense that what we are trying to do is make sure we can maintain an all-hazards approach by not shortchanging these pre-9/11 programs. And we have had a lot of favorable response from the first responder community for this reason.

What I hear coming from the department, on the other hand, is that in order to maintain an all-hazards approach, we have to mix all of these grant programs together. I wonder if you could help us by giving us your views on that?

Mr. BROWN. I was trying to listen very closely to what you said. And the second way that you said it I thought really summed up at least my philosophy and that is that you must always have the all-hazards approach.

And what you are trying to find is, is this right mix such that the dual-headed things that are both a natural disaster or a non-terrorist incident that is still—you know, you can have a chemical attack or you can have a chemical incident that is not terrorism that is going to require the same kinds of things, whether it was—if it was terrorism.

You are going to have those same kinds of incidents where equipment crosses both boundaries, a natural disaster and a man-made intentional or nonintentional incident. And what you have to do is strike the balance such that you do not denigrate one or any of the above.

Mr. COX. Well, let me be as precise as I can in asking it.

My concern is that we are going to lose the focus of the FIRE grant program and we are going to lose the focus of homeland security because we are spending money in ways that are so malleable and so fungible that there is no accountability.

If being prepared to respond to a chemical spill or a forest fire were the mission of the Homeland Security Department, I do not think I would have voted to create it because, to be honest with you, we already had that focus at FEMA. We already had a government that was prepared at the federal, state and local levels to deal with that.

What we need to do to make sure that—and you have heard it said many times that we do not want homeland security dollars to be buying people new fire trucks. We have talked about mutual aid in lots of ways to ensure against that. But we do, on the other hand, want people to have new fire trucks. We do want them to be prepared for fires and all the things that happened before 9/11.

So I am worried that we are going to get the worst of all possible worlds if we bastardize the FIRE grant program, just to use that as one example, and try and make it do double duty as a homeland security program and we do not have any program in the federal government that is focused on the mission of the Homeland Security Department, which is to prevent, prepare for and respond to acts of terrorism, acts of mass murder that are different from all these other, you know, all-hazards events.

Mr. BROWN. But now I want you to come down here and sit in my chair, because that is exactly what I have to do, Mr. Chairman, is that I have to—FEMA has to be able to respond to all of the above.

Mr. COX. And so do our first responders.

Mr. BROWN. Right, they do.

Mr. COX. And is there going to be a grant program that is focused on homeland security, or are grant programs going to be just focused all over the place—unfocused as it were—so that we do not have any accountability from reaching our homeland security objectives, which are measurably distinct from the pre-9/11 program?

Mr. BROWN. I do not know. And I certainly do not want to tell you or even suggest how to do your business.

But it seems to me that there has got to be some mechanism by which you do not lose both of those objectives. And whether that is a formula, whether that is two separate grant programs, I do not know. That is something that all of you will have to decide.

But you cannot lose the basic capacity—and again, speaking with my FEMA hat on here, I cannot lose the ability to respond to the wildfires in California at the same time that I cannot lose my ability to respond to another 9/11 attack.

And so that is the dual hat that I wear, and so that is why I struggle when I hear about we can not lose either one. That is

what I struggle with every day. I cannot lose either one of those capacities.

Mr. COX. How does moving ODP into the Office of the Secretary help you do your job at EP & R?

Mr. BROWN. Well, will make certain that whatever connectivity I need to create out of my portion of the department in ODP that I will create that connectivity so that I do not lose that tie between preparedness and response because I have to keep that.

Mr. COX. I think this committee is very interested in making sure that the expertise within your directorate is added to the DHS grant-making process for homeland security. And one of the reasons we are taking the approach that we are taking in our legislation is to ensure that result.

Well, we will look forward to continuing to discuss the legislation specifically with you and also ways that we can achieve what you have been talking about here today, which is a focus on preparedness as well as on response, a focus on the entire role of the EP & R Directorate, not just the legacy FEMA part.

Mr. BROWN. You know, Mr. Chairman, it does have to be both of those for us to be effective.

Mr. COX. I thank you, Mr. Chairman.

Mr. SHADEGG. I thank the gentleman for his questions.

As he knows from our personal conversations, I struggle with the issue that you raised in your questioning. I am having a hard time seeing the connection between the function of FEMA with regard to natural disasters fitting within the concept of homeland security. And I think this is an issue we ought to explore.

Of course, responding to natural disasters is an important function and one for which this Congress, as you can tell from the questioning today, wants to hold you accountable and wants you to do a great job for the people of America.

I continue to be worried, as I have expressed to you and I have expressed to the chairman of the full committee, about whether or not we are losing focus on the function of preparedness and response for terrorist attacks.

And as I have pointed out to you, there is at least one distinguishing characteristic between natural disasters and terrorist attacks, and that is you can do something to stop a terrorist attack within the realm of reason, where it is pretty difficult to do something to stop a hurricane within the realm of reason.

So I look forward to continuing to work with you on that point.

The chair would now call upon the author of the Congressional Accountability Act, the distinguished gentleman from Connecticut, Mr. Shays.

Mr. SHAYS. Thank you, Mr. Chairman. Thank you for conducting this hearing and thank you to the staff for all its good work.

I first want to just have a sense from you, Mr. Brown, if you would, as head of the directorate for EP & R, you ARE not the FEMA director, but what are you?

Mr. BROWN. I actually carry kind of a dual hat. I am the Under Secretary of Emergency Preparedness and Response and the Director of FEMA. FEMA is, in essence, what is in EP & R.

Mr. SHAYS. Okay. But is that 90 percent of what is in EP & R?

Mr. BROWN. Well, it depends on how you want to make the analysis. If it is the numbers of personnel, yes, 90 percent of it is FEMA. If it is—well, actually, probably if you do it on any basis—personnel, money, whatever—it probably is FEMA.

Mr. SHAYS. Is the National Domestic Preparedness Office up and running within your organization?

Mr. BROWN. Yes, that is what we inherited, NDPO, from the FBI, I believe.

Mr. SHAYS. And how many people do you have in that?

Mr. BROWN. I do not think any people came with it. Nope, it came with no people.

[Laughter.]

Mr. SHAYS. So it is there but it is not there?

Mr. BROWN. Well, it is there and I have taken folks in my Preparedness Office and given them those responsibilities, but it came with no people or money.

Mr. SHAYS. Why would people not have come with it? I mean, how many people were there when it was under the Department of Justice?

Mr. BROWN. I would have to get that information for you, sir. I do not know.

Mr. SHAYS. Well, it would be something I would want to know if I were in your position.

Can you give me a sense of what I know you are wrestling with?

And first off, we have to cut a lot of slack to DHS and still keep pushing, because it is a mammoth task and I know we are getting safer every day.

But I have this gigantic concern that we are wasting resources and we do not know how to evaluate the resources we are spending.

For instance, I do not yet know what DHS is doing with the capability studies of communities. When is that going to be completed? When will you know their capabilities?

Mr. BROWN. Well, FEMA has already done its—and we have done on an ongoing basis—our CARs, Capability Assessment Reviews, so we have in house our assessments from an all-hazards point of view.

And I will go back and ask the department what their—I mean there must be something else going on within ODP where they are doing—

Mr. SHAYS. You see, what we do not have, and Mr. Cox has put it in his bill, we do not have from the Department of Homeland Security really a set of standards yet to evaluate what we are giving the first-line responders.

Mr. BROWN. See, we have that within FEMA. I mean, FEMA has the ability to go back and find out what are our assessments of the states and locals, our assessment of did they use the money we gave them for the purposes for which we gave it, what kind of increasing capability did we get for that? We have that capacity within FEMA.

Mr. SHAYS. When you say you know what local—you cannot tell me what Kent, Connecticut, needs. You cannot tell me the capabilities of Kent, Connecticut, which is not in my district—I am using a small somewhat innocuous town.

But Kent, Connecticut, is getting money and being provided certain capabilities by DHS, which it simply may not need, but we are giving it to everybody because we do not have standards to know if New York—how do we determine what the threat is to New York and therefore New York City? Therefore, what is the threat to neighboring communities?

And so we may be giving per capita something to Kent, Connecticut, that we give to the same community in Westport, Connecticut, and yet we do not know if that is wise to do.

And I am just trying to figure out when we get that done. Are you saying that is outside your area of expertise and jurisdiction?

Mr. BROWN. It is. But I am saying that we also have within our area of expertise the ability to do assessments of the states and locals to find out what their abilities are, at least from a natural hazards point of view. And I think that can be a model for what we do department-wide.

Mr. SHAYS. Well, this is my confusion, but it seems to me FEMA is in the best position to have initiated within the Department of Homeland Security what first-time responders need.

Mr. BROWN. I think we do have the capacity, sir.

Mr. SHAYS. But we have not done it yet?

Mr. BROWN. I think ODP and other parts of the department are doing their analysis of what they think they are, of what their capacity—

Mr. SHAYS. Are they interfacing?

Mr. BROWN. —based on a threat analysis.

Mr. SHAYS. Right. And how are they using your part of DHS to do that?

Mr. BROWN. I will get back to you on that, Congressman.

Mr. SHAYS. Thank you, Mr. Chairman.

Mr. SHADEGG. Mr. Under Secretary, I want to thank you again for your hard work on behalf of the American people. I also want to thank you for your work in preparing for today's hearing and for your thoughtful answers to our questions.

It is highly likely that other members of the committee will have follow-up questions which will be submitted to you, and we look forward to a timely response to those.

For the record, let me announce that the hearing record will remain open for 30 days for the submission of additional questions by other members of the subcommittee.

And with that, the subcommittee will stand adjourned.

[Whereupon, at 12:28 p.m., the subcommittee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE RECORD

QUESTIONS FOR THE RECORD FROM THE HON. BENNIE G. THOMPSON FOR THE HON.
MICHAEL D. BROWN

The Subcommittee remains concerned that multiple assessments of state and local capabilities are being conducted by multiple organizations within the Department of Homeland Security (DHS). The Subcommittee is unclear as to the purpose of these assessments and how this assessment information is being shared within DHS.

Question 1: What assessments of state and local government capabilities have been conducted by the Emergency Preparedness and Response Directorate (EP & R)?

Answer: EP & R sponsors or has sponsored several capability assessment initiatives at the State and/or local levels:

1. The National Emergency Management Baseline Capability Assessment Program (NEMB-CAP)
2. Geospatial Preparedness Needs Assessment
3. Needs Assessment of the U. S. Fires Service (prepared by the National Fire Protection Association).

Question 2: Please describe the purpose of these assessments, and provide the results of these assessments with the Subcommittee. If the content of these assessments is sensitive or classified, please schedule and provide the Subcommittee with a classified briefing on these assessments.

Answer: 1. NEMB-CAP is a voluntary, multi-year effort to assess, analyze, evaluate, and collectively frame state emergency management capabilities against a common national standard. For this effort, FEMA is employing the Emergency Management Accreditation Program (EMAP) Standard and associated assessment methodology. The assessment methodology involves the State completing a comprehensive self-assessment, followed up with an on-site, week-long assessment visit by a team of trained, independent peer assessors. FEMA will analyze reports to identify individual and collective capability strengths and weaknesses, for the purpose of establishing a national capability baseline and helping the Department of Homeland Security (DHS) to target homeland security and emergency management assistance strategies to areas of greatest common need. Actual assessments of state and state-level jurisdictions began in January 2003, and are projected to be complete by the end of 2005, at which time a final report will be prepared.

2. The Geospatial Preparedness Needs Assessment (initiated by FEMA, subsequently transferred to the DHS/Office of the Chief Information Officer (OCIO)) was initiated to determine the current level of geospatial preparedness among State, local, and Tribal emergency management and first responders, based on information collected from a series of needs assessment workshops held within FEMA Regions. A final report has not been released.

As of June 14, 28 states/state-level jurisdictions have completed assessments. NEMB-CAP Progress Reports are prepared by FEMA at six-month intervals. The Progress Report for the first six-months of assessments was published in the fall of last year. The second Progress Report (reflecting the status of assessment findings through CY 2003) is currently being prepared and should be available in July. Attached is a copy of the progress report for the first six months of assessments.

3. Needs Assessment of the U. S. Fires Service. PL 106-398, Section 1701, Sec. 33 (b) required that the Director of FEMA conduct a study in conjunction with the National Fire Protection Association (NFPA) to survey fire service personnel on their current roles, activities, and funding priorities. . This study was published in

January 2003, and can be reviewed at the following link: (<http://www.usfa.fema.gov/downloads/pdf/publications/fa-240.pdf>).

Question 3: What other assessments of State and local government capabilities are being conducted by DHS? Does the EP & R Directorate have access to these assessments, and if so, please describe the mechanism for your access to these assessments.

Answer: Multiple assessments are being conducted within DHS, in pursuit of functional area requirements. FEMA has or can gain access to these assessment reports, based on need.

Question 4: What mechanism is utilized by DHS to ensure that the content of all state and local assessments is not duplicative, and how are the results of all assessments coordinated and shared within DHS to develop a comprehensive picture of state and local capabilities?

Answer: DHS has developed an implementation strategy for HSPD-8, a key objective of which is the reconciliation of duplicate reporting requirements. The Office for Domestic Preparedness is leading that effort. EP & R will be establishing a single web-based compliance assurance mechanism under the National Incident Management System (NIMS) Integration Center. This tool, the National Incident Management Compliance Assurance Support Tool, will provide positive assurance that state and local jurisdictions are in compliance with the NIMS, and will include linkages to other assessment systems that support incident management preparedness.

The EP & R Directorate's FY 2005 budget eliminates funding (\$50 million) for the Metropolitan Medical Response System (MMRS), stating that the program largely duplicates activities funded by the Department of Health and Human Services. In response to questions about the MMRS program from the Subcommittee, you stated that EP & R had conducted an assessment of the progress of MMRS program participants, and that these participants had achieved their "baseline capability."

Question 5: What is the baseline capability of an MMRS participant, and how was this capability determined?

Answer. The MMRS original jurisdictional contract requires a series of deliverables. These deliverables cover an array of capabilities considered essential to being able to respond to a mass casualty/weapons of mass destruction WMD event. Adequacy of the deliverables is assessed by the Regional Project Officers (POs) using an evaluation checklist. PO approval is required before the jurisdiction can voucher for payment. We utilize the 12 deliverables established between 1999-2001 that were put in place by the Department of Health and Human Services (DHHS).

Deliverable

1. Meeting with Project Officer
2. Development plan
3. MMRS plan
4. Forward movement of patients
5. Plan for responding to a chemical, radiological, nuclear, or explosive WMD event
6. Plan for Metropolitan Medical Strike Team (MMST) if it is a component of your MMRS
7. Plan for managing the health consequences of a biological WMD
8. Local hospital and healthcare system plan
9. Plan for identifying training requirements along with training plan
10. Provide a list of pharmaceuticals and equipment along with maintenance plan and procurement timetable
11. Progress reports
12. Final report

Planning and preparedness efforts are ongoing and, by definition, are not complete. As of today, 77 out of 124 MMRS jurisdictions, or over 60 percent of all program localities, have completed their baseline capability development. All 124 MMRS jurisdictions however have active contracts that provide for approved deliverables. For some of these contracts the period of performance extends to December 19, 2005. Fiscal Year 2004 MMRS funding for jurisdictions is being provided through grants, period of performance October 1, 2004 to March 31, 2006. . Sustaining and enhancing these capabilities is within the scope of the Administration's budget request.

Question 6: Please provide the Subcommittee with a copy of the results of the assessment report that determined that the MMRS participants have achieved their baseline capabilities. If the content of this assessment is sen-

sitive or classified, please schedule and provide the Subcommittee with a classified briefing on this assessment.

Answer. For each required deliverable, there are assessment criteria contained in the Contract Deliverable Evaluation Instrument to determine whether the MMRS jurisdiction has met the terms of the contract, addressing all the elements of each deliverable specified in the contract. The MMRS jurisdiction submits the deliverable to an assigned PO, who then evaluates it, ensuring the jurisdiction has complied with the contract. Upon evaluation, the PO may return the deliverable to the jurisdiction for further work, or submit it to the Program Manager for final approval. Attached is the 2002 Contract deliverable instrument for your review.

As you know, the Emergency Management Performance Grants (EMPG) Program is an important grant mechanism that supports the state and local emergency planners. The fiscal year 2005 President's Budget request reduces the funding level for this program from current levels, and places a 25 percent limit on what can be spent on personnel. In response to questions from the Subcommittee, you stated that EMPG resources not utilized for personnel would now be utilized for state and local training and exercises.

Question 7: How does EP & R plan to increase state and local training and exercises while at the same time reducing the state and local personnel who would need to attend training and conduct exercises?

Answer: The President's Budget does not propose any reduction in State and local personnel, as State and local public safety and emergency response staffing levels are not dictated or controlled by the Federal government. The President's Budget seeks to emphasize the importance of conducting training and exercises using Emergency Management Performance Grant (EMPG) funds, and as such places a limit on the percentage of funding that can be spent on direct support of personnel salaries. Ensuring that public safety and emergency response functions are appropriately staffed at the State and local levels continues to remain a fundamental State and local government responsibility. As outlined in HSPD—8, Federal grants should contribute to new capabilities, not just offset the cost of permanent state and local employees.

Question 8: If the President's budget proposal is approved what are EP & R's plans for distribution of the EMPG funds to enhance state and local training and exercises?

Answer: DHS plans to distribute the Fiscal Year 2005 EMPG as part of a single, integrated overall grant application process, providing simpler access to funding while preserving all key aspects of the program, including guidelines for how funding may be used. The integration of Citizen Corps grants into ODP's State grant application process in fiscal Year 2004 provides a successful model on which to base the EMPG transition. Funding distributed to States under the EMPG grants will support a range of activities, including enhancing State and local training and exercises, in support of each state's Homeland Security Strategy.

For the second year, the President's budget proposes to consolidate funding previously provided through the National Pre-Disaster Mitigation Fund and the National Flood Mitigation Fund (for the Flood Mitigation Assistance (FMA) program). The two funds are authorized in separate statutes, have separate regulations, have separate priorities, and are separately administered (although the programs are similar in several respects). The PDM program is supported by general revenue, while the FMA is supported by a fee assessed on flood insurance policies. The different sources make it important to keep the two programs separate, even for accounting purposes.

Question 9: If the funds are consolidated as proposed, how will the Federal Emergency Management Agency (FEMA) maintain separate accountability to ensure that the National Flood Mitigation Funds are used only for activities that, as set forth in the National Flood Insurance Reform Act of 1994 are in the best interests of NFIP?

Answer: For administrative ease the funding for Pre-Disaster Mitigation (PDM) and Flood Mitigation Assistance (FMA) are combined for purposes of the appropriation. At the Agency level, they are separated into the two statutorily authorized Funds servicing the respective programs. If appropriations are consolidated as proposed, FEMA will continue to maintain separate accountability through distinct financial management program codes. This will ensure that the National Flood Mitigation Fund grants are for State and community flood mitigation plans and projects only as set forth in the National Flood Insurance Reform Act of 1994. It will also ensure that the two funds will be accounted for separately.

Between 200 and 300 FEMA staff positions are supported (in whole or in part) by the National Flood Insurance Fund. This practice started in 1990 and is an important but little-known aspect of the NFIP's claim to being self-supporting. However, it means that just 4.4 million citizens are paying for a significant number of federal employees. Those employees directly work on the NFIP, floodplain management, and flood hazard mitigation further the purposes of the NFIP, and are necessary to maintain and manage an effective National Flood Insurance Program and to further reduction of the impacts of flooding. At this time when a number of FEMA staff have been detailed to other functions, it is unclear how many positions are funded by the NFIP, what their functions are, and how they relate to the NFIP.

Question 10: How many FEMA staff positions are supported by income from the NFIP's 4.4 million policyholders in fiscal year 2004? How many FEMA staff positions are proposed to be supported by the NFIP's in fiscal year 2005?

Answer: For fiscal year 2004, the National Flood Insurance Program (NFIP) funds 271 flood staff positions. Additionally, FEMA requested 271 NFIP staff positions for fiscal year 2005.

Question 11: Please provide the Subcommittee with a list that identifies these positions by location in FEMA's organizational structure, including regional offices, and by their functions as they relate to the NFIP. Please indicate if there are any staff that have been detailed to other FEMA or DHS functions, but continue to be funded by the NFIP.

Answer: At FEMA Headquarters, there are 68 insurance employees and 66 floodplain management employees for a total of 134. This number includes a staff position in the Office of General Counsel that focuses on NFIP legal issues and an employee detailed to FEMA's Office of Plans and Programs whose primary responsibility is to facilitate the preparation, review, and evaluation of the NFIP's budget and performance. Additionally, there are 137 floodplain management employees in FEMA's ten regional offices. These employees provide support and direction for floodplain management, flood hazard mitigation, and flood hazard identification activities with State and local governments. A breakdown by region is provided below.

Region I-11
Region II-13
Region III-15
Region IV-21
Region V-14
Region VI-20
Region VII-11
Region VIII-10
Region IX-13
Region X-9

Although we have increased our focus on the immediate threat of terrorism, natural disasters are the prevalent emergencies that state and local governments deal with daily. In February 2003, a law took effect changing the post-disaster Hazard Mitigation Grant Program formula from 15 percent to 7.5 percent of disaster costs. This change has cut in half the opportunities to mitigate disasters, especially in areas that have experienced multiple federally-declared disasters. In response to questions for the Subcommittee, you state that the President's request to implement both pre- and post-disaster mitigation programs gave you the best of both worlds, and would help you to mitigate disaster damage. Using your budget estimates for the average annual cost of disaster and emergency declarations (\$1.656 billion), an additional \$124 million would be available for post disaster mitigation projects in fiscal year 2005 if the formula for this program was restored to 15 percent.

Question 12: In what ways would mitigation across the nation improve by restoring the Hazard Mitigation Grant Program formula back to 15 percent?

Answer: The President's Fiscal Year 2005 budget provides the correct balance between pre- and post-disaster mitigation funding. Pre-disaster mitigation is available to all States on a competitive basis and allows mitigation projects to be completed prior to a disaster, thus lessening the loss of lives and property if a disaster strikes. In addition, States are able to address mitigation projects through the post-disaster Hazard Mitigation Grant Program (HMGP).

In response to a question from the Subcommittee, you state that FEMA continues to respond to disasters in exactly the way it has in the past.

Question 13: In the future, as the National Response Plan becomes more fully implemented, will FEMA continue to respond exactly the way it has

in the past? The National Response plan calls for the designation and integration of a Principal Federal Official (PFO), appointed by the Secretary of DHS, to lead the Department's efforts in response to a disaster. Have any PFO's been dispatched to represent DHS in federally declared disasters? What is the proposed relationship between the PFO and the Federal Coordinated Officer—who is appointed by the President?

Answer: The Secretary has not designated a Principal Federal Official (PFO) for a Presidentially declared disaster or emergency to date. Federal Coordinating Officers (FCOs) have continued to be appointed as in the past. As stated in the Initial National Response Plan, for incidents of national significance, the Secretary may designate a Federal officer to serve as the PFO to act as his representative locally and to coordinate Federal activities. The roles and responsibilities of the PFO include:

- Representing the Secretary of Homeland Security as the senior Federal official on-scene to enable the Secretary to carry out his role as the PFO for domestic incident management;
- Ensuring overall coordination of Federal domestic incident management activities and resource allocation on scene, ensuring seamless integration of Federal incident management activities in support of State, local and tribal requirements;
- Providing strategic guidance to Federal entities and facilitating interagency conflict resolution as necessary to enable timely Federal assistance to State, local, and Tribal authorities;
- Serving as a primary, although not exclusive, point of contact for Federal interface with State, local, and Tribal government officials, the media, and the private sector for incident management;
- Providing real-time incident information, through the support of the Federal incident management structure on-scene, to the Secretary of Homeland Security through the Homeland Security Operations Center (HSOC) and the Interagency Incident Management Group (IIMG), as required; and
- Coordinating the overall Federal public communications strategy at the State, local and Tribal levels and clearing Federal interagency communications to the public regarding the incident

The PFO is selected by the Secretary. The Secretary will provide formal notification of the appointment of the PFO to Governor(s) of affected State(s) and to Federal departments and agencies. A PFO can be pre-designated to support a specific jurisdiction, or a DHS Regional Director (DHS RD) may be tapped to serve as a PFO depending on the situation. It is most likely that a PFO will be appointed only for incidents or high visibility events with significant national or regional implications such as significant terrorist events causing considerable destruction, catastrophic natural disasters, and complex non-Stafford Act emergencies.

The PFO provides senior leadership, strategic guidance, and operations integration for catastrophic events, terrorist incidents, and other high visibility, multi-state, multi-jurisdiction events. The FCO, on the other hand, provides the leadership for managing Federal resource support in a multi-hazard context. When both a PFO and an FCO have been assigned to a specific incident, the FCO will coordinate with the PFO and work closely with representatives of other Federal agencies. In situations where a PFO has not been assigned, the FCO leads the Federal components of the Joint Field Office (JFO) and works in partnership with the State Coordinating Officer (SCO).

Question 14: Recently (March 1, 2004), DHS announced that it had activated Homeland Security Task Force Southeast (HSTF-SE) to provide a single command and support structure to oversee increased operations in the Windward Pass and coastal South Florida as a precautionary response to the situation in Haiti. FEMA was identified as a participant in this task force and the "normal" disaster response structure that you believe FEMA still utilizes? Are these "task forces" identified in the National Response Plan, and if so, what is their role?

Answer: FEMA is a full participant in the Caribbean mass migration contingency planning effort. Other components within DHS have primary responsibility and authority for response to such a contingency. This includes the Immigration and Nationality Act, as well as other authorities. FEMA supports the response of these other components and is prepared to act within the scope of its authorities in the event that contingencies arise that establish the necessary predicate for a Stafford Act declaration.

Homeland Security Task Force Southeast is part of contingency planning for a Caribbean mass migration. The essential role of the Task Force is to integrate the

capabilities and activities of DHS components into a unified response effort with other entities that have relevant responsibilities for mass migration. Once the National Response Plan (NRP) is promulgated, other specific Federal interagency emergency or incident management plans will require modification to ensure full alignment with the NRP structure. Caribbean mass migration planning will be subject to this requirement for alignment.

The Subcommittee is concerned that the legacy FEMA people and programs are losing core areas of responsibility as DHS continues to grow. The National Response Plan and the National Incident Management System no longer retain a heavy emergency management focus, the first responder grant function has been moved to ODP, and the regular interaction between FEMA and state and local personnel has been, in part, taken over by other components.

Question 15: Can you explain why FEMA, which was a very well performing agency before DHS, is not leading these efforts?

Answer: Substantial effort is being made to consolidate and integrate all of the different disaster response programs, teams, and assets in DHS. FEMA is designing new approaches and implementing new efficiencies that will result in a more unified, integrated, and comprehensive approach to all-hazards disaster response. The improved coordination of all response programs and efforts to introduce a new response culture will make DHS better able to elevate operational disaster response capabilities to a whole new level of proficiency, one that will further the principles of the NRP and NIMS and better serve the American people.

Title V of the Homeland Security Act of 2002 makes the Under Secretary of the Emergency Preparedness & Response responsible for “helping to ensure the effectiveness of emergency response providers to terrorist attacks, major disasters, and other emergencies” and for “building a comprehensive National Incident Management System [. . . for . . .] such attacks and disasters.” The Act also requires FEMA to retain its functions and responsibilities under the Stafford Act.

FEMA continues to support all-hazards emergency preparedness, training, and exercises on the basis that the management of the consequences from any event has numerous essential elements that may need to be supplemented by special actions for some events.

Operational planning is a key Preparedness function, and FEMA has years of experience and accumulated expertise planning for, responding to and recovering from emergencies and disasters. Accordingly, FEMA was asked to lead a Departmental and interagency effort to develop the National Response Plan—Catastrophic Incident Annex (NRP-CIA).

FEMA is responsible for leading an intra-departmental and interagency effort to stand up the NIMS Integration Center and to promulgate NIMS across the Nation. FEMA played a large role in the development of the NIMS document. In addition, FEMA continues to work closely with ODP and the grants one-stop shop to support the programmatic efforts to administer these grants as intended by Congress.

In your prepared testimony, you stated that one of your fiscal year 2004 priorities is to publish “equipment interoperability standards.” There seem to be a number of DHS organizations working on these standards.

Question 16: What is the division of responsibility for developing standards among EP & R, the Science and Technology Directorate, the Office of Domestic Preparedness, and any other DHS organizations involved in developing standards?

Answer: Several directorates within DHS will be addressing standards development and coordination between these directorates is vital.

The Science and Technology Directorate (S & T) will develop and coordinate the adoption of standards and appropriate evaluation methods to meet homeland security needs. S & T will work with EP & R and ODP to ensure appropriate standards are available for all first responder equipment needs.

EP & R will work closely with S & T to identify emergency management standards and determine critical gaps in standards that need to be addressed by the Department. EP & R will build upon existing research to identify critical standards by each discipline and function and gaps among those standards that impact the ability of emergency managers and responders to provide a consistent and uniform response to any incident. As part of its strategy, EP & R will develop a plan to address the gaps and shortfalls identified in order to provide a comprehensive analysis to S & T to ensure the Department uses a coordinated approach to address standards development in those areas.

EP & R in collaboration with relevant agencies and organizations responsible for the development of standards will develop interim “field standards” and identify the responsible entity for implementing the required standard. This process will be inte-

grated into the NIMS and the NIMS Integration Center (NIC). The NIC will coordinate the development of standards by facilitating the development and publication of national standards, guidelines, and protocols for the qualification and certification of emergency responder and incident management personnel as appropriate.

Question 17: What is the role of the EP & R Directorate in the Department's interoperability communications plans? Specifically, how is your Directorate involved with the Secretary's announced plans to deploy interim technologies for patching different radio systems?

Answer: The Science and Technology Directorate is leading the RapidCom initiative, under the auspices of the SAFECOM Program. This technical assistance effort will leverage existing technologies and funding in ten cities to reach an interim emergency-level communications interoperability capacity.

This effort is distinct from grants awarded by EP & R in 2003, in coordination with the Department of Justice COPS office and Project SAFECOM, to provide competitive funding to jurisdictions for demonstration projects to increase communications interoperability among the fire service, law enforcement, and emergency medical service communities. Thirty-one awards of up to \$6,000,000 each were awarded to various jurisdictions. SAFECOM common grant guidance was incorporated in both the COPS and the FEMA programs. These projects are currently underway, with a scheduled completion by date of September 2004. The lessons learned will guide future communications equipment funding so that all purchases meet an interoperability performance standard. While none of the 17 FEMA grantees are part of part RapidCom, three of the 13 COPS grantees are.

Question 18: What equipment will EP & R publish standards for?

Answer: EP & R is not publishing any standards for equipment. However, EP & R is working closely with the Science and Technology Directorate on its development of equipment standards for first responders.

Question 19: When exactly will these standards be published? Will they be actual standards, or "technical specifications" as stated by the Secretary on February 23, 2004?

Answer: EP & R is not publishing any standards for equipment. EP & R is working closely with the Science and Technology Directorate on its equipment standards for first responders.

Question 20: Who should state and local governments look to within DHS for definitive guidance on equipment standards?

Answer: S & T will provide definitive guidance on equipment standards, with significant input, guidance, and coordination on emergency management-related standards from EP & R.

DHS and EP & R Directorate do not appear to be taking an active role in preparing for the threat of bioterrorism. The Department of Health and Human Services is taking the lead in Project BioShield and the Strategic National Stockpile. DHS is eliminating the Metropolitan Medical Response System, by suggesting that ongoing programs at HHS will meet the goals of that program. But according to the ANSER Institute, "there has been inadequate connection between DHS and HHS to prepare for and respond to biological terrorism."

Question 21: What formal mechanisms have been established between DHS and HHS (e.g., work groups, task forces) to coordinate the preparedness and response for bioterrorism incidents? Please provide the Subcommittee with any documents related to this coordination.

Answer: The NRP identifies roles and responsibilities among key Federal agencies that participate in response to a disaster. The NRP includes formal mechanisms between DHS and HHS intended to coordinate the preparedness and response for bioterrorism incidents. HHS and DHS are currently working together on various aspects of the NRP, including Emergency Support Function #8—Health and Medical Services. In addition to collaboration on developing these mechanisms, the threat of bioterrorism is being addressed further by the two agencies via several national programs, such as MMRS, the National Disaster Medical System (NDMS), and the National Response Plan—Catastrophic Incident Annex (NRP-CIA). Additionally, a surge capacity working group has been formed with stakeholders from DHS, HHS, and various Federal agencies.

Question 22: Have DHS and HHS developed a work-plan to address the threat of bio-terrorism, including the distinct roles and responsibilities of the respective agencies? What mechanisms are in place to ensure there is no duplication of effort? For example, with respect to your proposal for enhancing medical surge capabilities, what work—if any—has already been

completed by HHS, and how are you integrating that work into your proposal?

Answer: DHS and HHS have collaborated on many elements of the NRP that establish the strategy for a coordinated national approach to a catastrophic event, including bioterrorism. Additionally, the coordination of bioterrorism funding through SLGCP ensures all available resources are leveraged for maximum efficiency.

A surge capacity working group has been formed with stakeholders from DHS; a variety of HHS entities including NDMS, the Health Resources and Services Administration (HRSA), and the Substance Abuse and Mental Health Services Administration (SAMSA); and various Federal partners, including the Department of Defense and the Department of Veterans Affairs. In addition to providing solutions to deal with surge capacity during a bioterror incident, this effort is currently being incorporated into the DHS-led National Response Plan—Catastrophic Incident Annex (NRP-CIA).

The National Response Plan states that “private business and industry play a significant role in helping to mitigate the physical effects and economic costs of domestic incidents.” According to the Plan, the Secretary of Homeland Security would urge businesses to identify their risks, develop contingency plans and to take actions to enhance their overall readiness.” In response to questions from the Subcommittee, you stated that the Business and Industry Preparedness and Response Partnership was being used to reach out to the private sector.

Question 23: At this point, can the Department offer private industry any risk identification guidelines? If so, please provide these guidelines to the Subcommittee.

Answer: The Department through FEMA and many other public and private sector organizations developed the NFPA 1600 Standard on Disaster/Emergency Management and Business Continuity Programs, 2004 edition and earlier editions. These guidelines are available on the web at www.nfpa.org. In addition the Department, through the Protective Security Division, has worked with various infrastructure sectors to identify appropriate vulnerability assessment tools for use by those sectors. In addition, FEMA has developed guidance with the private sector for risk identification through FEMA’s Mitigation Division and specific Preparedness programs such as the Chemical Stockpile Emergency Preparedness Program and Radiological Emergency Preparedness Program. This guidance can be found at www.fema.gov.

Question 24: How are private sector representatives involved in defining their roles in emergency preparedness and response?

Answer: Private Sector representatives are involved in defining the roles by building relationships with each other and with government entities, by reviewing the Initial National Response Plan, the draft National Response Plan and their own business continuity plans.

The Flood Forecasting and Warning System Act of 2002 (P.L. 107-253) authorized the National Oceanic and Atmospheric Administration (NOAA), through the United States Weather Research Program, to conduct research and development, training and outreach activities to improve inland flood forecasting.

Question 25: To what extent has this act been implemented, and how has FEMA utilized information provided by NOAA to improve flood forecasting, and better prepare impacted populations for flood events?

Answer: The NOAA National Weather Service (NWS) Advanced Hydrologic Prediction Service (AHPS) has been implemented at ten forecast locations in eastern North Carolina, and a web interface now provides access to AHPS products across the nation. Inundation maps showing 3-day flood forecasts for the Tar River basin in North Carolina were implemented prior to the landfall of Hurricane Isabel. A social scientist was contracted to work with North Carolina emergency managers to evaluate and suggest improvements to the existing NWS flood severity index. A grant was issued to North Carolina State University for a collaborative research project to assess long-term trends in the frequency and severity of inland flooding caused by tropical cyclones.

FEMA, through the National Hurricane Program, is currently incorporating the AHPS data into HURREVAC, a State and local emergency management decision assistance tool developed by FEMA and the United States Army Corps of Engineers (USACE). All flood forecast points in North Carolina and Florida are now available in HURREVAC in much the same format as AHPS products (i.e., graphical hydrographs). The next step is to include Texas to Maine and the Virgin Islands and Puerto Rico in future releases of HURREVAC.

House report language directed FEMA to update and disseminate guidance on outdoor warning and mass notification systems, but this is several months overdue. Especially as we enter tornado and hurricane seasons, it is imperative that this guidance to state and local governments be completed.

Question 26: Can you tell us where this guidance is, and what is the division of labor between EP & R and the IAIP Directorate?

Answer: The guidance, a revision and update of Civil Preparedness Guide 1-17, Outdoor Warning Systems Guide, first published March 1, 1980, is currently under an extensive fast-track DHS review, including a review by IAIP, and will soon be released for a review by other Federal agencies.

QUESTIONS FOR THE RECORD FROM THE HON. JIM TURNER FOR THE HON. MICHAEL D. BROWN

As you know, the Emergency Management Performance Grants (EMPG) Program is an enormously important grant mechanism that supports the state and local emergency planners, based on a 50 percent cost match. The fiscal 2005 President's Budget request reduces the funding level for this program from current levels, and places a 25 percent limit on what can be spent on personnel. According to the National Emergency Management Association this budget, if implemented, would lead to a loss of 60 percent of state emergency managers and even more at the local level. When I spoke to the National Emergency Management Association on February 12, they told me of their strong opposition to this proposal, and of the devastating impact it would have on their profession.

Question 27: Please describe DHS's rationale for capping the use of EMPG funds for personnel at 25 percent.

Answer: The Administration's fiscal year 2005 request for the Emergency Management Performance Grants is \$170 million, which is higher than any previous request for this program. The funds will be used to assist the development, maintenance, and improvement of State and local emergency management capabilities, which are key components of a comprehensive national emergency management system for disasters and emergencies that may result from natural disasters or accidental or man-caused events.

As you note, though, the request does cap the amount that States can use for salaries, thereby significantly increasing the amount of funds available for planning, training and exercises. As outlined in HSPD-9, the Administration believes that Federal preparedness grants should build new state and local capabilities, not just subsidize permanent state and local employees. Accordingly, the request shifts the emphasis to Federal support for planning while properly aligning responsibility for staffing and salaries with the States and local governments. The Administration and Department have consistently supported the idea that homeland security is a shared responsibility between Federal, State, and local governments. Additionally, it is important to remember that we are operating in a fiscal and security environment where we must ensure that maximum security benefits are derived from every security dollar. To do that, we must be able to take a new look at the way in which we allocate resources, including sharing financial responsibility with our State and local partners.

Question 28: Based on the personnel reductions that will results from these cuts, how does EP & R intend to conduct effective response and recovery operations without professional partners at the state and local level?

Answer: While the EMPG program has traditionally supported comprehensive emergency management at the State and local levels, encouraging long-term improvements of mitigation, preparedness, response, and recovery capabilities for all hazards requires that states and localities assume responsibility for supporting long-term staff. The Administration has always framed improvements in emergency response and homeland security as a shared partnership, in which Federal funds should be an encouragement to greater state and local efforts, not simply a budget offset. Funds provided under the EMPG may, and should, be used to continue support activities that contribute to capability to prevent, to prepare for, and to recover from natural and man-made disasters. Given that this program is designed to address "all-hazards" planning, including terrorism, it complements the allowable uses of funds in other ODP grant programs, including the State Homeland Security Grant Program (SHSGP) and the Urban Areas Security Initiative (UASI).

DHS does not appear to be taking an active role in preparing for the threat of bioterrorism. The Department of Health and Human Services is taking the lead in Project BioShield and the Strategic National Stockpile. DHS is eliminating the Metropolitan Medical Response System, by suggesting that ongoing programs at HHS

will meet goals of that program. But according to the ANSER Institute, "there has been inadequate connection between DHS and HHS to prepare for and respond to biological terrorism." These problems were apparent in the TOPOFF2 exercise, when players in the exercise were unable to determine what federal agency had the final authority to approve the deployment of the Strategic National Stockpile.

Question 29: How is the Department retaining response capabilities to deal with a serious bioterrorism event or public health emergency? Who has the lead responsibility for planning and preparing for a major bio attack?

Answer: The Homeland Security Act of 2002 and Homeland Security Presidential Directive-5 (HSPD-5) state that the Secretary of the Department of Homeland Security is the "principal Federal official for domestic incident management" with responsibility for "coordinating Federal operations within the United States to prepare for, respond to, and recover from terrorist attacks, major disasters, and other emergencies." DHS/FEMA also has specific authority to provide for the needs of victims of public health emergencies through the National Disaster Medical System. The Department of Health and Human Services (HHS) also has a major role in planning and preparing for a major biological attack or public health emergency. Through our extensive partnerships with state, local and tribal governments and the private sector, as well as other Federal departments, we are working to ensure the highest level of protection, preparedness and response for the country and the citizens we serve.

DHS/FEMA maintains resources and capabilities that can be activated and deployed to support a mass-casualty incident, including:

- Disaster Medical Assistance Teams
- National Medical Response Teams
- Veterinary Medical Assistance Teams
- Disaster Mortuary Operational Response Teams
- Burn Specialty Teams
- Medical/Surgical Response Team
- Numerous additional specialized medical personnel
- Pre-Positioned Disaster Supplies to support mass care operations
- Urban Search & Rescue task forces to support rescue operations
- Mobile Emergency Response Support (MERS) capabilities to support command/control/communications

Additionally, other DHS agencies provide capabilities for detecting and responding to a biological/public health emergency, such as:

- The Science and Technology Directorate maintains air-monitoring equipment to detect airborne biological pathogens in major cities throughout the country and is developing the BioSense program.
- The Interagency Modeling and Atmospheric Analysis Center (IMAAC) provides a single point for the coordination and dissemination of federal dispersion modeling and hazard prediction products that represent the federal position during an incident of national significance.

HHS has the authority to deploy the Strategic National Stockpile. In addition, HHS is required to deploy the Stockpile "as required by the Secretary of Homeland Security to respond to an actual or potential emergency." Project BioShield, just enacted into law, is a collaborative program between DHS and HHS to develop countermeasures to biological and chemical agents that may be used in a terrorist attack. The products of the BioShield program will be stored in the Strategic National Stockpile.

Many on the Select Committee have supported Secretary's efforts to create a one-stop shop for grant information as a way to help the state and local applicants. We are concerned, however, that the real expertise in emergency preparedness and response resident in your Directorate is too far removed from the management of these grants.

Question 30: What concrete mechanisms are in place to link your Directorate, including the regional offices, into the grant development, application, and evaluation process?

Answer: FEMA works closely with ODP on all grant programs that have transferred from FEMA to ODP. We hold bi-weekly meetings of the senior Fire Grant Program Staff, ODP, FEMA Financial Management, Information Technology and the Under Secretary's Policy office to discuss transition issues. There is also continuous email and phone dialogue.

Question 31: EP & R would appear to be in the best position to determine the needs of the emergency management and fire communities. How is

your Directorate involved in formulating the annual budgets for emergency management grant programs?

Answer: The needs of the emergency management and fire service communities are considered as part of the broader effort to allocate and coordinate grants for first responders and homeland security. FEMA works closely with ODP on all grant programs that have transferred from FEMA to ODP.

Question 32: Will there be any difference between the way the FIRE Grants have been run in the past and how they will operate after the transfer to ODP? If there will be a change in any aspect of this program, please describe this change.

Answer: The transfer to ODP has maintained the essential features of the Assistance to Firefighters Program, such as peer review and direct funding for fire departments. The primary change has been to give greater attention to applications from fire departments seeking to improve their readiness for chemical, biological, radiological, or nuclear events (CBRNE), or other catastrophic events. The Department has also sought to increase the maximum award amount for larger jurisdictions to better reflect the needs of major cities. FEMA continues to work closely with ODP in the administration of this important program.

