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NATIONAL EMERGENCY MANAGEMENT: WHERE DOES FEMA BELONG?

HEARING

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS UNITED STATES SENATE

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NATIONAL EMERGENCY MANAGEMENT: WHERE DOES FEMA BELONG?

THURSDAY, JUNE 8, 2006

U.S. SENATE,
COMMITTEE ON HOMELAND SECURITY
AND GOVERNMENTAL AFFAIRS,
Washington, DC.

The Committee met, pursuant to notice, at 10:05 a.m., in room SD–342, Dirksen Senate Office Building, Hon. Susan M. Collins, Chairman of the Committee, presiding.

Present: Senators Collins, Voinovich, Coleman, Coburn, Warner, Lieberman, Carper, and Lautenberg.

OPENING STATEMENT OF SENATOR COLLINS

Chairman COLLINS. The Committee will come to order.

This morning the Committee will examine the structure of national emergency management in light of what we have learned through our investigation into Hurricane Katrina. Specifically, we are here to discuss our recommendation to rebuild and strengthen the Federal Emergency Management Agency (FEMA) and to keep it within the Department of Homeland Security.

I would like to begin by thanking Secretary Chertoff, Admiral Allen, and our other expert witnesses for their participation today.

And as always, I thank my Committee colleagues for their continuing commitment to a matter of such vital importance.

Of the 88 recommendations in the Committee's report on Hurricane Katrina, the one we discuss today is the cornerstone. I believe that combining FEMA's existing personnel and assets with essential preparedness resources, such as grant programs and infrastructure protection initiatives, would substantially strengthen our emergency management capabilities.

The new National Preparedness and Response Authority that Senator Lieberman and I have proposed would be responsible not just for disaster response, as FEMA is today, but also for disaster preparedness. We must put preparedness and response back together. They are, after all, two sides of the same coin.

Like FEMA, the strong new agency we envision would be part of the Department of Homeland Security. This would enable the Authority to maintain close relationships with other crucial DHS assets, such as the Coast Guard and the law enforcement agencies within the Department. These are precisely the entities that can help in the response to a catastrophe by conducting critical search and rescue missions and by protecting lives and property. Maintaining this connection is of paramount importance if we are to

build a true all-hazards comprehensive preparation and response structure.

Now there are those who maintain that the answer is not to build a new structure within DHS but rather to return FEMA to the stand-alone status that it held before the Department was created. This position seems to be based on the notion that the pre-DHS years were somehow the golden age of FEMA.

This position, regrettably, is not supported by the evidence. On the contrary, whether it was independent or part of DHS, FEMA has had its ups and downs, its successes and failures over the years. The rosy view of the years when FEMA was independent ignores a long history of severe problems that FEMA experienced in dealing with major disasters.

After Hurricane Andrew in 1992, for example, the Democratic Chairman of this Committee cited "Victims who have bitterly complained that FEMA's follow-up on many occasions was an even bigger disaster."

He went on to say, "Since its inception, FEMA has been plagued with a host of problems."

The Government Accountability Office found that FEMA's response to Hurricane Andrew "raised serious doubts about whether FEMA is capable of responding to catastrophic disasters." In particular, the GAO found that the Federal strategy back then lacked provisions to assess damage and the needs of the victims and to provide food, shelter, and other essential services when the needs of the victims outstripped State and local resources.

The very same problems that hampered FEMA's performance during Hurricane Katrina were present a decade before DHS was even formed. Just this March, at one of our Hurricane Katrina hearings, Professor Herman Leonard of the Harvard Business School testified that FEMA was never designed or prepared in its entire history to manage a major catastrophe.

The FEMA Office of the Inspector General issued reports in 1994, 1995, and 2001 concluding over and over again that there were not adequate controls at FEMA to ensure that mission assignments were carried out at a reasonable cost and with acceptable performance. Again, the same kind of problems that we have seen with Hurricane Katrina.

The inadequate controls that the IG initially identified more than a decade ago plagued FEMA's assistance programs in the aftermath of the Florida hurricanes in 2004, not to mention Hurricane Katrina. Again, this is nothing new. Severe flaws in protecting the American taxpayers against waste, fraud, and abuse were flagged by the GAO in 1996 and by the Inspector General in 2000.

In answering the question of where FEMA belongs, it is instructive to look at the reasons that FEMA was moved into the Department of Homeland Security in the first place. In 2001, the Hart-Rudman Commission, named after two of our former colleagues, recommended that the Federal Government create a single department responsible for planning, coordinating, and integrating various government activities involved in homeland security. The Hart-Rudman Commission called for the new department to have FEMA as its "necessary core." The goal was to create a structure

that would, in the Commission's words, "Provide Federal assistance for any emergency, whether it is caused by a flood, earthquake, hurricane, disease, or terrorist bomb."

The Commission wisely recognized that the planning and training required to prevent or respond to a terrorist attack are largely identical to that required for a natural disaster. An attack by a weapon of mass destruction, for example, would likely contaminate food and water and require large-scale evacuations and shelters, just as Hurricane Katrina did.

The effects on our population of a pandemic disease would be the same, whether it is spread by birds or created in a laboratory and unleashed by terrorists.

If FEMA were removed from DHS, a duplicative agency would inevitably have to be created within DHS at additional cost to the taxpayer. Preparedness and response are functions so fundamental to the Department's mission that it simply could not operate effectively without them.

That "necessary core," to use the words of the Hart-Rudman Commission, is no less necessary today. But the core's long-standing weaknesses have been exposed by Hurricane Katrina, and they can no longer be ignored. FEMA must be rebuilt, and it must be a truly comprehensive all-hazards national emergency management structure within the Department of Homeland Security.

And that is the foundation upon which our proposal stands.

Finally, let me turn very quickly to another issue that has been in the news a great deal lately, and that is the allocation of homeland security funds. That is not the topic of today's hearing, but it is of great interest to the Members of this Committee. Secretary Chertoff, I would say to you that you have managed to do what I thought was impossible, which is to make both New York and Maine equally unhappy.

Senator LIEBERMAN. I would add Connecticut to that.

Chairman COLLINS. Connecticut, as well, and Minnesota and Michigan.

Secretary CHERTOFF. Actually, Michigan should be happy.

Chairman COLLINS. This is an issue that we will be pursuing at another time. I continue to think the answer is the legislation that Senator Lieberman and I have proposed. We are going to be working with our colleagues on this Committee and on the House side, and I hope that we will be able to put this issue to rest once and for all.

Senator Lieberman.

OPENING STATEMENT OF SENATOR LIEBERMAN

Senator LIEBERMAN. Thanks very much, Madam Chairman, for an excellent opening statement. I agree with everything you said, and therefore I will try to abbreviate mine.

Welcome to you, Secretary Chertoff. A special welcome to you, Admiral Allen. Thank you for your service. We all remember your extraordinary leadership in the aftermath and actually during Hurricane Katrina with all of your fellow members of the Coast Guard. And thank you for it.

Madam Chairman, as you indicated, this Committee issued just last month an extensive analysis of what went wrong during the

preparations for and response to Hurricane Katrina. I know, Mr. Secretary, you are familiar with our findings and also with the recommendation contained within the report to rebuild FEMA into a more muscular, accountable agency within the Department of Homeland Security.

I am pleased that you also believe that FEMA should remain within the Department. And I may say, I hope after we reason together that you will also come to agree with our other reorganization proposals, which we believe, in a bipartisan way, would pull together the resources, the missions, and the authority for an effective Federal catastrophic response, particularly when local and State agencies are simply overwhelmed.

I just want to say, because time tends to dull the memories of all of us, that our driving motivation for rebuilding and reinventing FEMA is to save lives and to protect people's lives and to help those who survive disasters rebuild their lives.

Over 1,500 people lost their lives as a result of Hurricane Katrina. That is a devastating number when we consider that no other storm in the last 30 years caused as many as 100 deaths. But this one brought about the end of the lives of 1,500 people. Tens of thousands were left without basic necessities for days in conditions that shocked all Americans. The fact is that still today, months after the hurricane and at the start of yet another hurricane season, hundreds of thousands displaced by Hurricanes Katrina and Rita still face uncertain futures. We can and must do better together.

As you know, I and the report itself were critical of the leadership at the Federal, State, and local level in the immediate run up to and aftermath of Hurricane Katrina. Probably active and decisive leadership is the single most important factor in a disaster or catastrophe.

But what we are saying in our bill is that appropriate governmental structures and organization—organization that leads to preparedness—are second in importance. They can be very important.

I join by reference what Senator Collins has said, that we have all got to remember that when the Department of Homeland Security was created, it was created in vision of the Hart-Rudman Report, and those of us who sponsored the original legislation with FEMA at its core did so because this was going to be a stronger, more comprehensive emergency management and response agency.

Unfortunately, I think both the Administration and Congress have undermined that vision by depriving FEMA of the best leaders and adequate funding in years past. And then, obviously, Secretary Ridge and you took the preparedness functions out of FEMA, placing them elsewhere in your Department. I believe that was a mistake.

That is why Senator Collins and I have proposed to reunite preparedness with response so that the same officials who helped State and local government emergency managers get ready for disasters are also the ones who help them respond. We see preparedness and response as two sides of the same critical coin.

We also believe that FEMA should be less Washington-centric and more connected to the real work of preparing for disasters where they actually occur. So our proposal envisions a rebuilt

FEMA with 10 strengthened regional offices to focus on preparedness and response coordination with local and State agencies, obviously focused on the kinds of natural disasters that are more likely to occur in that region, as opposed to other regions.

Each regional office would house a permanent strike team that would include representatives from other Federal agencies involved in emergency response to ensure that the Federal Government is familiar with regional threats and personally with State and local emergency personnel. Our rebuilt FEMA would be designed to deliver the kind of rapid, energetic, courageous, and life-saving response exhibited by the U.S. Coast Guard during and after Hurricane Katrina.

I note, as Senator Collins has, that the Coast Guard is obviously part of the Department of Homeland Security today, has a role defined by statute, which is just what we propose for our bigger and better FEMA. This obviously did not inhibit, in fact it strengthened, the capacity of the Coast Guard to deliver before and during Hurricane Katrina.

Finally, and really importantly, our legislation would require the new agency's, that is FEMA's, top leaders to have the experience, the professional qualifications, and the relevant technical training that will enable them to give the American people the leadership that we expect during a catastrophe.

Finally, let me just add a brief word to what Senator Collins has said with regard to the current controversy about grants. I do not like the way the formula worked out either, as we have all said. But I do think we have got to face this reality. And again, the responsibility here is shared by the Administration and Congress. We continue to underfund one of the most crucial needs of our country today, and that is the grants that allow State and local first preventers and responders to conduct the extensive planning and get the training and equipment they need to do their jobs.

For the second year in a row, this funding has actually declined. The Administration's budget for next fiscal year proposes significant additional cuts as well. Yet it is obvious that the risks to our communities, whether by natural disaster or terrorist attack, have not diminished.

So that while we are, I think justifiably, angry at the allocations that you announced last week, we have also got to face the fact that no matter how good the allocations are or how much we agree with them, unless we put more money into that pipeline we are not going to get the homeland security that we need, regardless of how good our structures are.

So I would say that we have got to be prepared to give the American people an emergency management structure that works, clear authority, strong leadership, and then adequate funds to make it work.

Thank you very much.

Chairman COLLINS. Thank you. Senator Coleman.

OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you, Madam Chairman. I will enter my full statement for the record.

Chairman COLLINS. Without objection.

[The prepared statement of Senator Coleman follows:]

PREPARED STATEMENT OF SENATOR COLEMAN

In the aftermath of last year's disastrous hurricane season, there have been several proposals put forward that focus on reforming FEMA. Certainly, as the response to the Hurricane Katrina catastrophe demonstrated, FEMA is faced with severe and deep-rooted problems and I think we can all agree that the agency needs to be strengthened. That being said, I believe that the problems that occurred in the response to Hurricane Katrina had more to do with FEMA's leadership rather than it not being separate from the Department of Homeland Security.

The Committee's report on Hurricane Katrina detailed FEMA's leadership problems:

1. FEMA's senior political appointees, including Director Michael Brown and Deputy Director Patrick Rhode, had little or no prior relevant emergency-management experience before joining FEMA.
2. Michael Brown, FEMA's director, was insubordinate, unqualified, and counterproductive, in that he:
   a. sent a single employee, without operational expertise or equipment and from the New England region to New Orleans before landfall;
   b. circumvented his chain of command and failed to communicate critical information to the Secretary;
   c. failed to deliver on commitments made to Louisiana's leaders for buses;
   d. traveled to Baton Rouge with FEMA public affairs and congressional relations employees and a personal aide and no operational experts;
   e. failed to organize FEMA's or other Federal efforts in any meaningful way; and
   f. failed to adequately carry out responsibilities as FEMA's lead official in the Gulf before landfall and when he was appointed as the Principal Federal Official after landfall.
3. FEMA was unprepared—and has never been prepared—for a catastrophic event of the scale of Hurricane Katrina.
4. FEMA's emergency-response teams were inadequately trained, exercised and equipped.
5. FEMA failed to adequately develop emergency-response capabilities assigned to it under the National Response Plan.

These leadership failures lead me to disagree with the claims that if FEMA were separate from DHS, the response to Hurricane Katrina would have been better. At the Committee's March 7 hearing on FEMA reform, DHS Inspector General Skinner was specifically asked about this scenario and he also concluded that even if FEMA was separate from DHS during Hurricane Katrina, many of the same problems would have occurred because of the leadership failures.

Whether one has a positive or negative view of FEMA's history, the September 11 attacks and the creation of DHS fundamentally changed the way this Nation prepares and responds to disasters, whether natural or man-made. Given these changes, it does not make sense to have one agency doing preparedness for terrorist attacks and another agency doing preparedness for natural disasters. One of the purposes of creating DHS was to consolidate Federal resources involved in disaster preparedness and response. A successful example of this synergy is the U.S. Coast Guard, which performed thousands of heroic rescues following Hurricane Katrina. Strengthening FEMA as a part of DHS will only make this synergy stronger and not isolate the agency from the vital resources the Department has to offer.

On another note, but on the subject of disaster preparedness, I do have deep concerns regarding the cuts this year to the Homeland Security Grant Program. I understand that funding for these grants were reduced by 30 percent when compared as last year, but Minnesota took a 41 percent cut and like many other States will have to delay projects, and perhaps stop doing some homeland security activities. The recent arrest and breaking up of a terrorist cell across our northern border is another blunt reminder that we are still at war with terrorists and our States need to have the resources to protect their citizens.

Each year, our States play a guessing game with regard to this funding and I want to reiterate my concerns that this unpredictability and lack of continuity can impede effective homeland security. As a remedy, I have supported legislation developed by Chairman Collins and Ranking Member Lieberman that would ensure con-

tinuity and accountability in terms of money distributed to cities and States. We need long term solutions for this problem for the sake of Minnesota's and the Nation's security.

I would like to thank our distinguished Chairman and Ranking Member for holding this important hearing today and I look forward to hearing our witness' testimony.

Senator COLEMAN. I want to start by associating myself with the comments of the Chairman and the Ranking Member. I am not there totally on all of the details of the rebuilt FEMA, but I am close to there. But clearly the idea of FEMA staying within the Department of Homeland Security and literally all of the things that the Chairman has laid out, I strongly associate myself with that.

Just if I can make two observations. One, we will have another hearing on the funding. But if I can say briefly, Minnesota took a 41 percent cut, pretty significant. The concern I have is with consistency. These kinds of ups and downs do not allow for long-term planning. I was a mayor for 8 years. You cannot operate that way. You have to have a sense of consistency here.

Clearly, with the incident of terrorists across our northern border, all of our communities are at risk. And I think the legislation that the Chairman and the Ranking Member have put forth, and I have been supportive of, would go a long way toward resolving some of these. I just want to put that issue on the table.

One other issue I want to put on the table, and that is this issue of public confidence. I was always a believer, again in my former service as mayor, that when people had hope and confidence, they invested. If they do not have hope and confidence, we are in trouble. If you look at the surveys that are going on now, I think *Time Magazine* had one, people do not have confidence in FEMA. Those who have been most directly impacted by FEMA services have less confidence than even the broader public.

And so I think the confidence issue is resolved both by words and deeds. It is clear the first response we have to the next hurricane is going to make a big difference. And I presume the Secretary fully understands that. But I just want to stress the importance, that we have a confidence gap right now. And that impacts people's lives. It impacts the choices they make and the decisions they make.

And so as we talk about structure and reorganization, I do not want us to forget about this important lack of confidence and the things we must do, both in words and deeds, to lift that up because I think it will have a significant multiplier effect if the confidence level is raised. Thank you.

Chairman COLLINS. Thank you. Senator Carper.

OPENING STATEMENT OF SENATOR CARPER

Senator CARPER. Thanks, Madam Chairman. I have a statement for the record.

[The prepared statement of Senator Carper follows:]

PREPARED STATEMENT OF SENATOR CARPER

Thank you, Madam Chairman.

I'd like to begin by congratulating you and our Ranking Member, Senator Lieberman, for moving so swiftly after Hurricane Katrina to find out what went wrong and what needs to be done to prevent a repeat of that tragedy.

As my colleagues are aware, last week marked the official beginning of hurricane season along the Gulf and Atlantic coasts. While the experts are predicting less activity this year than last, I'm certain we'll experience at least a few major storms.

Because of our experience with Hurricane Katrina, I think FEMA might be at least somewhat better prepared for the 2006 hurricane season than it was last year. We now have experienced leadership on board in the form of David Paulison, someone who managed the response to a number of major storms during his time in Miami-Dade county.

And based on what I've heard from Chief Paulison and key emergency response personnel in my State, FEMA has been busy in the months since Hurricane Katrina filling staff vacancies and responding to lessons learned from their experiences on the Gulf Coast.

That said, the FEMA that will respond to the next hurricane is, for the most part, the same FEMA that responded to Hurricane Katrina. I'm pleased, then, that we have Secretary Chertoff, Admiral Allen, and some experts in the emergency response field here to help us learn some more about what—if any—structural changes need to be made to FEMA and the Department of Homeland Security to make us truly prepared for major disasters, whether natural or man-made.

Senator CARPER. I want to say to Secretary Chertoff, welcome. Every now and then, Mr. Secretary, I complain to my wife about some aspect of my job. And she says do not complain to me, I thought you wanted this job.

I do not know if you and your wife ever have those kinds of conversations, but as you sit here today thinking that rather than sitting here you could be with the Third Circuit Court of Appeals, enjoying a lifetime appointment and a far less hectic life and less demanding life I am sure than that which you face, we are glad you are here.

You have had about a year or so to get some time under your belt and figure out how to deal with some of the issues that are coming your way.

Senator Lieberman and others have commented on the level of funding, whether it is Maine or Connecticut or New York or other States. Delaware is not complaining. I just want to say that for the record. It is not that we are getting more money than we got last year, but I think we are actually getting less. But we are not going to complain about the allocation.

I would point out to my colleagues, we are going to have a chance to vote in a couple of hours on a proposal to allow us to diminish even further the funds that are available whether it is for responding to natural disasters, whether it is monies to provide help to folks in the cold of the winter trying to heat their homes, whether it is money to provide for kids that are in the Head Start programs, or any variety of needs in this country. It will be interesting to see how we answer the bell on that particular vote in a couple of hours.

The structure of FEMA and the structure of the Department of Homeland Security is obviously important. A lot of time and effort have gone into the work by our Chairman and Ranking Democrat, our staff as well, to try to figure out how do we restructure homeland security and FEMA in order to better meet the challenges that are going to come literally in a couple of weeks.

Big storms are going to be coming this year. We know that. The question is how further we have to change the agency or the agencies to enable us to respond.

As important as structure is, and it is clearly important, just as important is leadership. That includes your leadership. That includes the leadership of David Paulison, who we have confirmed to

head up FEMA, and the people on the team that he has assembled, your ability to work and communicate together, their ability to follow the chain of command, but your responsibly as a leader to respond quickly and with the kind of attention that the emergencies that you will face as they come across the bow.

One of the biggest problems we had before was I think some of the folks who were running the Agency were not up to the task. What we have to do, we cannot change that now but we can sure change it going forward. And I hope we have with the selection of David Paulison.

The other thing that can change is the way that you respond to the folks that are going to be working for you and FEMA or whatever we put in its place.

I look forward to hearing from you.

The last thing I want to say, Madam Chairman, as important as it is for the Federal Government to have its act together, as an old governor—we have a couple of old governors and mayors here—there is also a responsibility that the States and the local authorities have. This is a team effort, and they are big being a part of that team, and they need to be up to the task, as well.

Chairman COLLINS. Thank you. Senator Voinovich.

OPENING STATEMENT OF SENATOR VOINOVICH

Senator VOINOVICH. Thank you, Madam Chairman, for holding this hearing.

Before I discuss FEMA, I want to address three concerns briefly.

First of all, Congress has appropriated less money for homeland security grants, and you have allocated based on risk management. And I am not complaining about the allocations because I believe a risk management formula is the correct approach for homeland security grants.

Second, I urge you to increase funding for Emergency Management Performance grants. EMPG is the backbone of our State Emergency Management System.

Third, we have a responsibility as a Committee to restore the money cut out of your MAX HR human resource initiative so that you can do the job that we have asked you to do.

I want you to know that I share the Chairman and Ranking Member's concern about the deficiencies and the response at every level to Hurricane Katrina.

Following the catastrophe in the Gulf Coast, like many of my colleagues, I wondered whether FEMA should be restored as an independent cabinet-level agency. And I have dedicated much thought to this issue, including a long discussion with my good friend, James Lee Witt, who I got to know quite well when I was governor.

After serious consideration, I have concluded that although factors relating to the merger of FEMA and DHS, such as the loss of key personnel, may have initially disrupted the Agency's response capabilities, FEMA's absorption into DHS was not the decisive factor in the inadequate response to Hurricane Katrina. The truth is that FEMA was never equipped to handle a catastrophic disaster like we had in Hurricane Katrina.

I believe too much emphasis has been placed on the organizational structure and placement of FEMA. From my perspective as

a former mayor and governor, organizational structures do not guarantee successful outcomes. I have dealt with organizational change and have found that you can have the best organizational structure in the world and still fail. It is the people who make the biggest difference in any organization's success or failure.

Instead of moving the boxes around again, we should focus on ensuring that DHS and FEMA are working as effectively as possible to improve mission performance and achieve results by assembling a strong workforce with experienced leaders, such as David Paulison, strengthening institutional capabilities and planning, and making the best use of budgetary and technological resources. I have grave concerns that another reorganization of FEMA and the Department of Homeland Security would be disruptive and could cause more harm than good.

Major reorganizations require time and energy and could detract from the critical mission performance at DHS.

I also would note that reorganizations are not budget neutral. While the Senate FEMA reorganization proposals do not yet have CBO scores, both of the House proposals are scored at over $1 billion over 5 years. We need to ask ourselves whether this is the best use of our limited Federal budgetary resources or whether these funds could be put to better use, for example, funding improvements in interoperable communications or Emergency Management Performance Grants.

Mr. Secretary, as always, I appreciate your appearance before this Committee. I look forward to hearing from you.

Last but not least, you have got the job for the next 2½ years. I sincerely believe this Committee should listen to you to learn what you need to run your Department. I have observed, with all due respect to the Senate, that we have wonderful ideas about administrative organization. When it works, we are only too happy to take credit, but when it does not work, we are nowhere to be found. Mr. Secretary, I think the Committee owes you the opportunity to manage your Department as you think best.

But I want you to understand that we are going to hold you responsible for what happens at the Department. The buck stops with you, Mr. Secretary. Thank you.

Chairman COLLINS. Senator Lautenberg.

OPENING STATEMENT OF SENATOR LAUTENBERG

Senator LAUTENBERG. Thank you, Madam Chairman. I ask unanimous consent that the full statement that I have prepared be entered into the record as if read.

Chairman COLLINS. Without objection.

[The prepared statement of Senator Lautenberg follows:]

PREPARED STATEMENT OF SENATOR LAUTENBERG

Madam Chairman, thank you for holding this hearing and giving us an opportunity to discuss the important question of whether FEMA should be removed from the Department of Homeland Security, and if not, how it should be restructured within the Department.

As you know, I believe FEMA should be separated from DHS and restored to its previous status as an independent cabinet-level agency. This would serve at least three critical purposes.

First, it would give the FEMA Director regular access to the President, the White House, and the rest of the cabinet at all times—not just during a national catastrophe.

Second, it would give Director Paulison a stronger voice to advocate for FEMA's budget and priorities.

Third, it would free FEMA of several layers of bureaucracy at DHS that have made it harder for the agency to do its job.

This was how FEMA was structured during the Clinton Administration, under the leadership of James Lee Witt. And under that system, FEMA worked well.

Over the past several weeks, I have heard the arguments that removing FEMA from DHS would not remedy the problems exposed by Hurricane Katrina. I have heard that a big part of the problem at FEMA was its weak, ineffective, and incompetent leadership. This is one point on which we can all agree.

If this Administration continues to rely on political cronies and sidekicks to direct our emergency management operations, simply removing FEMA from DHS would not solve the problems. FEMA has suffered from poor leadership, and that must be fixed. But FEMA's subservient position inside DHS has also contributed to plummeting morale and a loss of qualified professional staff.

It has also been noted that Hurricane Katrina was not an ordinary disaster. It was a catastrophe on a scale that our Nation has never seen. We have no way of knowing exactly how FEMA might have responded under strong, independent leadership. But I believe that a strong, independent FEMA would have been better funded. It would have been fully staffed with dedicated employees. And it would have commanded greater authority and the ability to marshal needed resources throughout the Federal Government.

Some of those who don't want to restore FEMA to cabinet-level status have cited the outstanding performance by the Coast Guard in response to Hurricane Katrina. Amid the horror and despair of that catastrophe, every American was proud watching the Coast Guard in action. But it is misleading to compare FEMA to the Coast Guard. The Coast Guard was not a cabinet-level agency prior to being placed into DHS. The Coast Guard did not have an essential part of its mission taken away, as FEMA did. Most important, the Coast Guard wasn't misused as a dumping ground for campaign workers and college chums, as FEMA was.

When FEMA was folded into DHS, it was thrust into intense bureaucratic infighting over proper roles and resources. This infighting only compounded the problems with FEMA's leadership. To cite one example, while Michael Brown can be blamed for poor communication, the fact is that the Homeland Security Operations Center received numerous messages about levee breaches and flooding in New Orleans. Yet DHS failed to respond to that information for more than 24 hours after Hurricane Katrina made landfall.

Madam Chairman, in our nomination hearing for Director Paulison, you stated that, "FEMA lacks the stature, the protection, the resources, the connections with State and local officials and responders, and the direct communication with the President that are essential in responding to a catastrophe."

I agree with your diagnosis, Madam Chairman, but recommend a different cure. Every symptom you described would be addressed by removing FEMA from DHS and restoring it to its previous position as an independent cabinet level agency.

I look forward to hearing from today's witnesses—although I am disturbed that the Committee did not provide a witness who believes FEMA should be restored to its previous structure as an independent agency. I think a more balanced panel of witnesses would give us a more effective hearing.

Thank you again, Madam Chairman, for holding this important hearing.

Senator LAUTENBERG. I sit her somewhat amazed by the process. There is no doubt about where I stand. I think FEMA ought to stand alone. I think the events of the past confirm that. But I do not see any witnesses that are going to offer that opinion. And that concerns me because we ought to have the other point of view.

I would hope that we will have a witness panel that advocates the separation of FEMA from DHS, as does Senator Lott, as do I, as does Senator Mikulski, and several other people who have opinions that ought to be considered.

Second, this criticism of FEMA is unjust, unfair, and I look back at a time when the terrible catastrophe struck Oklahoma City and a fellow named Tom Feverborne, Director of Oklahoma Civil Emer-

gency Management Department, cited events in "The FEMA Phoenix." I will include this article in the record.[1]

This report was issued in 1995, so it was close to the time of the tragedy there. Mr. Feverborne says it was 9:02 a.m. when a truck bomb ripped through the Alfred Murrah Federal Office Building in downtown Oklahoma City. At 9:30, he placed a call to FEMA headquarters. At 2:05, FEMA's advance team arrived, complete with damage assessors, etc. Mr. Witt himself arrived to be briefed. There is other indications of a pretty good operation.

So, to disparage it here, I find contrary to the truth.

And you cannot get there by condemning FEMA's past when we saw what happened with Hurricane Katrina. I heard the Senator from Minnesota talk about the *Time* poll that said that FEMA was held in significant disregard.

Contrasting that, I am going to ask the question as to whether or not DHS is held in high regard? I do not think so. And what we saw was a bureaucracy at its worst. Finger-pointing became the single result of that event. It was Michael Brown, it was this one, it was that one, it was not a fast enough response, I must say, from the Secretary's office.

And I must say, the Secretary is someone I know and trust very well. But the job is enormous. And in response to the fact that people make the difference—yes, people make the difference. But so does organizational structure. No matter how good the people are, if they are not in a situation where they can apply their skills and talents and the facilities are not there, it is not going to work.

So I would hope that we are going to have a chance to hear another view of this. I respect Senator Collins and Senator Lieberman for the work that they have done on this. I just do not think it is a simple issue, and I do not think it ought to be dismissed with a single hearing. Thank you.

Chairman COLLINS. Senator Coburn.

OPENING STATEMENT OF SENATOR COBURN

Senator COBURN. Thank you, Madam Chairman.

One of the things that you noted in your opening statement, I think, needs to be reemphasized. When we look at FEMA and we look at the Department of Homeland Security (DHS), one of the agencies that they depend on more than any other is the Corps of Engineers. And if it is not totally reformed, from top down and bottom up, totally changed, we are going to get the same responses. Because those are the legs in the field. Those are the people that are spending the money. Those are the people that are contracting.

Our Subcommittee has held hearings on this, and what we saw was incompetence at the level of the Corps that we are now blaming on FEMA and we are now blaming on DHS. I believe, Mr. Secretary, you ought to get another contractor because I think that one is inefficient and broken. We ought to be talking about how we can reform the Corps of Engineers.

I also would remind by fellow Senators that Senator Carper and I have now held 37 hearings on Federal financial management oversight. And if we are really concerned about getting more money

[1] The artile submitted by Senator Lautenberg appears in the Appendix on page 97.

for this mission of homeland security and FEMA, then you need to be helping to also eliminate the $160 billion worth of overpayments that the government makes, another $200 billion of waste, fraud, and abuse that we have discovered, rather than ignoring that as we go through the Senate appropriations cycle and saying we have got to spend more money.

The fact is that there is plenty of money because there is plenty of waste, fraud, and abuse in the Federal Government.

The final point that I would make is performance benchmarks, a key management tool, is missing in many areas of the Federal Government. I think you can have a rotten structure, but if you are holding people accountable to performance benchmarks and you have got an effective management, you can make things work.

So I hope whatever we do, and I have some concerns with your legislation, but I am not totally against it. But I think if you do not put into it performance benchmarks that truly say here is the measurement, here is how we are going to hold you accountable. If you do not meet this then we are going to take action. And do that not only at FEMA but at DHS throughout. And I think we should give the Secretary the opportunity to implement some of those type of performance benchmarks that he is now implementing.

So the area is of great concern. I appreciate the work and all of the work that the staff has done in looking at the results.

But I would also associate with Senator Voinovich. I do not think anybody could have been prepared for Hurricane Katrina. We could have done a better job. But this is a massive disaster we have never experienced. We are going to be better prepared next time, but it is not going to go perfect because it cannot on something of that scale.

And to be hypercritical of the management when we have something that we have never encountered before, where we ought to be critical is, did we learn from the mistakes that have been made? And should we change management structure and performance as much as we change organizational structure?

With that, I have to be at another hearing, and I apologize. The Judiciary Committee is having a markup right now. But I thank you for the time.

Chairman COLLINS. Thank you.

Our first witness today is the Secretary of the Department of Homeland Security, Michael Chertoff. We thank you for joining us, and I ask that you proceed with your statement.

TESTIMONY OF HON. MICHAEL CHERTOFF,[1] SECRETARY, U.S. DEPARTMENT OF HOMELAND SECURITY

Secretary CHERTOFF. Thank you, Chairman Collins and Ranking Member Lieberman, and other Members of the Committee.

I request, first of all, that the totality of my written statement be placed into the record.

Chairman COLLINS. Without objection.

Secretary CHERTOFF. I just want to speak very briefly, and then obviously I will be pleased to answer questions.

[1] The prepared statement of Secretary Chertoff appears in the Appendix on page 64.

I am in agreement with a very large percentage of what has been expressed here today about what we need to do to go forward. There are obviously some specifics and details I will want to discuss further, but I have no doubt of the wisdom of the original plan to have FEMA and the response capability of the government integrated into DHS. I think to the extent we had a structural problem last year, it was frankly the fact that we had not completed the job of integration.

In fact, I observed as much myself in July, after I looked at the Department the first few months I was here. And regrettably, the hurricane came before we had a chance to really push along the issue of integration to where it should be.

A number of the specific proposals that the Committee raised in what was a very thoughtful and comprehensive report, and was the product of what I think was an almost model investigation for a very difficult topic, are things we have already put into process or are actually completed.

For example, we have strengthened regional offices. We have adopted the policy that we need to be introducing the people and training and exercising the people who will be part of the Federal response with their State and local counterparts well before the storm starts to hit 75 mile an hour winds.

We have pursued the issue of building a real capable leadership in FEMA. We have done that, first of all, by the President having nominated and this Congress having confirmed David Paulison. The Deputy Director and Chief of Operations, Chief Operating Officer, Admiral Johnson, is a very experienced operator. We have converted three of the regional directors into career positions, and we are anticipating that we will be filling those positions very shortly.

And all of this has been designed to give us the career professional capabilities to run the operations that I think the American people and this Department deserves.

I would like to talk a little bit about what is gained by integration and what would be lost by disintegration. I am going to try to do so without repeating the very keen observations Members of this Committee have already made.

If you look at the Coast Guard, which performed admirably last year, you will see one significant difference in the leadership of that organization and their approach to DHS as compared with the approach taken by some of the leaders at FEMA. The Coast Guard embraced integration. The Coast Guard contributed, at the top leadership level, time and effort to integrating the Coast Guard with the operations of the Department. And that is nowhere more reflected in the activities of then-Commandant Admiral Collins and, of course, the new Commandant, Admiral Allen.

TSA, other agencies have driven towards integration. And if you look at the things which succeeded last year, the Coast Guard, the TSA's ability to build an air bridge which got 22,000 people out of the New Orleans area in record time. Those were agencies of DHS that were separate from FEMA but were willing to play on the team in order to be with FEMA.

One of the things which this Committee uncovered during the course of its investigation was that, at least in the minds of some leaders or at least one leader at FEMA, there was a resistance to

integration and a desire not to integrate. And I think the conclusion I draw is that was a serious error in judgment and handicapped FEMA's ability to leverage the capabilities of the whole Department at a time that we needed that the most.

This year we are continuing to exploit the benefits of integration. And let me be really concrete about that. FEMA is an unusual agency in that it spends months out of the year doing very little except processing paperwork for disaster declarations. And then, when dramatic events happen, it has to surge into action. The problem is you cannot build a permanently standing large group of individuals and a large set of tools that are going to be idle 8 or 9 months out of the year and active 3 months out of the year.

What we bring to the table is this. All of the tools we use every year, P–3 aircraft that are used by Customs and Border Protection, helicopters used by the Customs and Border Protection air wing and used by the Coast Guard, communications equipment which we actually deploy 365 days a year. All of that comes into play when we train, when we exercise, and when we deploy in an emergency to support FEMA.

Without the ability to have these units bound together in a single department year round, what would happen with an independent FEMA is exactly what we have said we do not like. The operators would introduce themselves as the storm was approaching, and they would then learn how to work together.

I think what we have developed in DHS and what we are building upon is a style of integration which will allow people to pursue their ordinary missions day in and day out, keep sharp, keep their tools ready. And then, when they are required to step forward in the breach, when we face a catastrophe, to be ready to do so with a set of partners that they know very well, that they have trained with, and that they have exercised with.

By contrast, I have to say that we do tend to look back on the old days with some rose colored glasses. This is not meant to denigrate the fine work that FEMA did in the 1980s and 1990s in a whole set of disasters. But the fact of the matter is you simply cannot compare any challenge that FEMA faced in the 1990s with what was faced in Hurricane Katrina. And to say that somehow the difference in response is indicative of the fact that we were better prepared when FEMA was independent is like comparing the statistics of a minor-league ball club with their performance when you call them up one day and say go play in the World Series against the New York Yankees. It is not an accurate comparison.

Let me look back on Hurricane Floyd, which was a 1999 event. I can tell you, by any measure, Hurricane Floyd was about one-tenth of the magnitude of the disaster of Hurricane Katrina. One-tenth in terms of affected people, actually even less than one-tenth. One-tenth in terms of registration, one-tenth in terms of damage.

And then let me read you the comments that were made in the year 2000, and see if they sound familiar. A town manager in South Carolina who described FEMA's performance as "The disaster after the disaster after the disaster. It offers convincing evidence that the Agency still has not cleaned all the bureaucratic jackasses from its stables."

Or a GAO report in the year 2000, looking back on Hurricane Floyd, which said "FEMA has suffered from chronic financial management problems, including a faulty method for projecting future disaster costs and a long-standing backlog of unfinished disaster recovery projects."

As I think many of you have observed, what you need to do at this point and what we are actually doing is the hard, not particularly glamorous work of actually building plans and capabilities in a way that has never been done before. That is why, for the first time, we have a computer model that will show us in real time where the trailer loads of commodities are positioned on the highways, headed from the warehouse to their ultimate destination. So we can plan and deploy these commodities effectively.

That is why, for the first time, we have people who are trained and equipped to go into shelters with wireless laptops to register people when they show up on the scene. That is why we have communications equipment that is not merely additional tools given to FEMA, but that actually leverages the aircraft and the communications tools that we use every single day at Customs and Border Protection and Coast Guard and all of our other agencies.

Now above and beyond all of that, of course, as Senator Coleman said, is the issue of confidence. There is no question that the proof of the pudding here is going to have to be in the eating. We have trained, we have exercised. I am not going to tell you that all the work is done, but I will tell you that a lot of work has been done.

One thing I have been very insistent upon is building, for the first time, a set of metrics that gives the top leadership of FEMA and DHS real insight into how we are performing on all of the important measures of what we need to do.

We are keenly aware of the fact that this year we have to look sharp and we have to act sharp. That is one of the reasons I have spent a considerable amount of personal time in going around the country, working with governors and emergency managers to make sure that we are tightly bound together in a national response. Not a Federal response but, as Senator Carper said, one that leverages on the still primary responsibility of State and local governments to manage disasters.

Let me finally, because we have talked a little bit about the issue of funding, just spend one minute addressing that. I think Senator Lieberman is correct that we do have disagreement on all sides about this. But I suspect the disagreement reflects radically different views. If you listen to people in certain cities, they will say almost all of the money ought to surge to a few large cities. I think people in smaller cities may be disappointed that they got less money.

We have a pie chart, I would like to put up for one second, which I think will illustrate where we are.[1] And then, recognizing that this is a discussion at greater length on another day, I will say that there is kind of a philosophical issue we have to address. This year's grants put roughly one-half of the total amount of money in five cities. In fact, New York, which got $124 million, the largest amount, if you look at the New York Metropolitan area, which in-

[1] The chart referenced by Secretary Chertoff appears in the Appendix on page 108.

cludes Newark and Jersey City, as I certainly know and I know Senator Lautenberg knows, we have almost $160 million in one major metropolitan area.

That recognizes the flow of threats that focuses on that particular area and comes close to being a quarter of the total amount of money in one major metropolitan area.

Now I know there are some people in New York who do not think that is enough. But I direct your attention to the other half, the half of the total money that went to 41 other urban areas. If we cut that money by a lot, if we put even more on the right side of that pie chart, you would have so little money going to those other urban areas that it would scarcely be worth putting the money in there.

And while I am the first person to say that New York and Washington face unique threats, I cannot tell you that they are the only cities that face threats. And I think, as Senator Coleman said, you look at what happened up in Canada, you look at the fact that we have arrested and convicted people in Sacramento, in Portland, in Washington, in other parts of the country, we need to make sure that even as we are putting the money where the threats are the greatest, we are building capabilities across the board and doing it in an accountable fashion.

So there are some serious debates to be had here. I will leave you with one thought on this issue of should we put all of the money where we suffered the attacks in 2001? I want to emphasize I still agree that is the place we need to put an awful lot of money.

But if all we do is protect what was attacked before, then we are going to repeat a famous historical mistake. In the 1930s and 1920s, the French looked back on World War I, and they built a beautiful array of fortifications called the Maginot line. And they said this time we are going to deal with the threat of the Germans by building these forts.

What happened in 1940 was in 30 days the Germans went around the forts and conquered France. Nobody has ever looked back on those generals and said they did a great job building the Maginot line.

I do not want to build a Maginot line. I want to have a lot of fortifications in New York, New Jersey, and Washington. But I want to make sure we have fortification where it needs to be in other parts of the country.

Thank you, and I look forward to answering questions.

Chairman COLLINS. Thank you, Mr. Secretary.

Mr. Secretary, pulling FEMA out of the Department of Homeland Security is not nearly as simple as the proponents of that idea would have us believe. One critical question is if you take FEMA out of the Department, what comes with it?

Well, if you look at one of the leading House bills that would extract FEMA from the Department, it would also take virtually all of the components of the Preparedness Directorate. That means that DHS would no longer have terrorism preparedness grants, such as the ones that you have just referred to, training exercise and infrastructure protection assets, the national communications system, and the Chief Medical Officer. All of those assets and personnel would be taken away from the Department.

In other words, what some House members are proposing is to take away the Department's ability to prepare for disasters, to protect critical infrastructure, to respond with medical teams, and to establish a secure communication system.

What would be the effect of taking all of those assets away from the Department?

Secretary CHERTOFF. The short answer is that would be to restore the very kind of stovepiping that we have tried very hard to eliminate from the government since September 11. We would have two choices. Either we would have to rebuild a lot of these capabilities to make sure we could plan and execute in a coordinated fashion with a terrorist attack. Or we would create a schizophrenic Homeland Security Department. The remainder of DHS would prepare to prevent an attack. But once an attack happened, we would simply be out of action, and FEMA would now have to respond to the attack.

But it would even be worse than that. Because if we had a terrorist incident or an ambiguous incident, you would have to simultaneously continue to make sure you were preventing further attacks while responding to the old attacks. So we would have literally two competing agencies managing the incident in an uncoordinated fashion.

And that is even before we get to the fact that we would have two separate grant programs, each operating in different directions. We would have, with respect to our Chief Medical Officer, some medical things we would have to pursue in terms of prevention of, for example, pandemics at the border, and a whole separate set of tasks, again, radically disconnected.

It seems to me that to do this would have a huge budget impact, would invite precisely the kind of multiplication of bureaucratic obstacles that were a problem last time, and would utterly defeat the entire thrust of what we have done, not only in DHS, but in the intelligence community and everywhere else since September 11.

Let me leave you with one final point. A lot of what we do with response and preparing for response is intelligence driven. The whole way we think about, for example, what we would need to do with a medical terrorist attack, a bioterrorist attack, or a chemical attack and infrastructure protection is actually driven by intelligence. So we would also have to now create a new intelligence agency that would service this new department as well as, of course, continuing our old intelligence agency.

So I think that this illustrates the fact that once you get into the details, this is not a workable idea.

Chairman COLLINS. I think you have just raised a very important point. Sometimes I think that proponents of this idea forget that we are living in a post-September 11 world. The threats are entirely different facing our country today.

I want to follow up on a point that you made about the need to duplicate that capacity within the Department. Do you have any idea of what the cost would be of trying to replicate the absolutely critical functions that you would still need?

Secretary CHERTOFF. I will tell you it is going to be counted in the billions of dollars because one of two things will happen. Either the FEMA that is removed will be so shriveled that you will have

to really rebuild all of the pieces of the organization that we provide. Or you would take out elements of preparedness that we would then have to rebuild.

And even then you would still have to ask yourself, where is the new FEMA going to get the planes and the helicopters that it is going to need? It can mission assign them, but that is going to be a lot slower than the way we work now. Or it is going to have to acquire those, too. I think that in this budget environment, that would be very difficult.

Chairman COLLINS. Some of the House members who are proposing that FEMA be taken out of the Department issued a press release last night based on an alleged copy of your testimony. The point that is made in this press release, among others, in response to the arguments that we have made about keeping those functions within DHS, the two House members say that on the theory that all essential efforts of national response must be within DHS to function, half of Health and Human Services and large chunks of the Defense Department should be moved into DHS, as well.

Now obviously they are not advocating that, but they are trying to make a rather strange argument. But I want to give you the opportunity to respond to that.

Secretary CHERTOFF. First of all, I have not read the press release, but I believe that the quotations in the press release come from a draft of testimony that I actually threw out and that bears not that much resemblance to the current draft. Obviously, they both begin with my name is Michael Chertoff, but then they radically diverge.

I think that argument is an example of people who argue that the perfect is the enemy of the good. Yes, it is true, even in our current structure, we do work with HHS and DOD because they supply some assets that we do not have. But to further fragment it and say that means let us break it up even more makes no sense to me. It suggests that because there is always a line-drawing problem and we always have to have somebody on one side of the line and someone on the other side of the line, we should draw more lines and stovepipes seems to be just completely illogical.

Chairman COLLINS. Thank you. Senator Lieberman.

Senator LIEBERMAN. Thanks, Madam Chairman.

Secretary Chertoff, I was taken with your comparison of the Coast Guard and how well it performed during Hurricane Katrina to FEMA and how badly it performed. And it is true, as our investigation found out, that for a host of reasons, structural, personal, psychological, or whatever, in some way FEMA was functioning as an independent agency. In some strange ways, because of the attitude of its director, we got a look at what—maybe not a fair look—but a look at what might happen if FEMA functioned outside of DHS as an independent agency. And to put it mildly, it was not a pretty picture.

I do want to ask you to comment on one part of this. I have a recollection that the first meeting that Chairman Collins and I held with anybody involved in Hurricane Katrina was very early on. It was a closed meeting, and nothing really classified happened. It was with a representative—I forgot the Admiral's name, it was not Admiral Allen or Admiral Collins—of the Coast Guard and then a

gentleman from FEMA. We were all quite impressed—it was a day or two after the hurricane—with the Coast Guard.

I remember asking the Admiral from the Coast Guard, before you redeployed your personnel and equipment outside of the immediate target, did you get authority from the Secretary of Homeland Security or from the President as commander-in-chief? The answer was no.

Before you went into action within an hour or two of the landfall occurring to save people's lives, did you get authority from or permission from the Secretary of Homeland Security or the commander-in-chief? No.

The answer was Senators, this is what we do. We just did it.

I wanted to convey that to you and ask you then to set your comment—I do not mean it denies the truth of your comment, but I want you to set that comment or that story within your comment about the Coast Guard being integrated. Because ultimately, this is a combination, is it not, of integration, preparation, and the readiness to take whatever action is necessary without going through a lot of bureaucratic hoops.

Secretary CHERTOFF. I think this is indicative of the philosophy that I personally have about how the Department should run, and I think almost everybody in the Department, almost everybody, believed at the time. It is a combination of integration but also pushing the authority down.

In the ideal world, and the Coast Guard really kind of comes close to the ideal, you want to be integrated in the sense that every operator has full access to all of the tools. But you want to push the authority down.

And my philosophy with the Commandant of the Coast Guard was and remains, you understand what the mission is. You have the tools to do the mission. Execute the mission. If there is a problem that you are having executing the mission, you are not getting something you need, I will be there and make sure it happens for you.

It is emphatically not to say you should be clearing all of these things through me. In fact, an operator who wanted to clear things through me, I think, would not be doing a good job.

On the other hand, when the job is not getting done, the operator does have to come to the Department and say give me the help, bring me all of the tools. What you cannot do is simply say I am going to go ahead and continue not to get the job done because I do not want to ask anybody else for help. That is what I call a lone ranger mentality.

I think a classic example, and it is one of those rare instances where you can almost prove a fact, and I do not want to embarrass Admiral Allen because he is sitting here, but we actually tried both methods in Hurricane Katrina. We had a week of someone whose attitude was let me alone and I am not going to let you know if I have a problem. And then we had somebody who was empowered to act alone but also understood that when there was a need for something else to come into play you do not just try to do it yourself, you come back to the Department and you leverage the assets.

The first week was the go it alone model. The second week was the push the authority down but stay integrated model. And I do

not think anybody would say that the first week was better than the second week.

So I think we have demonstrated this idea of a stand-alone, go-it-alone FEMA would bring us back to precisely that which failed last year.

Senator LIEBERMAN. Thank you.

I am going to ask Admiral Allen, when he testifies, about the ways in which integration in the Department has assisted the Coast Guard to perform its mission.

Let me ask you this final question in the time I have left. As you know, in the new national preparedness authority, which Chairman Collins and I would create, we have returned the preparedness function and joined it with response. We have also brought back, or brought in, the capacity to make grants—through this new authority to replace FEMA—to the State and locals.

Here is both the substantive and, frankly, a tactical question I want to pose to you. The critics who want to take FEMA or a successor agency out of the Department of Homeland Security basically say it has been marginalized within the Department. And that to make it strong again, you have got to take it out.

One of our concerns is that if preparedness is separate and the grantmaking function is separate, are we not lending strength to that argument that within the Department it is marginalized and really the best way to strengthen it to what we need it to be is to take it out and put all of the functions there independently?

Secretary CHERTOFF. It is a little complicated question and let me answer this way. I think there is no doubt about the fact that preparedness covers an entire spectrum of functions. Some part of it does involve response, but another part of it involves things like prevention. It involves creation of capabilities to fuse intelligence. Or it involves figuring out how to elevate the degree of protection for our infrastructure.

In a way, we use the word preparedness in two different ways. There is the preparedness for the actual mission of FEMA, the actual mission of response. And then there is the task of integrating our preparedness so that all of our activities cover the entire spectrum.

A classic example is take a chemical plant. When you are looking at preparedness for a chemical plant, you are looking at do we have the facilities in place to prevent an attack? Have we hardened the plant to protect if an attack gets through? And do we have a fast response that would mitigate an attack?

If you have separate grant programs and separate planning programs, everybody is going to look at their particular task and they are going to plan for that task. At best that is wasteful. At worst, it is actually inconsistent.

Someone has got to stand back and look at the entirety of the issue and say if we add more prevention, maybe we need a little less protection. Or if we have a mitigation response capability that is very fast and effective, maybe we do not need to put that much money into putting the fences and barriers up.

I want to make sure and I want to work with you to make sure that FEMA and the mission of response is fully prepared for and fully resourced. But I also want to make sure that we have the ca-

pacity in the Department to stand back and look at preparedness not only from the standpoint of the responder but from the standpoint of the preventer and the protector.

I realize this mirrors to some degree a debate you will find in cities across the country where mayors struggle between fire chiefs and police chiefs who are struggling for dominance over the issue of preparedness. Our approach is to have a neutral broker and an integrator but make sure that in developing our overall strategy and our grant program the substantive expertise is not just FEMA's but the Coast Guard's when we are dealing with ports, the Border Patrol when we are dealing with border States, the medical officer when we are dealing with health issues.

I think we want to get very much in the same place, and I just want to make sure we do not make the error of spending so much time looking at Hurricane Katrina that we do not look at all of the other kinds of things we have to worry about.

Senator LIEBERMAN. I hear you. I understand the point you are making.

I am unconvinced on the larger point. I continue to feel, as Chairman Collins and I have proposed, that FEMA or whatever we call it will be stronger if we unite the functions. We can still achieve some of the perspective that you are talking about. But practically here in Congress, unless we make it as strong as possible within the Department, then there will be a tendency to do what I think is self-evidently not sensible and counterproductive, which is to take FEMA out and make it an independent agency again. And then it will just be duplicative and, frankly, less effective.

So I appreciate the attitude that you are bringing to this, in addition to the arguments, and I look forward to working with you to see if we can reach common ground.

Secretary CHERTOFF. I think we do want to get to the same place. I think we are basically in an area where, as we work through the details, I am confident we can find a lot to agree upon.

Senator LIEBERMAN. Thank you.

Chairman COLLINS. Mr. Secretary, we have a vote on, which is why you have seen this mass exodus of Members. However, the remaining Members are eager to ask their questions of you. So I ask that you stay.

We will take a brief recess.

When Senator Voinovich comes back, he is going to resume the hearing in my absence, and I will return as soon as possible.

Thank you.

[Recess.]

Senator VOINOVICH [presiding]. The hearing will come to order.

The Chairman has asked me to continue with the questioning so we can move on to the other panels.

Secretary Chertoff, what I think most Americans are not aware of is that you have taken over a massive bureaucratic reorganization, merging 22 agencies and 180,000 employees into one department. We are focusing here today on FEMA and its relationship with the Department.

I would be interested in hearing from you as to what things we can do to help you get your job done. Specifically, is there legisla-

tion that you think we need to pass before the year is up? Are there some things in terms of the budget that we should be looking at that are of concern to you? And are there some efforts that we can make with certain people in the Administration to try to bring to their attention how important some of these things are so you can get your job done?

So I would like to hear, how can we help you?

Secretary CHERTOFF. I appreciate, Senator, your asking that question. And let me begin by saying, as you observed, this is the largest reorganization since the Defense Department. That, of course, is generally viewed as having taken about 40 years to get right in Goldwater-Nickels. We are not going to take 40 years to get this right. In fact, I think we have made a lot of progress, but I do not think we should underestimate the challenge we face.

Senator VOINOVICH. Let me just interrupt you one minute. That was the merger of all of the Department of Defense agencies.

Secretary CHERTOFF. Correct.

Senator VOINOVICH. Where they all previously had some things in common with each other.

Secretary CHERTOFF. And they were all fully formed and had worked together for decades, including throughout the Second World War.

Senator VOINOVICH. And you have had 22 agencies that have different cultures and so forth that have built up over the years, and somehow you have had to try to get them together.

Secretary CHERTOFF. Correct, including agencies that did not come over whole cloth and some that were fabricated from new. So this is not by way of an alibi or an excuse, but it is a frank recognition of the fact this is a challenge.

I would say there are three things that would be helpful. First of all, calling a halt to significant reorganization would be a big help. Even if people disagreed with the original impulse to put FEMA into DHS, I think the cost of removing it and reconstituting the Agency—and I do not just mean the financial cost, I mean the cost in morale and in continuity of operation is enormous.

That is not to say that there is not always room to make some adjustments internally in order to make ourselves more efficient. In fact, I proposed doing——

Senator VOINOVICH. If I could interrupt you, how about recruiting people? Has discussion of reorganization hurt your recruitment efforts at DHS?

Secretary CHERTOFF. I was about to say, among other things, a lot of the complaints we get are you have not filled spots up. And yet it is very difficult to fill spots up when people have no idea whether they are going to wind up being ripped out of the agency they are joining in a year.

In fact, I would argue that one of the problems we had in integrating FEMA goes back several years when there was a struggle from the very beginning of the Department, in which some people bitterly resisted the merger and continued to hold out the hope that the merger would be undone. And that itself created an organizational and a management program.

There comes a time you have to say, even for those who disagreed with the original impulse, we have to make this work. And the constant organizational upheaval is totally counterproductive.

The two other things I would mention are one, of course, in terms of funding. We are very grateful for the supplemental, which has worked its way through Congress. I think that is going to be enormously helpful, not only in terms of what we are doing at FEMA but in terms of what we are doing at the border, which remains of course a matter of great concern to the whole country.

And third, I think as the Committee looks at some of the proposals on the Stafford Act, we find ourselves often wrestling with categories of funding and assistance that may make sense in the context of an ordinary disaster but really tie our hands when we are dealing with the kind of emergency like Hurricane Katrina.

And understandably people ask the question, for example, why are we unable to fund housing that is more permanent and we are forced to use trailers that are, as some people described, tumbleweeds when another hurricane comes along? And that is largely driven by the fact that we have to categorize and we are restricted by the Stafford Act in terms of what kind of things we can fund.

So I know this Committee has within its proposals some ideas for changing the Stafford Act, and I think those are areas which would be helpful to us going forward.

Senator VOINOVICH. Do you think there is an urgency to the Stafford Act revisions, something we ought to just put on the top of the list and move forward with it?

Secretary CHERTOFF. I do think so. I think things we can do, even for this season, that would give us greater flexibility in our ability to deliver assistance to people in the way that matches what their actual needs are, as opposed to what the pre-existing categories are, that is the kind of thing that would, I think, make life easier for people this coming season.

Senator VOINOVICH. Can I ask you, why have you not put more money in for EMPG? I mean, I got a little bit more money appropriated for EMPG last year, and I am attempting to increase the EMPG appropriation this year as well. The States need this money to improve their emergency planning and operations. They do not have the capacity to do it currently.

Secretary CHERTOFF. We have, and I have to say I did not come with the full background with me today. We have invested a lot in emergency management planning over the last several years. We have also put a lot of in-kind resources in, meaning we have put teams out there to work with State and local officials to leverage the tools that they have in terms of planning.

Part of the theory is to increasingly put more of the funds into capacity building through things like Homeland Security grants and UASI grants, and then have those available and have planning available as a stream of activity that would be funded under those grants.

Now again as we move into the next budget year, I am always willing to look to see if there is some adjustment we should do in the program. If it turns out that this is not doing the trick, then

I am happy to take a look and see whether we need to do something more.

Senator VOINOVICH. I can tell you, I am going to try and increase those EMPG funds again. In my State—and we have a darned good emergency management system in Ohio, I think you will recognize that. But that is the biggest complaint that I have from our people in Ohio, that we do not have the resources to fund full-time emergency planners that get up early in the morning and go to bed late at night doing the planning and coordinating.

And there is some terrific progress going on in the States. I have never seen local government officials work together as they have today. But they need additional resources to get the job done.

And I would really urge you to look at this issue again and talk to some of your people who coordinate with the States. Because you know what? If we do get another hurricane like Katrina, you are going to be having to ask those State folks to come and help you.

Secretary CHERTOFF. That is right.

Senator VOINOVICH. So I would really appreciate your looking into that.

Another question that is off topic. We are passing this border legislation and immigration reform and so forth in the Senate. I think it is important that you candidly share with Congress what you are being asked to do and whether the funding is there to get the job done. Because the problem we have today in America with illegal immigrants coming here is we never previously gave the agencies charged with immigration enforcement and border security the resources to get the job done.

In this last supplemental, no money for drones, no money for helicopters, no money for things that I think you need to secure the border. And you, I think, have a moral responsibility to let us know what you need in order to secure the border.

Secretary CHERTOFF. I will say we have, in the 2007 budget, money for what we call SBI–Net. And that is really the technological piece to the border strategy. And that absolutely does envision that we are going to have not only ground technology but unmanned aerial vehicles.

In fact, I think with this supplemental, we are envisioning that we would have the funding for four UAVs eventually to help us cover the border. So I am very mindful of the fact that the aerial vehicles, while not a total solution, are a very helpful ingredient in the total program.

Senator VOINOVICH. My time is up. Senator Coleman.

Senator COLEMAN. Thank you.

And I am glad to hear of your support of the unmanned aerial vehicle because I had a chance to go down to Arizona and watch the prototype. I thought the budget just had funding for one, but if you are saying that there is money available in a different pot of funding?

Secretary CHERTOFF. I think we have two—if I recall correctly, I think we have—of course, one crashed, and we have to get it back. I think it is under warranty. The second one is supposed to come online this summer. And then I believe we have built into the budget, in the supplemental, money for two more.

Senator COLEMAN. Again, just part of the solution.

A couple of observations, one just about the funding issue. By the way, your statement was very strong, and you are absolutely right, you do not win a war by fighting yesterday's battle.

But for me the issue is consistency. I do not know what it is going to take to get there. We kind of go up and down, and it is very hard for folks at the local level to plan. We will get there, but I think your statement was a very strong opening statement, and it certainly moved me.

Talking about morale, and you talked about the hard-to-fill spots if people do not know if they are going to be ripped out. I presume it has got to be hard to—I am not presuming here.

What has been the impact in terms of morale and the impact in terms of recruitment on the hits that FEMA has taken?

Secretary CHERTOFF. First, let me correct something I said yesterday at a press conference because I misspoke. I was quoted as saying, and I think I probably did say, that we were going to be between 90 and 95 percent filled by the end of the year. I meant to say by the end of the month, by the end of June. So we are making a lot of progress.

I will tell you it has pained me a lot over the last few months to hear FEMA being ridiculed. From my own personal observations, as well as what I have heard from others, the lion's share of the people at FEMA did a magnificent job. I mean, there were people who were hunkered down in the Superdome who were literally working 24/7, who were away from their families for months. And I feel that where FEMA failed it was largely because the people were failed by the tools that they had been given or the tools they had not been given.

Clearly to the extent that we continue to treat FEMA as a joke or treat the issue as a problem with the people in the Agency, it has a devastating impact on morale. We have had people leaving the Agency, people retiring. Part of it is they are exhausted, and that is understandable. Part of it is I can sympathize with someone who, given the opportunity to put their skills into the private sector and be rewarded and admired, feels badly about the issue of being part of an agency that is now criticized for things that I think, as Senator Coburn indicated, sometimes have nothing do with even DHS. They may have to do with the Army Corps of Engineers.

I understand there is some discussion in the legislation about renaming FEMA. I will tell you that for historical purpose, that was originally the plan in the legislation, to take that name FEMA out of DHS. It had bitter resistance from within the people who believed in FEMA.

And I think the answer here is not to necessarily change the name but to change the reality. Because I think when the reality changes, then the name will come to stand for what I believe the people in the Agency deserve, which is a very hard-working agency with a small number of people doing a very big job.

Senator COLEMAN. In addition to people being failed by the tools, they are also failed by the leadership. And I raised this with you before when you were before the Committee. I would have fired Michael Brown a lot sooner. If he was not returning my calls and I was the Secretary in the midst of the greatest natural disaster this

country has experienced, I would have been on his case a lot sooner.

And so I do hope and I know that you bring a lot of thought to this job and what is required of your own leadership. But leadership is critical. And I agree with your call for a halt to significant reorganization.

Secretary CHERTOFF. I am delighted to say that this time we go into battle with a team that I have been able to pick and a team that I am comfortable with. Of course, we have all learned some tough lessons from last year. I think lessons learned have real value because they change the way we proceed in the future.

Senator COLEMAN. That is helpful.

I talked about confidence. And one of my concerns about confidence is that it will also impact the way people respond to the next call from FEMA. That perhaps there will be a hesitancy to be as responsive to directives from FEMA if you do not trust the Agency. Do you take that into account in your preparedness?

Secretary CHERTOFF. We do. One of the principal reasons we thought it was important to send people down into the hurricane areas and other areas that are preparing well in advance was to establish the personal connections that actually lead to people being responsive.

I go back in my own experience when I was doing law-enforcement. An awful lot of stuff got done in law enforcement not because there were written plans and agreements, but because people knew each other, you could pick up the phone and you had confidence in the person on the other end of the line.

We missed an opportunity historically to do that by bringing PFOs or FCOs in who had never dealt with the State and local people, and so everybody had to get acquainted. So that is one big area we are trying to build confidence in.

The other thing, quite honestly, is transparency. I think we really have to level with the American people about what their responsibility is. And that means the expectation that in a major disaster, help is going to come in 6 hours is not realistic. People are going to have to be prepared to sustain themselves for some period of time. They are going to have to listen when they are told to evacuate.

If we do not treat the American people like adults and ask them to take responsibility, then we have ourselves to blame when they turn on us and they get disappointed.

Senator COLEMAN. I concur with that assessment. Experience is a great teacher if we are willing to learn from experience. My sense here, Mr. Secretary, is that we have certainly learned a lot. And hopefully we will see that as the next hurricane season approaches.

Thank you, Madam Chairman.

Chairman COLLINS [presiding]. Thank you. And thank you, Senator Voinovich, for taking over the gavel.

Senator Lautenberg is on his way back and does want to question you. So while we are waiting for him, I will ask you a question following up on a point that I understand Senator Voinovich raised and in which, in response, you said that there should be a halt on further major reorganizations of DHS.

The Homeland Security Council at the White House, as part of its report, proposed reorganizations within the Department. For example, the Council proposed creating two new assistant secretaries to "integrate and synchronize preparedness and response functions."

It seemed to be getting at the same point that we have recommended, which is preparedness and response should be combined once again. Under the structure that we are proposing, integration between preparedness and response assets would be virtually assured because you are co-locating them.

Now I understand that the White House has a slightly different version of that, but it nevertheless is a reorganization of assets within the Department. So I want to clarify the response that you gave to Senator Voinovich. Are you opposing even those kinds of reorganizations?

Secretary CHERTOFF. What I said to Senator Voinovich is I recognize that we need to make some adjustments within the Department. What I am principally and strongly opposed to is anything that involves dismembering the Department or pulling it out.

Now I recognize that even within the Department there can be some debate about what is the right way to reconfigure. My general principle is we should try to do the minimum possible disruption in terms of how we reconfigure. I was involved, obviously, and made suggestions to the White House report. We have agreed, and we have actually adopted some internal reorganization, including these much more enhanced regional operations.

So I do not mean to suggest I am against any reconfiguration or adjustment.

What I wanted to be clear about was anything that involves pulling a piece of the Department out, I think we have to say enough is enough. The Department has now got to, as a whole, remain intact and integrated, and we have to do the hard work of making it work.

Chairman COLLINS. And just to wrap this issue up, obviously what Senator Lieberman and I have advocated does not dismantle the Department, does not take pieces out and make them freestanding or transfer them to other departments. But it is the kind of internal reorganization that the White House Homeland Security Council also has called for.

Secretary CHERTOFF. Correct.

Chairman COLLINS. Senator Lautenberg.

Senator LAUTENBERG. First, thank you, Madam Chairman, for holding this open so that we could review a couple of things with the Secretary.

I do not want to put you on the defensive nor do I want to be, Mr. Secretary. As we review the evidence that confirms our point of view, I think we have to be a little careful about denigrating what took place with FEMA in past years. It has been said by several, and all of us are aware of the fact, that there has never been a disaster, a natural disaster, of the scope of Hurricane Katrina.

So while I can be critical, and I am, of the response time, the fact that the President of the United States took some 2½ days to view the damage from 30,000 feet I thought was shocking. To me it showed what the national interest was in this terrible catastrophe.

Seeing people on the rooftops and knowing how disrupted life still is for so many, and still do not have a final—I will be crude—body count, says to me that there was a lot that went wrong.

And I do not understand why FEMA, as a separate independent agency, could not call on the resources. Can you imagine that those resources, whether it was the Coast Guard or military or other, would be unavailable to FEMA if they called for them at a moment of tragedy like this?

Secretary CHERTOFF. I guess what I would say, Senator, is this: First of all, I was not trying to denigrate FEMA in the 1990s. I think you are dead right. They were never prepared to face anything like this. I think the Agency was never more than about 2,200 people. In fact, it went up slightly under DHS.

I think if FEMA stood alone it would have done no better than and in some respects less well than it did in Hurricane Katrina.

Yes, they could have mission assigned the Coast Guard, but that would have been, as the Chairman said, slower by hours or days than what happened because they would have encountered what they encountered when they mission assigned the Department of Defense. It would have taken a little while to work the mission out and get the troops and the helicopters there. Whereas, with respect to the Coast Guard, it was literally instantaneous.

At a minimum, you would add a layer of bureaucracy. But there is another thing that would happen.

Senator LAUTENBERG. I do not want to cut you short, but whatever you can say in a couple of words, the time clock is glaring at me here.

Are you aware, you must be, that the Coast Guard was not too happy to be joined in to the DHS embodiment or the body? That they thought they operated fairly well as an independent agency within the Department of Transportation? Are you aware of that?

Secretary CHERTOFF. I think I have heard; obviously I was not here at the time. I would be willing to bet that most of the agencies originally resisted going into DHS.

Senator LAUTENBERG. That is fair because nobody likes to be suddenly moved around.

One of the things that I propose moving FEMA to its original status is that I think you have an elephant-sized department that is really hard to manage when there are significantly two distinctly different missions. One anti-terror and one in a warlike mode. One involving tons of intelligence. The other involving planning. The other involving some forecasting that is not unreasonably available.

So I think that the mixing of the two gives you, with a Department of 180,000 people embracing formerly 22 agencies, almost an impossible task. And I admire you for your courage and your work and your knowledge.

We will continue our friendship despite our difference here.

Secretary CHERTOFF. That is for sure.

Senator LAUTENBERG. I believe.

But now, Madam Chairman, I was surprised to hear a discussion of that which we were not going to discuss, and that is the grants.

Secretary CHERTOFF. Grants.

Senator LAUTENBERG. I recall, Mr. Secretary, your statements and the statements of Tom Keane, the former governor, who did an

outstanding job in the intelligence reform thing, described the best way to give grants as being risk-based.

Well, we lost it 15–1 in this Committee. And now I have heard you say, well, there are risks in other places, as well. Yes, there are. But I do not think they compare to a two-mile stretch from the Newark Airport to the harbor where the FBI says it is the most inviting target for the amount of damage that could be created in that two-mile stretch between the harbor and the airport, could kill as many as 12 million people with all the chemical production, etc., there.

So I still fight. I am not happy with the funds that we received, and I hope that we will, Madam Chairman, have a discussion about that and a separate hearing on that issue, if we can do that.

Thanks very much, Mr. Secretary.

Chairman COLLINS. Thank you. Senator Carper.

Senator CARPER. Thanks, Madam Chairman.

Mr. Secretary, thanks for bearing with us as we run and vote and do our other duties here.

This has already been touched on, and I want to come back to it again, and I apologize if it has been asked before in a different way. But as you know, there is a feeling among some that FEMA is weak and simply because of the fact that Chief Paulison will be officially reporting to you as opposed to reporting to the President. I would just like you to take a minute to respond to that sentiment.

And also to explain to us how the chain of command within your Department on preparedness and response issues will work, day-to-day, and during a disaster like Hurricane Katrina or like September 11.

Secretary CHERTOFF. Let me address the first issue. Of course, when I go to see the President to talk about a matter relating to response or preparedness, I do not necessarily go by myself. I bring with me Chief Paulison and the Undersecretary. It should not surprise you that the President solicits and gets advice from the people that have the expertise, and that is what he wants to do.

I think we tried the direct report method, and that was the first week of Hurricane Katrina when the then-Director of FEMA was reporting directly to the White House. We saw that did not work because the White House, frankly, is not equipped to be moving the helicopters and the aircraft. They have to execute through an agency. So when Admiral Allen came on board, we actually were much more nimble.

Let me try to explain the chain of command. In a normal disaster, one that was not an incident of national significance, FEMA would operate pretty much in the way it has traditionally operated. The President, under the Stafford Act, appoints a Federal Coordinating Officer. That person is the operational head of the FEMA support mission on the ground, supporting the State and local responders, reports to the Director of FEMA and then up through that director to me and ultimately, of course, I report to the President.

If we had an incident of national significance, under the National Response Plan a Principal Federal Officer would be appointed. And that person would have the responsibility to coordinate among all

of the Federal assets that were brought into the area. That person would report directly to me and through me to the President.

That is virtually identical to what happens in the military with the combatant commander where the combatant commander, and let us say CENTCOM, who has Iraq, reports through the Secretary of Defense to the President of the United States. What that does is it achieves within the Department unity of command. And then, as it relates to the other departments of government, which have separate command structures, there is the coordinating mechanism of the Principal Federal Officer. Everybody has signed on to the National Response Plan, and then, of course, we also have the State and local governments operate within a parallel system at their level.

Senator CARPER. Let me follow up and ask a little different approach on that question. The Coast Guard has gotten uniformly good reviews to the way they responded in Hurricane Katrina, FEMA not so. I know you have been asked this question before, but take a minute and just revisit why does the Coast Guard get generally very good reviews for their work and their responsiveness, as compared to FEMA?

Secretary CHERTOFF. First of all, I think within the Department, the Coast Guard operates within the chain of command. That does not mean that we micromanage them. To the contrary, it means that they understand the strategic direction of the Department and then they execute it. And their operators are empowered to carry out that execution.

But it also means that when they need help within the Department, they do not pussyfoot around or try to go it alone. They communicate either at an operational level with another operator or, if necessary, the commander calls me, the commandant calls me, and I resolve the issue, which I am capable of doing very quickly.

I think what hampered FEMA, and I want to underscore what Senator Lautenberg said, this was, by any measure, an extremely challenging—just a super challenging disaster—was an unwillingness to recognize that there were certain things that were outside of FEMA's capacity to deliver. And rather than going to other operators or coming to me and saying can you give us some additional assets, which could have been done literally in 10 minutes, there was a desire to try to do it by themselves, or at least on the part of Mr. Brown who wanted to do it himself.

His calls to the White House, not surprisingly, did not produce the results because the White House does not actually control or have possession of helicopters and things of that sort. What they will say is go contact the operators. So time was actually lost.

In addition to which, it deprived me of an awareness of what was going on so I could simply push in myself.

Now what I wound up actually doing, 48 hours into this, was recognizing that Mr. Brown was not capable of doing what needed to be done; we simply took pieces of this over and started to run them out of Washington, like the air bridge, like some of the things we did with the Coast Guard. That is not a very desirable way to do things. The Coast Guard's way of doing things is the model we are really applying across the board.

Senator CARPER. As we go forward and try to decide what changes, if any, to make to the structure of your Department in this regard or to FEMA, give us a point or two of things that we absolutely—if we do nothing else, we ought to do one or two things. And say what they are.

The converse of that is if there are a couple of things we ought not to do, and you feel very strongly about that, tell us what those might be.

Secretary CHERTOFF. I certainly feel in the not to do things is taking FEMA out, for all of the reasons we have explored at some length here.

I think what we need to do is, first of all, there are some changes in the Stafford Act that would give us greater ability to tailor the assistance we need to render to people in a way that meets their needs.

We had a lot of struggle with how do we house a large number of people in apartments and in hotels? Much of the struggle was about the fact that we could not pay directly under the Stafford Act in a way that was most accommodating to the localities and easiest for the people involved.

So some flexibility in terms of the Stafford Act, I think, is something which will be helpful to us.

I think the supplemental has been enormously helpful to us in giving us some additional tools.

At the end of the day, what we need to do, though, is to be allowed the breathing space to build the metrics and build the capabilities which we are doing at a very fast rate of speed, but recognizing that procurement rules require a certain amount of time to elapse. We are doing much more precontracting this year than we have ever done before. We need to ask for some forbearance while we complete that process.

Senator CARPER. Thank you very much.

Chairman COLLINS. Thank you, Senator.

Mr. Secretary, thank you so much for your testimony this morning. You have been very patient as we have tried to incorporate the votes this morning. I look forward to working with you as we seek to ensure the implementation of the recommendations in our report. So thank you for being here today.

Senator LAUTENBERG. Madam Chairman, can we ask that the record be kept open for questions in writing?

Chairman COLLINS. I always do that at the end of every hearing, and this hearing will be no exception.

Secretary CHERTOFF. Thank you for inviting me. I look forward to working with you on implementing the suggestions of the Committee. I think we have done a lot already. We look forward to doing more. And I think we are in sync on what we need to do here.

Chairman COLLINS. Thank you.

I would now like to call the second witness before us today. Coast Guard Admiral Thad Allen assumed his duties as the Commandant of the Coast Guard on May 25 of this year.

I would note that this is Admiral Allen's first official Congressional hearing since he assumed the position of Commandant, and we are very pleased to have him here today.

Many of us recognize Admiral Allen for his role as the Principal Federal Official in the aftermath of Hurricane Katrina last year. But perhaps less well known is the fact that Admiral Allen served as the Atlantic Area Commander during September 11. And he oversaw the Coast Guard's response, which included one of the largest boat lifts in our history of more than 1 million people from lower Manhattan.

So I wanted to make sure that was part of the record as well, Admiral. Admiral, we are very pleased to have you in your new position. We thank you for stepping into the leadership void in the aftermath of Hurricane Katrina.

I would ask that you proceed with your testimony.

TESTIMONY OF ADMIRAL THAD W. ALLEN,[1] COMMANDANT, U.S. COAST GUARD

Admiral ALLEN. Thank you, Madam Chairman. I have a statement for the record, and I will submit that and make a few brief remarks if that is OK.

I would like to start out by noting where I come to the hearing from this morning, Madam Chairman. As you know, I was a Principal Federal Official for Hurricane Katrina, and I am a Coast Guard leader.

The two other roles that I have played in the past that I think maybe bear on the discussion here this morning as we move forward, I have also, for the last 3 years, been the Chairman of the Joint Requirements Council for the Department of Homeland Security, which is the vetting organ for all capital investments and acquisitions for the Department. I also was the Transition Director for the movement of the Coast Guard from the Department of Transportation into the Department of Homeland Security on behalf of the Commandant. I managed that process.

I would like to make four brief points this morning, and I then would be glad to take your questions, Madam Chairman.

The first point I would like to make is that in the view of the Principal Federal Official, which is a job I performed down in the Hurricanes Katrina and Rita response, I tend to view FEMA's role inside the Department as one which is critical to an integrated response across an all-hazards and all-threats environment.

The Homeland Security Act and the Homeland Security Presidential Directives 5, 7, and 8 have created a role for the Secretary as the incident manager for the Federal Government. I believe that any move to take FEMA outside of the Department would erode the position of the Secretary as the incident manager and create some kind of peer competition that would create uncertainty and doubt when we need it the least, and that is in response to a major event.

The second point I would make regarding FEMA's location inside the Department is the synergy that we are deriving by all working together as components within the Department of Homeland Security. The synergy between FEMA and the Coast Guard since we have joined together in the Department has been extraordinary. We have increased the number of operations and exercises we have

[1] The prepared statement of Admiral Allen appears in the Appendix on page 77.

conducted just in the 3 years the Department has been in existence by over 300 percent. We have expanded the mission assignments that we deal with for FEMA from three or four areas across one or two emergency support functions to 10 emergency support functions and 22 pre-scripted mission assignments.

Third, as the Chairman of the Joint Requirements Council for the Department, I can say that the synergy gained by looking at requirements for emergency communications, emergency notification, capabilities and assets that we all bring to the fight out there together are being vetted, and we are working together to join those requirements and provide the most effective tools to the workforce inside the Department of Homeland Security.

The fourth point I would make, as you know there is a proposed field structure to put preparedness officials at a regional level out there. I think any move to take FEMA outside the organization would create dual field structures and would increase not only the cost but the increased coordination at the regional level.

With those brief comments, I would be glad to take any questions you may have of me.

Chairman COLLINS. Thank you very much, Admiral.

Admiral, when the Coast Guard was brought within the Department of Homeland Security, it was given certain statutory protections to prevent the Department from reorganizing it or stripping it of assets or authority. Do you think that is a model for this Committee to look at as we seek to keep FEMA within the Department but boost its authority? Has it worked well for the Coast Guard to be within DHS but to have that extra protection for its legal status?

Admiral ALLEN. I think it has been extraordinarily beneficial for the Coast Guard to be in the Department of Homeland Security. If you look at what I would call a Venn diagram of the overlap of mission and roles related to what the Coast Guard does and where we were placed in DOT and the overlap within the Department of Homeland Security and the other components, I think there is a tremendous amount of overlap in the Department of Homeland security. I think it is the right place for us to be.

You are right, Section 888 of the Homeland Security Act required that our mission set be intact when we moved over and that we move over in whole as an agency. We feel that with over 200 years of experience and all of the functions that we do on the water for America, that was the right thing for the Coast Guard. It has allowed us to sustain our level of performance and take what was a mature organization and continue our service to the United States.

Chairman COLLINS. Admiral Allen, one of the findings of this Committee, when investigating Hurricane Katrina, was that the Coast Guard did a terrific job of prepositioning its assets, moving personnel out of harm's way, and yet placing them close enough so that they could respond quickly once the fury of the hurricane had passed by.

When Admiral Duncan, the Coast Guard's 8th District Commander, testified last November, he said that there was a direct link between the Coast Guard's preparedness and training and its success in responding. If we accept that the Coast Guard's organization, which includes both preparation and response functions, is

at least partially responsible for its success, doesn't that organizational model also hold promise for FEMA?

In other words, shouldn't preparedness and response be recombined, given that good preparedness improves the response?

Admiral ALLEN. Yes, ma'am. I think I would expand on the comments that the Secretary made earlier. At the risk of condensing this to an oversimplification, I believe there is a big P in preparedness and a small P in preparedness. And what I mean by that is when you look at the Coast Guard in terms of preparedness or what we would call readiness, that really relates to the missions that we perform for the American public.

If you look at the Department of Homeland Security's mission to meet all hazards and all threats in an incident management mode for the entire country, there is also a big P on how you can combine what the Department is intending to do under the Homeland Security Act and the various policy statements that establish the Secretary as an incident commander to create what I would call a corporate preparedness function.

One of the reasons we are able to perform as we do is we focus on the readiness and preparedness of our agency in relation to our own roles and missions. So I think there is an agency level preparedness level and then there is an integration of preparedness across the components of the Department. I believe that is what the Secretary is referring to.

Chairman COLLINS. Admiral, I use the Coast Guard as Exhibit A when I am making the case that FEMA ought to remain within the Department because the Coast Guard was the stellar performer in response to Hurricane Katrina. And yet, it was moved within the Department. What do you think made the difference? Why was the Coast Guard successful as part of the Department of Homeland Security when FEMA was not?

Admiral ALLEN. I remember at the time having some discussions with Secretary Mineta in DOT, and this was a very painful time for DOT and the Coast Guard. It was a very bittersweet moment for us. Secretary Mineta had arguably been our best service secretary inside the Department of Transportation.

But when you are in the military, in the Coast Guard, you swear an oath to defend the Constitution, and ultimately there is a higher authority. When you are given an order, you obey it. We mustered up our service, we reported for duty, and at that point we committed to the full success of the Department.

I said in my change of command speech on May 25 that the Homeland Security Act created the promise. We must keep it. And that is my position.

Chairman COLLINS. Thank you. Senator Lautenberg.

Senator LAUTENBERG. Thank you, Madam Chairman.

Commandant Allen, I congratulate you for the assignment you have and the experience that you bring to the job. We are very proud of the Coast Guard. I do not know whether you know my history of support for the Coast Guard.

Admiral ALLEN. Extensively, sir.

Senator LAUTENBERG. A lot of years. So by no means, as these questions are raised, is there any intention to criticize the Coast Guard.

We all watched with admiration and amazement the Coast Guard's involvement in Hurricane Katrina. The helicopters, the bravery of the people in that terrible weather to complete their assignments.

I heard you say that the Coast Guard moved bag and baggage into DHS. Are you aware of the fact that there was any opposition to that within the Coast Guard family in the days of planning?

Admiral ALLEN. I think the Secretary commented earlier. Anytime there is change there are going to be people that are disrupted by it.

The conversation I had at the senior leadership level, at the time I was the Atlantic Area Commander, my view was there was more of a concern that if we moved that our missions would stay intact and we would move over as an agency with that stable, mature pass that we have and be able to perform effectively right out of the chute.

I know my own personal opinion was that if the direction was to move to the Department of Homeland Security, we should make that successful and focus on mission execution.

Senator LAUTENBERG. Could we apply the same thing to FEMA? All of us have now learned, unfortunately, that the assignments that FEMA faces could be far greater than anything imagined in all of the history of the country.

And so they could move, and I am looking at your statement, and you talk about planning prescripted mission assignments and that you have committed yourself to get these things in place so that you can be effective for any of the disasters that you might be called upon to deal with.

But would FEMA not be able to reach out to the Coast Guard if they were the calling agency, I will use the term?

Admiral ALLEN. They could, they would, and they did before the move to the Department of Homeland Security. I would tell you the big difference is that when you work with an agency everyday, inside the same department, you get to know each other. And there are built-in synergies and efficiencies that do not show up on an organization chart or in legislation.

The other thing is, with all of these assets being in one department at the discretion of the Secretary, he can move these assets before the mission assignments are made, and you can worry about the billing later.

If the Secretary called me this afternoon and said here is the issue, we would launch an aircraft and we would take care of the paperwork later. It is a little harder to do if you are not in the same department.

Senator LAUTENBERG. But you did operate well within the Department of Transportation.

Admiral ALLEN. Yes, sir.

Senator LAUTENBERG. Always—semper paradis—and I know you hew to that motto, and we all believe that of the Coast Guard. I have seen you in places when you had to pull me in in a little stormy weather. This was before the Senate. I would not have called on you otherwise.

I think it is certainly logical and possible that the Coast Guard could be as readily available whether FEMA was next door or they

were down the block or in another city. The Coast Guard is known for being ever ready.

Were there any problems in terms of getting the response to Hurricane Katrina in moving with the maximum commitment of resources that you had? There were not any, were there? Your people responded, the equipment was made available virtually on the spot.

And so I see that facility available all the time. Maybe we have grown accustomed to your place, and that is that you are always there. I really believe that would be the condition that we would see if FEMA was a separate department.

Admiral ALLEN. We would always endeavor to be responsive, Senator.

Senator LAUTENBERG. Thanks, Madam Chairman. Thanks, Commandant.

Chairman COLLINS. Thank you. Senator Voinovich.

Senator VOINOVICH. Thank you very much.

I would like to congratulate you, Commandant, on the outstanding job, the stellar job, that the Coast Guard did responding to the catastrophe of Hurricane Katrina.

You have been able to sit in the catbird's seat for quite some time to watch what has been going on at DHS. And I would like first for you to share with us your observations about the integration that is going on within the Department. You were here for Secretary Chertoff's testimony. I would be interested in your perspective on whether or not you are seeing integration among all these agencies that have never worked together before.

Second, specifically regarding the Preparedness Directorate and FEMA, I have lots of good feelings that Mr. Foresman and Mr. Paulison are going to work together. But if you look at the structure there, if they were gone and you had two other people, do you think the structure would enhance a good relationship or detract from it?

And last but not least, the issue of the Army Corps of Engineers. Senator Coburn was talking about the Army Corps and the fact that a lot of the problems we had in New Orleans dealt with the Army Corps of Engineers.

Do you think it would be wise to improve coordination between the Army Corps of Engineers and the Department of Homeland Security?

Admiral ALLEN. Let me address the first question.

In looking at the relationship between an operating component in the Department and the preparedness undersecretariat, I think a useful analogy might be with the Coast Guard's experience as we moved into the Department. Prior to the transition into the Department of Homeland Security, the Coast Guard had a significant responsibility for what we called the National Contingency Plan. This was a series of plans that evolved most notably out of the Exxon Valdez spill in 1989 and the Oil Pollution Act of 1990 that required a significant preparedness role for the Coast Guard including periodic drills on spills of national significance.

I was a National Incident Commander for one of those in New Orleans in 2002, and we are planning for one next year at the new Madrid Fault in the central part of the United States.

What we have done is we have taken the preparedness responsibilities that have grown extensively in the Coast Guard for the last 10 or 15 years and actually have married those in to the larger, what I referred to earlier, corporate preparedness function at the Department. We have moved those seamlessly together and actually have gained synergy.

While we are testing our oil and HAZMAT response skills in the spill of national significance drill that is planned for 2007, we will also exercise this as an incident of national significance related to other aspects of the Department, including FEMA.

So I think there is the potential to integrate from the component level up to the preparedness undersecretariat. I think we have demonstrated it can be done. I think it is possible, sir.

Regarding the Corps of Engineers, I would almost have to beg off on that, but let me just make two comments as it relates to my role as the PFO down there. The Corps really served two purposes when I was down there. One of them was the execution of mission assignments for FEMA in terms of debris removal, delivering of commodities, and so forth.

They also were down there repairing the levees, and they have a programmatic stake in that, in relation to their programs that are ongoing unrelated to the FEMA response. I dealt with them, in terms of an incident manager down there. I would not want to make any judgments or presume the prerogatives of the Department of Defense or anybody else on where they might be located, sir.

Senator VOINOVICH. The fact of the matter is that if additional budgetary resources had been available to the Corps of Engineers, the levee breaches in New Orleans would likely have been less severe. I was pointing out to the Chairman of this Committee that the Corp's construction budget has been cut significantly. That is, to me, unacceptable.

It seems to me that there ought to be more communication going on between the Army Corps of Engineers and the Department of Homeland Security to examine the potential threats which could be mitigated.

Admiral ALLEN. Yes, sir. I did make one recommendation, and I did it informally, it was never in writing, in relation to Homeland Security and the Corps of Engineers. I thought there was a need for greater communications and alignment between the program in the Corps of Engineers which designs and builds the levee heights and that interaction with the National Flood Insurance Program and what the 100-year flood plain does, how it interacts with levees. I thought there was some room for coordination there, and I did make that recommendation.

Senator VOINOVICH. One of the concerns that we all had when the Coast Guard came into the Department of Homeland Security was that you already had significant responsibilities. The concern was that with the added responsibilities, you would be shortchanged, you would not have the resources to take on the new role that we were asking you to take on at DHS.

I know I am particularly familiar with the situation in Cleveland and Lake Erie. I've talked with folks from the Coast Guard, who have said, Senator, we have a big job to do and now you are asking

us to do a whole lot more. They were very concerned about whether or not they would have the resources to take on additional duties.

Could you comment on how you feel about the resources and whether we have given you the money that you need to get the job done? Or are there some areas that you feel deserve additional resources?

Admiral ALLEN. Senator, when you take an organization like the Coast Guard, which is multimission, that means rather than having three or four agencies you have one agency that can do a lot of different things at any particular time. You are not going to be optimized along one program completely. So you are always having to make trade-offs, risk-based decisionmaking between the allocation of resources to the highest threat within your area of responsibility.

We traditionally have allowed our commanders to do that. We provide them with a certain level of resources, and they adjudicate that in the area in which they are responsible for, whether it is Cleveland or the Straits of Florida or the Bering Sea. That is one of the geniuses of our organization. It also allowed us to be able to react with those resources down in New Orleans and everywhere else we operate in the Coast Guard.

So there is a built-in mechanism in the Coast Guard to vet competing priorities and apply the resources available to the highest need.

If you are looking at 95,000 miles of navigable coastline in this country with the rivers, the lakes, and the coast lines, you are never going to have enough resources to cover all of that. So we are always going to be in a situation where we are applying resources based on risk.

Can we use more effectively? Sure we can. But the resources we have will be applied to the best extent that our professionalism and our competencies allow under risk-based decisionmaking. And we have evolved that significantly since September 11. We have come up with a risk-based decisionmaking model that accounts for both threats, vulnerabilities, and the consequences associated with that in our largest ports. We do allocations within those areas based on that risk-based methodology.

Senator VOINOVICH. So you have——

Admiral ALLEN. Whatever money we get, we will spend it wisely, sir. [Laughter.]

Senator VOINOVICH. You did a good job of dodging that. Maybe we ought to talk privately about this. Thank you.

Chairman COLLINS. Senator Lieberman.

Senator LIEBERMAN. Thank you.

Admiral Allen, thanks. Good morning, good afternoon now, and thanks for your service to our country.

Part of what we are trying to get at is what we can learn not only from the failures of Hurricane Katrina but from the successes, and again, the Coast Guard was clearly a success.

As I described, when Secretary Chertoff was here, we were struck, I was certainly, by the extent to which the Coast Guard operated essentially without having to check up the chain of command to do the basic things it had to do.

Am I correct to conclude that is a manner of exercising long-held Coast Guard statutory authority? Or is it just custom, without separate statutory authority?

Admiral ALLEN. It is both, Senator. First of all, any petty officer or commissioned officer in the Coast Guard is an officer of the Customs, and we have been since 1790. We were the first customs officers as part of the Revenue Marine and then the Revenue Cutter Service. So we have a long statutory basis for being able to act independently, either in a law enforcement capacity or in our role with the Department of Defense as an armed force.

But by custom and by practice, the principal on-scene initiative is one that has been embedded in the Coast Guard for over 200 years. It relates to the early days when you had a single revenue cutter in Long Island Sound attempting to stop British smuggling, or after the purchase of Alaska revenue cutters up there which were basically the government for Alaska until it was able to be established, clear to that patrol boat commander in the Persian Gulf among the oil platforms right now that is given tasking and expected to accomplish it out there.

So it is a combination of statutory authority and how we have evolved as an agency and how we grow our leaders, sir.

Senator LIEBERMAN. I appreciate that, and that is an interesting part of the story.

I want to ask you if you would just respond to this situation: Should we clearly give FEMA, or whatever we call the agency that carries out the responsibilities that FEMA does now, more clear statutory authority to act independently? I do not obviously mean in violation of a chain of command, but I mean to—for instance, right now there is some feeling, even in a catastrophe like Hurricane Katrina, that FEMA has to wait to be asked to come in.

And I wonder whether we should, based on the precedent the Coast Guard has set, which is a good one, an important and effective one, authorize FEMA in that case to exercise independent authority and move in to help?

Admiral ALLEN. I think you raise an excellent point, Senator, if I could make two points associated with that. The way the Stafford Act is constructed, and this gets back to a statement made earlier by the Secretary, resources can only be flowed into a State or local government pursuant to either a disaster or emergency declaration. So you are already a little bit behind the power curve in flowing resources to where you may need them.

I think looking at the Stafford Act and creating some kind of mechanism that allows resources to be made in advance of an event to pre-stage would be something you probably ought to look at.

I would commend to you the Oil Pollution Act of 1990 in the following sense, without being too melodramatic about this, the *Exxon Valdez* was the Coast Guard's Hurricane Katrina. We did everything by the book, the way we were legally supposed to. And there was a general perception that there was a failure because not as much was being done that should have been done and the Federal Government should have stepped in.

As a result of the passage of the Oil Pollution Act of 1990, there was a 5-cents-a-barrel tax put on crude oil that basically capital-

ized the Oil Spill Liability Trust Fund that allows the Coast Guard to act under a threat of discharge, even if there is no responsible party.

I think if you look at the structure of the Disaster Relief Fund and how we actually execute the disaster resource management function through FEMA, there might be some way ahead where you could have some buffer fund that would allow you to prestage, especially in communities that have certified evacuation plans or have demonstrated the competency to be able to apply those resources in advance, sir.

Senator LIEBERMAN. That is a very helpful answer.

Or, as in the case of Hurricane Katrina, both prestage and maybe begin to act, particularly as in Hurricane Katrina when, at least in the city of New Orleans, the constituted authority was incapacitated because of failure of communication systems and the rest. Because if you are not there prepositioned, it is going to be pretty hard to act.

Admiral ALLEN. Yes, sir. There were two elements to that. One is prepositioning the forces and applying them, but even after the event to flow the forces in.

The mental model that I used to approach my job in New Orleans was that we had something more than a hurricane. And that a legacy hurricane response was not going to be sufficient to ensure the mission outcome that was being sought, at least in and around New Orleans when I first got there.

Allen's view of the event was when the levees were breached, you had the equivalent of a mass effect used on the city of New Orleans without criminality. What I mean by that is, normally, if you had a weapon of mass effect used, it would be a criminal action, there would be a definite investigative lead, and somebody would be applying tactical resources to mission effect.

When you had the loss of command, control, and communications within the city of New Orleans, while we were flowing in urban search and rescue forces and disaster medical assist teams, there was nobody, in military terms, to take tactical control, or TACCON, of those resources and apply them to mission effect.

So you had extraordinary heroism and courage demonstrated by the urban search-and-rescue teams and the helicopter pilots but they were basically self-organized. And they did it remarkably under incident command system because they knew enough about it, and there was enough on-scene initiative.

But how they reported back up and how that related to the emergency repairs of the levees and the coordination of the law enforcement officers that were at the Royal Sonesta Hotel in New Orleans, that was not all bound together. So my first job when I got there was to create a unity of effort between those forces that had been deployed in but had to be self-organized and were not really brought together under a unified command.

Senator LIEBERMAN. That is a very helpful answer, a very important recollection of what happened there. You know it required two things. One is the training, capacity, and authority within the Coast Guard, and your absolutely correct judgment that this was not a typical hurricane or disaster.

And I am afraid, in the case of FEMA, not only were they not prepared because they had not pre-deployed or pre-positioned, also they did not have the preparedness to do what your Coast Guard forces were doing.

This makes an important point, which our report tried to make, that as much as we look back at FEMA with appreciation for the times it has performed well, and we had testimony on this from one of the independent experts we had come before us at a hearing, FEMA has never been prepared to deal with—we have been using the terminology catastrophe. It dealt with disasters. It never was prepared to deal with a catastrophe.

And that is what we have got to get it to be able to do, whether it is a naturally occurring catastrophe or, God forbid, an unnatural weapon of mass destruction effect catastrophe.

Admiral ALLEN. Senator, I could make a comment, I think it has to do with the structure of FEMA, as it relates to the execution of their responsibilities under the Stafford Act, the role of the Federal Coordinating Officer as the disaster resource manager, which is a fiduciary responsibility they have to execute those appropriations.

Once you go beyond a Stafford Act response and it requires something else, not related to the execution of those duties, then you are moving into the area where you need a Principal Federal Official because those are competencies and capabilities that are not resident in the day-to-day operations of FEMA.

And that is where what I call this hybrid event started to diverge in terms of the requirements that were needed to respond to it, sir.

Senator LIEBERMAN. Excellent point, full of insight that is obviously based on experience.

Thanks very much.

Chairman COLLINS. Thank you, Senator.

Admiral, thank you so much for appearing today.

Before I let you go, I want to tell you that the Members of this Committee recognize that the Coast Guard has taken on enormous additional responsibilities since the attack on our country on September 11. And all of us are impressed with how the Coast Guard has stepped up to the plate, whether it is port security or other functions.

I personally think that we have not done a sufficient job in making sure the Coast Guard has the resources to match its expanded mission. And several of us have been pushing for an acceleration of the Deepwater Program, for example, so that you are not spending 25 percent of your funds to repair legacy assets, so that your cutters and your aircraft are able to be mission ready at all times.

I continue to believe that accelerating the Deepwater Program would not only assist the Coast Guard in performing its mission more effectively, but would actually save $1 billion in the long run.

I am not going to put you on the spot by asking you if you would welcome an acceleration of the Deepwater Program because I assume the answer is yes. But I realize you are not always free to give those kinds of answers in your new position. But if you would like to make any closing comment before leaving us today, I would invite you to do so.

Admiral ALLEN. I appreciate the kind remarks, not on behalf of myself but on behalf of the extraordinary men and women of the

U.S. Coast Guard. The greatest benefit that I have accrued in the job that I am taking over is I get the opportunity to work with these people for 4 more years, and that is an extraordinary blessing as far as I am concerned.

I look forward to working with the Committee in the future.

Chairman COLLINS. I think he dodged another one, Senator Voinovich. [Laughter.]

But thank you for being here, and we wish you much success in your new position.

Admiral ALLEN. Thank you.

Chairman COLLINS. I would now like to welcome our third and final panel this morning, Dr. Donald Kettl and Dr. John Harrald.

Dr. Kettl is the Director of the Fels Institute of Government at the University of Pennsylvania. He is the author of numerous articles and journals on the topics of homeland security and emergency preparedness and is considered a preeminent scholar on these topics.

Dr. Harrald is the Director of the Institute for Crisis, Disaster, and Risk Management at the George Washington University and a Professor of Engineering Management and Systems Engineering in the G.W.U. School of Engineering and Applied Science. He is the Executive Editor of the Journal of Homeland Security and Emergency Management and has been very engaged in these fields as a researcher in his academic career and as a practitioner during his 22-year career as a U.S. Coast Guard officer.

We thank you both for joining us and for the advice that you have given the Committee.

Dr. Kettl, we are going to begin with you.

TESTIMONY OF DONALD F. KETTL, PH.D.,[1] DIRECTOR, FELS INSTITUTE OF GOVERNMENT, UNIVERSITY OF PENNSYLVANIA

Mr. KETTL. Madam Chairman, thank you so much and thanks for the opportunity to appear before you today and to share not only my opinions but some of the work that we have done at Penn, including our book on risk and responsibility, which is an effort to try to explore some of the lessons learned from Hurricane Katrina.

The core of those lessons is that we have serious problems that we need to fix. But we have to make sure that in the process of fixing them that we solve the right problem and make sure that in the process we do not inadvertently create new ones.

The guiding principle for figuring out how to think about that, I think, Madam Chairman, is the need to try to focus on what will work on the front lines, that national policy and Federal policy, however well-intentioned, that does not work on the front lines for first responders will be, as we discovered in Hurricane Katrina, a prescription for continued failure.

The approach to getting at that, I think, is a series of principles: To make sure that what we have first focuses on operational awareness, to make sure that what we do at the national and the Federal level works for the people on the front lines.

Second, the front line effectiveness is the ultimate measure of whether or not we have the right policy.

[1] The prepared statement of Mr. Kettl appears in the Appendix on page 82.

Third, the Committee's recommendation for an all-hazards-plus strategy, one that recognizes the interconnection between natural and unnatural events in Homeland Security, is precisely the right one.

And finally, to make this work, we have to make sure that we link preparedness, response, and remediation together in something that works in an integrated fashion.

All of those things together, I believe, lead to a proposal and the need to try to keep Homeland Security operations and FEMA's operations linked together inside the Department of Homeland Security.

There are four reasons for that, and let me try to summarize those briefly. First is that we know we have problems. But I think any careful look would reveal that the problem is not structural. As Admiral Allen has just testified, the Coast Guard behaved superbly in the context of Hurricane Katrina and its aftermath, but did it because they were part of Homeland Security. If you look at FEMA's response in the past, there have been serious difficulties with Hurricane Andrew in 1992, with the TOP–OFF 2000 exercise that showed difficulties in getting clarity of command, problems getting communication, difficulties of coordination with State and local officials. So that the structure itself does not seem to be connected with the results.

What is connected with the results is the quality of the leadership that had been brought to the table.

What we need to make sure is that we do not inadvertently, in response to last year's clear and demonstrable problems, end up solving the wrong problem, instead of focusing on improving leadership and instead focusing on issues of structure. Structure matters, but leadership matters more. And the key is not to create some of those issues that now would make things even harder to solve.

The first principle is that the fundamental problem is not structure.

The second one is that response to the problems that we face has to build on an all-hazards-plus strategy. The easiest way to make this point is if you think back to the situation that the firefighters faced on the morning of September 11 as they rolled out of their stations in Lower Manhattan. All they really knew was they were responding to the scene of a very large fire. At the time, in fact, they thought it had been caused by the collision of a small plane into the World Trade Center. They just knew that they had a very large fire to respond to, and they found themselves in the middle of the biggest terrorist attack in U.S. history.

The thing is that all homeland security events, all natural disasters, all terrorist attacks, all begin with the need for local responders to respond. And from the local point of view, there is no artificial distinction between things that are terrorist related, things that are based on natural disasters, things that are earthquakes, things that are fires, things that may be chemical, biological, or nuclear threats. They all require integrated local response.

And the primary Federal responsibility has to be to make sure that the local response is aided by effective national policy.

So that argues for the all-hazards-plus strategy that the Department has had recommended to it by this Committee and by its report.

So the second point is that response has to build on the strategy for this all-hazards-plus strategy.

The third piece is that it is clear that some organizational alternatives would make things worse. From the point of view of local first responders, there is no artificial distinction between preparedness and response, between remediation and dealing with consequences. Firefighters do what fighters do. Police officers do what police officers do. Emergency medical technicians do what they do. And it is their job to do what has to be done.

The worst thing that could happen in the middle of a crisis is to say, OK, now all of the people that you dealt with in terms of preparedness now have to hand you off to people who are dealing with issues of response. For the people on the front lines, there is no distinction of that sort. And we owe it to them, more than anything else, to make sure that they can do their job effectively and do it well.

And that argues for a need for linking preparedness with response, remediation with an effort to try to deal with consequences, to try to make sure that we have a seamless national strategy to make possible a seamless local response. What we discovered, unfortunately, in the case of Hurricane Katrina is that we had neither. It is our primary obligation to learn those lessons from New Orleans and from the Gulf to ensure that, in fact, we do not repeat those problems.

So the third lesson is that it is clear that some organizational strategies would make things worse. And that would be a strategy that put back in the stovepipes that we have been trying so hard to break down. And that is what we owe local first responders.

The fourth lesson is that leadership really matters most. What most of FEMA does most of the time is not exercise command authority. It is not a matter of command and control. Most of what FEMA does when FEMA does what it does well, and what the Coast Guard has done in doing what it has done so effectively, is to build partnerships.

I think one of the things that Admiral Allen just testified to is something that bears repeating, which is that it is not really an issue of providing unity of command as much as it is unity of effort.

What we need ultimately is unity in effectiveness as well. It is making sure that we have the different parts of the system that connect together that is FEMA's foremost responsibility.

What worries me about some of the proposals that have surfaced about bringing FEMA out of the Department of Homeland Security is that it is, in my mind, a misdiagnosis of the fundamental problem. We have issues that we need to solve. But if we focus on structure as the solution, we will miss the fact that the most important lesson that we draw from Hurricane Katrina and from the successes in Hurricane Katrina is that success comes from effective leadership. And focusing instead on structure, and trying to restructure to solve the problems, means that we risk making leadership harder, and it means we missed the possibility of truly understanding what the problems and the solutions are.

To be an effective FEMA Director, I think what we really need is somebody who sees their job as the conductor of a well-tuned orchestra. What we saw instead, in the aftermath of Hurricane Katrina, was an unseemly fight for the baton, a kind of battle over control. And we missed, and we risk continuing to miss, the important lesson that Hurricane Katrina has taught us, which is the importance of trying to ensure that we have that finely tuned orchestra and a orchestra conductor who can come to the head—sometimes, whether it is playing Beethoven or playing Bach, we find the right way to get this symphony to play the right instruments in the right way to create the right music when the Nation most needs it.

I fear that moving FEMA again will risk distracting us from this most important lesson and that, in the end, we will miss the lesson that it is leadership that matters most.

In conclusion, Madam Chairman, it seems to me that what we really need to understand is that FEMA does not need so much to be restructured as to be reimagined and to be focused with a strategy that puts leadership at its core, to make it a lively cutting edge organization that will make it key to the strategies and the solutions and the approaches that the country most needs to follow.

It is true that some of this we could do if FEMA were removed. But it is unquestioned in my mind that all of this needs to be done and could be done much more and should be done much more effectively with FEMA included in the Department of Homeland Security.

The reasons are that the problems are not fundamentally structural. They are based on issues of leadership. Restructuring cannot ensure leadership and in some ways could make things worse. The solution really lies in creating strong and effective leadership with an all-hazards-plus mission that links together preparedness, response, and remediation. It is creating that seamless piece of Federal strategy to ensure that ultimately what works most is making sure that FEMA and its strategies work on the ground where it matters most, where first responders need to respond, that lies at the core of what it is that has happened.

So what we really need to do, I think, is to make sure that we keep FEMA in Homeland Security and integrate it more carefully, as the Coast Guard has proven can be done, into the Nation's central homeland security strategies.

That, Madam Chairman, I believe is the central lesson that Hurricane Katrina has so painfully taught us.

Chairman COLLINS. Thank you. Dr. Harrald.

TESTIMONY OF JOHN R. HARRALD, PH.D.,[1] DIRECTOR, INSTITUTE FOR CRISIS, DISASTER, AND RISK MANAGEMENT, THE GEORGE WASHINGTON UNIVERSITY

Mr. HARRALD. Thank you, Madam Chairman, Senator Lieberman, and distinguished Members of the Committee, for the opportunity to testify on how to best structure national emergency management resources.

[1] The prepared statement of Mr. Harrald appears in the Appendix on page 93.

Your report "Hurricane Katrina: A Nation Still Unprepared" provides, I believe, well reasoned recommendations for revitalizing national emergency management on an all-hazards basis that should be seriously considered by both Congress and the Administration.

Hurricane Katrina was the first test of the reconstruction of emergency management as a component of a homeland security-centered national response system. Hurricane Katrina obviously, as we have discussed, exposed shortcomings across all phases of emergency management. As Karl Weick from Michigan State has observed, "reality is a cruel auditor."

The United States continues to be vulnerable to extreme events with potentially catastrophic consequences. Nature will not rest after Hurricane Katrina, nor did terrorists stop their planning after the September 11 attacks. Our society and economy must able to withstand and adapt to these extreme events and to continue to thrive at all levels of government.

Form follows function, so we must first ask what we expect the Federal Government to do? The post-Katrina reports from this Committee, from the House Select Committee, the White House, the Government Accountability Office, and the Department of Homeland Security Inspector General collectively contained 321 recommendations, providing some insight into these expectations. We certainly expect Federal leadership and coordination to produce an effective national emergency management network of organizations, led by DHS, capable of reducing vulnerability and managing the response to and recovery from potentially catastrophic events of all types.

However, as William Jenkins of the Government Accountability Office notes, no matter how we organize, the Department of Homeland Security controls only a portion of the resources needed to succeed in this task.

Coordination and networking, not command and control, are the essence of emergency management. DHS must coordinate the actions of other Federal departments, State and local governments, non-governmental non-profits, and private sector organizations.

Coordination is one critical success factor. The others are capacity, capability, and competence.

The current debate is framed in terms of organizational solutions. Should emergency management responsibilities remain in DHS? Or should an independent FEMA be created? If emergency management remains in DHS, are the changes proposed in Secretary Chertoff's Second Stage Review and the ongoing post-Katrina revisions to the National Response Plan and NIMS adequate? Or is more radical restructuring required?

How extensive an emergency management role should we assign to DOD?

I believe, as has been stated, that depending on the leadership and resources provided, any alternative could conceptually work or without the leadership and resources could also fail.

I believe that the organizational proposal made by your Committee is superior to other alternatives for the following reasons: The DHS Second Stage Review reorganization does not restore comprehensive all-hazard emergency management within DHS and in my opinion will exacerbate some of the problems we witnessed

in the Hurricane Katrina response. This element of the reorganization has been opposed by the National Emergency Management Association because it separates preparedness from response and recovery, creating a disconnect for the States.

Under this plan, FEMA will be reduced to a response organization, competing with preparedness for a budget.

More importantly, the proposed structure will constrain vital feedback between response and recovery results and the mitigation and preparedness programs, damaging our ability to learn from the experience and to reduce the impact of future disasters.

As has been stated by others, FEMA cannot be recreated as an independent agency without a difficult organizational transition period and a rewriting of doctrine and redesign of systems that we can ill-afford. Natural hazards and terrorists are simply not going to wait for us to reorganize yet again.

Emergency management at the Federal level has been absorbed in concept and in doctrine within Homeland Security. FEMA as an independent agency ceased to exist when DHS was formed and the Secretary was designated by law as the Primary Federal Official for all incidents of national significance. The FEMA name was retained largely to preserve internal morale and to capitalize on the Agency's good public image.

Functions performed by the formerly independent agency have been consolidated and somewhat distributed in DHS. The removal of FEMA from DHS will seriously disrupt the Department, removing the consequence management portion of its comprehensive risk management responsibilities, as Secretary Chertoff stated.

An independent FEMA will remain a small agency that will be overwhelmed by a Hurricane-Katrina-scale event. It has been constrained in capacity and capability both as an independent agency and now as a member of DHS.

I and other academics were frequently interviewed by the media in the aftermath of Hurricane Katrina about FEMA's performance. I made a practice of asking my interviewer how many people he or she believed actually worked for FEMA. The smallest answer I got was 10,000 people. The more typical response I got was between 100,000 and 150,000 people. All were shocked when I informed them that the FEMA staff was less than 2,000 people.

The creation of DHS was supposed to dramatically expand the pool of skilled personnel available as a surge capacity for emergency management. Hurricane Katrina showed that it does not yet work that way, but the potential is there and is seriously needed and is recognized in both the Second Stage Review and your Committee's report.

At this point I would add some comments based on my Coast Guard background, since that has been asked, why did the Coast Guard work and why not? One of my experiences was command of the Connecticut Region Group Long Island Sound for 3 years, living in New Haven.

This was not the first response during which the Coast Guard had this agility and discipline. The Mariel boat lift, the September 11 response, as you said. The leadership at the top levels, as we saw with Admiral Allen and with Admiral Collins, was certainly exemplary. But in my opinion, the decentralized local-based leader-

ship, the competence at the bottom levels, the bottoms up where it is just as key. And the organizational culture that is based on the delivery of services, the focus on mission, and the preparedness at the local level is very critical.

The result is an organization, I think, the model that the Coast Guard has is the discipline and structure, which is doctrine and structure, but also the agility, which is a very decentralized organization. The people live there, they work there, and they live in the community. When I was in the command, I lived in New Haven. I knew the mayor. I knew the people. I worked with them on a day-to-day basis.

When you fly in during an extreme event then you do not know who the local folks are. So that model, I think, of both agility and discipline is critical.

In conclusion, getting the structure right will not be easy. It is only the first step in solving the problems identified in the post-Katrina evaluation.

The 9/11 Commission termed the failure to anticipate and deter the terrorist threat a failure of imagination. The House Select Committee called the inept response to Hurricane Katrina a failure of initiative.

We now know about the potential catastrophic consequences from the threats and hazards facing our Nation. We also know what must be done to mitigate, to prepare for, to respond to, and to recover from extreme events.

Failure to successfully reduce these potential future catastrophic consequences would, in my opinion, be viewed by history as a failure of intent. We must get it right this time.

I thank the Committee for the opportunity to testify. And more importantly, I thank you for focusing the public discourse on issues critical to our Nation's survival.

Chairman COLLINS. Thank you very much, Dr. Harrald.

Your comments about your Coast Guard experience were very illuminating.

As part of our report, we have proposed regional offices for DHS that would include strike teams that would be made up of all the Federal agencies that would be involved in a response and would train with State and local emergency managers. This has been an overlooked recommendation in our report, but I think it is our second most important recommendation. And I think your experience indicates why.

Could you expand on the importance of having people who are familiar with the geography, and the public officials, and the emergency managers?

Mr. HARRALD. Absolutely. I have known Admiral Allen for many years obviously, and I was watching television, as we all were. It did not surprise me that the very first thing that Admiral Allen did was lock himself in the room with the parish presidents, the equivalent of the county executives. And I have not talked to him, but I know exactly what he said. It is the same thing that I said when I took over my captain of the port zone and met with the local executives, not in an extreme event, and just asked them what is the problem, what are their needs? And by the time he left that room, he had a group of people who were clearly on his side.

It is not just meeting people. It is listening to them. The people who know what is going on in the local area are the local officials, the people who live there, the people who are working within the systems. And that is absolutely a critical recommendation in your report.

Chairman COLLINS. Dr. Kettl, you have written some very interesting articles in which you said that "the debate since Hurricane Katrina has confused the inescapable need for a unified command, ensuring that key decisionmakers are all on the same page, with the chain of command, the vertical links among decisionmakers, from top to bottom of the system." And I want to explore that issue with you.

Our current system for emergency preparedness and response is a bottom-up system. It relies on the local level first, then the State, then the Federal level, if needed. But we saw in Hurricane Katrina that the State and local levels were completely overwhelmed very quickly by the magnitude of the catastrophe and a failure to exercise good leadership and planning.

What kind of structure should we put in place to deal with catastrophes that we know are going to be far beyond the capacity of State and local governments?

Mr. KETTL. A couple of points on that, Madam Chairman. The first point is that there is no structure that we can possibly draw that will put the lines around the problems we are likely to face. That is why the problem, in the end, cannot fundamentally be a structural one. It has to be a relationship one.

There is one quick story that is worth remembering. One of the reasons why the response at the Pentagon on the morning of September 11 was so effective, Federal, State, and local officials all working together, was that they had a drill the preceeding Sunday. They knew each other on a first name basis, and what they had practiced on Sunday they did for real on Tuesday. It is those preexisting relationships that are crucial.

The second is that the Federal agencies who were involved had a sense of the operational realities because they had trained with these people in advance. They had the preparedness and the response pieces already worked out because they had the relationships already worked out and they understood the relationships between those.

So what we need is an approach on the part of FEMA that understands that it cannot control the problem, that its job is to try to orchestrate a response, that it needs to understand that sometimes it will need the Department of Transportation, sometimes it will need the Department of Health and Human Services, sometimes it will be a Centers for Disease Control enterprise, and sometimes it will be something that may be primarily air or water or transportation-based. And it needs to find that right collection of Federal resources it can bring into place and do it in a way that has operational awareness.

What FEMA missed was a sense of the horizontal connections among those agencies and a sense of the operational awareness on the ground. So it is little wonder those connections never quite happened. It is the matter of creating and sustaining those relationships that is absolutely critical.

Chairman COLLINS. Thank you.

I would like to, in my final question, ask both of you about a controversial issue in the chain of command. And this has to do with to whom should the FEMA Director report. There are those who argue that unless the FEMA Director always reports at all times directly to the President of the United States, that individual is never going to have the clout and the context necessary to respond effectively in a disaster.

There are those, like Secretary Chertoff, who argue that if you allow a second person in the Department to report to the President, you confuse the chain of command.

Our report takes a hybrid approach. I am not sure it is the perfect answer, and that is why I want to ask both of you to give us your best judgment. What we have said is that the FEMA Director should be elevated in the Department to the level of a deputy secretary and that he or she should report to the Secretary.

But in times of catastrophe, when there is an incident of national significance, the Director would report directly to the President of the United States, as well as to the Secretary.

In addition, we have proposed that the FEMA Director be the President's principal adviser on emergency management issues. What is your advice to us on the reporting structure? I hate using the word structure because I agree with you, leadership is more important than structure. But we do need to establish what the chain of command is going to be.

Mr. KETTL. I think that is exactly right, Madam Chairman. There are two points, two principles that I think help to answer it. One is that on matters of major national significance, the President ultimately has responsibility for ensuring that the response is adequate, and he is going to want to make sure that happens. And so, a direct relationship between him and the Director of FEMA is going to be essential.

But on the other hand, in both day-to-day preparedness but also on an ongoing basis in ensuring these horizontal relationships work, it is critical that FEMA be integrated with the rest of the Department of Homeland Security's operations.

So while it runs the risk of potentially creating some confusion, I actually believe that the hybrid approach is the most sensible one because it is the only one that I can imagine that captures both of those fundamental realities.

Chairman COLLINS. Thank you. Dr. Harrald.

Mr. HARRALD. I think the Nation's senior emergency management should be at least at the deputy secretary level. Part of the issue we saw was the competence, FEMA buried at three levels down in DHS, and it was just to many layers to go through.

Whether that dotted line reporting arrangement in time of crisis would work or not, I do not know. Again, the model, the Coast Guard has worked as an independent military service reporting through a cabinet secretary both in Treasury and in Transportation, now in Homeland Security, with extreme events and others. And that seemed to work.

The problem is I do not think you can expect over the years the appointment for the Secretary of Homeland Security with the broad range that he or she has to have that—you are not always going

to pick an emergency manager, obviously, for the Secretary. So you need that expertise at their hip.

So that part I would strongly endorse. The dotted line, I do not know.

Chairman COLLINS. Thank you.

I would say to my colleagues that you just witnessed a rare moment in a Congressional hearing where a Senator asked a question not knowing what the answer was going to be, but really trying to elicit the judgment of our expert witnesses.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Madam Chairman, you continue to be an inspiration, even if you violate the rules that I was taught at law school. But that was a very constructive exchange.

Thanks to both of you for your help here today as we try to improve our national emergency preparedness and management capacity.

I want to ask you both first to comment briefly on the question that I asked Admiral Allen at the end, which is one of the strengths of the Coast Guard in crisis seems to be its capacity to act of its own initiative, not as a rogue agency but obviously within stated authority.

And one of the questions I think we have to ask about FEMA, or a successor to FEMA, is whether it should be more clearly given that authority, particularly in a catastrophic, as opposed to disastrous, circumstance, considering Hurricane Katrina to be a catastrophe. Do you have a thought about that, Dr. Kettl and Dr. Harrald?

Mr. KETTL. Senator Lieberman, I think one of the things we discovered in the aftermath of Hurricane Katrina is we need to have the opportunity for stronger Federal authority to assert itself. One of the things that I have heard people on the ground describe is that what happened was a kind of decapitation of government in Louisiana for some time. And the consequences were catastrophic.

We have principles of federalism that are important, and we need to preserve the need to establish and continue local self-government. On the other hand, we cannot allow our citizens ultimately to be put at risk as a result of that.

So what we need to do, and ultimately this has to be a presidential decision, is to build the capacity for the Federal Government to step in when necessary to provide the kind of emergency services that may regretfully be required some time in the future. I do not think we want to discover that lesson the hard way a second time.

Senator LIEBERMAN. Dr. Harrald, if I recall, before you actually answer the first question, you said to us during our investigation that in your opinion FEMA, even at its best, never really had the capacity to handle a catastrophe.

Mr. HARRALD. No, it did not. It had a high degree of competence, and I think its major successes in the 1990s were actually in preparedness and mitigation, the very part that we are trying to separate out.

If you compare probably the biggest event of the 1990s, which was the Northridge earthquake, to Hurricane Katrina, there is no comparison. You are in a State that was not only not overwhelmed,

but was clearly, California and Los Angeles, city and county, probably the most prepared, equipped, and funded for the earthquake threat.

So FEMA came in in the true support role that it was designed to do.

The size of the Agency, without being able to quickly support and gather support from the rest of the government, was very constrained at that point and remains so.

Senator LIEBERMAN. Then I will ask you to respond to my question about whether we should be giving FEMA clear authority to act independently in a disaster or catastrophe?

Mr. HARRALD. I think the bottom line difference between the way the Coast Guard is structured, and believe me, the Coast Guard can be as bureaucratic as any organization I've known, having lived through that part of it, too, but in times of operational mission, can operate very agilely and very flexibly.

Hurricane Katrina showed that basically if you are trying to run an operational organization that is Washington-centric and bureaucratically structured, you are pretty much doomed from the get go.

The one thing that we can say, whatever the next event is, it is going to be one that we did not anticipate and did not expect. So what we are doing in our drilling and our preparing is pretty much generic preparation. We can run as many scenarios and be as smart as we can, but we are going to meet with the unexpected when it does occur.

When you do that, you have to be flexible and agile at where the resources are. You have to have full confidence that you can act and be backed up and have the ability to do so.

I think the legislation and the structure and the history of FEMA have impeded that process as part of the organizational culture.

Senator LIEBERMAN. I appreciate that obviously because it supports the position that Chairman Collins and I have taken, that you believe FEMA or a successor authority should be within the Department of Homeland Security.

Is it fair to say then that you would say that during the times or occasions when FEMA was successful in responding to or preparing for or mitigating a disaster, it had less to do with its independent status than other factors, such as the quality of its leadership?

Mr. HARRALD. I think it was the quality of leadership and, in particular, the contact of that leadership with the State and local and regional presence. Part of what FEMA lost as it withdrew into DHS was being the primary—well, the funding stream that went to the States that made you pay attention to FEMA. But the connection, where both the operational connections and mitigation were, was close work with the States and regions and local governments. That is where the disasters happen, that is where the preparedness had been. And I think FEMA had great success moving down that road.

Mr. KETTL. One example of that, Senator Lieberman, is that one of the great successes in the 1990s was FEMA's effort to reduce the damage from hurricanes. One of the ways in which they did that is they worked with local builders and local governments to improve building codes and construction standards. Among other

things, they created incentives for builders to put steel bands to keep roofs from blowing off on the not surprising discovery that it is a lot cheaper to do that in advance than to try to replace houses after the roofs blow off and the homes are ruined.

So one of the things that FEMA did is they understood a kind of seamless link between remediation and preparedness and response. The way to do that was to build partnerships between the Federal Government, the State Government, the local governments, the private sector, and the nonprofit sector. They saw it as a bridge-building piece, which meant that when things happened, they had pre-existing relationships. So where it worked best it worked because they had worked in advance on remediation when they had to come in and try to solve some of the problems, they already had the existing relationships.

One other quick story. I was talking to one local government official in Wisconsin once, who was talking about some of the exercises that were done. One of the things that she said was most useful in that was in the course of one of the exercises she had learned the cell phone number of the local FBI agent. Which meant two things. One, when something happened, she would know how to get hold of the FBI agent. The second thing, when something happened, he would take her call because they already had the relationship. It is that piece that, in some ways, we have lost along the way and is the key to restoring FEMA's success.

Senator LIEBERMAN. Thank you very much. My time is up. Thank you.

Chairman COLLINS. Thank you. Senator Warner.

OPENING STATEMENT OF SENATOR WARNER

Senator WARNER. Thank you, Madam Chairman.

First I would say, as I look over your distinguished dossiers and the work to which you have devoted yourself by way of a career, we are fortunate, as a country, that people of your capacity and intellect are undertaking to render services in this area. It is very encouraging.

Madam Chairman and my distinguished friend, the Ranking Member, I followed this hearing today. I have had our own committee hearing earlier this morning. But I want to say that I basically support the approaches Secretary Chertoff has with regard to his concept of how his Department should be organized and with regard to the integration of FEMA.

And on the question of the dotted line, again I guess that drawing on my own inclination to pattern so many things after the military, I worry that in a time of national significance here—that was the term you used, and we ought to get a little better definition of when is it the triggering mechanism starts here. Is that possible, if I can digress from my question a minute?

Who quantifies the catastrophe and rates it as one that triggers the necessary sequence of events within the Department of Homeland Security?

Mr. HARRALD. The Secretary.

Mr. KETTL. The Secretary has to, and I think, Senator Warner, you have identified, quite apart from the dotted line question, the single most important question. And it is one that not only is im-

portant operationally, but it is important constitutionally. It is as essential as anything goes.

But it is one of those things where I think we have in advance to recognize that at some point we will recognize that a line has been crossed. When that line has been crossed, we owe it to the American people to ensure that government provides as effective a response as possible. And then in the end, we make the problem drive things.

But that is why it is important to have the debate and the discussion in advance and not, on the one hand, have the government step in too soon and run the risk that it treads on the principles of federalism or, on the other hand, delay in response and run the risk that people unnecessarily suffer.

Senator WARNER. Does the current status of the law clearly provide for the criteria to make that decision? If not, should we try to correct it?

I am asking both of you.

Mr. HARRALD. There are specifics on government being overwhelmed, and how clear that is and whether how much wiggle room there would be from one administration to another, I think there is room for different definitions. And people would disagree on specific points. I am not sure that is entirely bad. I think it is a decision that has to be made and be made transparently.

Senator WARNER. But with the swiftness of these national disasters, of course we also have the problem of the misfortune of, let us say, a weapon of mass destruction being released in one of our communities, we cannot all suddenly sit around a roundtable and decide now is this a national disaster to trigger Uncle Sam?

Mr. KETTL. This is not a good time, Senator, to have a new Constitutional Convention.

Senator WARNER. No, it is not.

So I am wondering if we should not examine the law to make sure there is clarity that someone can make that decision and make it swiftly, and then set into motion the participation by the Federal sector in support of the State.

Mr. KETTL. I think that makes sense, Senator, and there are a couple of things here.

Senator WARNER. It makes sense but is it in law? It is one thing for a Senator to pop up in a hearing.

Mr. KETTL. I think it is something that we need to think much more carefully about and perhaps look at the law, in part to make sure that we have addressed the question in advance, that we maintain the premise of State and local government rule wherever possible, understand that at some point we may need national action and establish these criteria as clearly as possible so that when we enter in we are not, in some ways, signaling that we are shifting forever the balance of power. And that ultimately, we put the interest of citizens at the core.

Because the primary principle is the safety and well-being of citizens and not the principle of separation of powers and not the principles of federalism.

Senator WARNER. If I might yield to the distinguished Chairman and Ranking Member, is this a matter that I can, or you as Chairman, might wish to elicit from this panel further comments on this

point? And then we will address, and perhaps your staff, your able staff, can look at this issue.

We do not want to face a problem and be sitting around trying to figure out when we act and when we do not act and who has that authority.

Chairman COLLINS. We would certainly welcome your input, as well as our two expert witnesses on this issue. It is an issue that we talked about at some length in our report and the delay in the Secretary's designation and whether that had implications for the response.

Mr. HARRALD. I would like just one comment on that, going back to Senator Lieberman's point. I think there are some things that are going to be clearly an incident of national significance. But there are others where the government is not overwhelmed. And the gray area between a reactive response and a total Federal response, where you are really providing unusual responses and unusual Federal assistance, removing the barriers to DHS and FEMA to be responsive and reactive in the absence of specific State and local requests, even lacking a declaration, is a piece that needs to be—it is not going to always be clear.

Senator WARNER. Please give us your best advice. My time is almost up.

On the question of the dotted line reporting, I think at this point in time I feel very strongly that all communications should go through the head of the Department of Homeland Security, currently Secretary Chertoff. And that you could have problems if you have got a collateral chain and he is not fully aware of what is being transmitted back and forth in that chain because he may well be directing other aspects of the Department, which are providing clear and important support to this crisis. And you do not want a clash of efforts that could cancel each other out or otherwise be redundant, or whatever.

So we will work on that, but I wanted to identify myself there.

Last, in a time of crisis, does Secretary Chertoff and his FEMA Director have the sufficient legal authority to order from the other departments and agencies the help that they need?

Mr. HARRALD. The mission assignments? Yes, sir, they do.

Senator WARNER. The mission assignments.

Mr. HARRALD. Yes.

Senator WARNER. You think it is sufficient?

Mr. HARRALD. I think it is sufficiently clear. I do not see any resistance in the will to do those. It has been resource constrained and process constrained, but not authority constrained.

Senator WARNER. If you are satisfied, I am going to yield to that. That might include the Secretary of Defense?

Mr. HARRALD. Absolutely.

Senator WARNER. I have served with about 10 of these individuals through my lifetime, and they are all a little bit different. I would like to be an observer as to someone calling them up and telling them I want 5,000 troops tomorrow morning, and here they are.

Thank you.

Chairman COLLINS. Senator Lautenberg.

Senator LAUTENBERG. Thanks, Madam Chairman.

There are lots of questions that evolve as the presentation goes on, and we thank you for being here with your considerable credentials. But obviously with that kind of a comment, you always find out what is the difference between what you think and I think at the moment.

I, frankly, think that FEMA ought to be an independent agency with the same latitude. Perhaps it can be done in DHS. But when I look at DHS and I see the complications of the different services that it is responsible for, screening baggage and intelligence and all kinds of things, it is very hard to imagine lots of companies. I come out of the business world, and lots of companies deliberately try to siphon off sections so that they can have a degree of independence that always seems to bring out the best.

That is where leadership counts. Dr. Kettl, you talked about that it is personnel or people that make the difference and not structure. But structure cannot be ignored. You cannot do it—on the basketball team, no matter how good the principal shooter is, if they do not know where they go on defense, they are in trouble.

Dr. Kettl, in 2005, you wrote your report, "The Worst Is Yet To Come." You said then, and I assume there has been a change of mind, if not a change of heart, that now structure matters not as much as leadership. It now seems clear that it was a mistake to move FEMA to the Department of Homeland Security, identifying something we talked about earlier, terrorist attacks are one thing, and natural disasters are quite something else.

Does that contradict something you are saying today? Or did you have a change of mind?

Mr. KETTL. What has happened, Senator, two things. One is that the investigations and the studies that all of us have done and what it is that happened, what worked and what did not work, has I think taught some important lessons.

The second thing is the ability to be able to circle back and try to make sure that we focus on the main mission. Actually, I also gave an interview back when the Department was being created. I said it is conceivable at some point that we may face a major event like a hurricane that might conceivably swamp the ability of FEMA to be able to respond.

My concern all along has been trying to figure how to structure the organization best to try to deal with its mission. And it has become increasingly clear to me that what we most need to do are two things. One is to avoid doing things that get in the way. That includes further restructurings and also things that get in the way of leadership and things that would most promote the connections among the pieces.

What would concern me would be a FEMA disconnected from preparedness, from response, from the other things that are going on in homeland security. And what concerned me most about the way in which FEMA was operating within the Department of Homeland Security is that those connections were not being made.

What I find most reassuring about the Committee's recommendation is it finds ways to link those pieces up.

Senator LAUTENBERG. Dr. Harrald, you said, in March 2006, recognize that we are no better prepared to deal with a catastrophic event today than we were last August.

So I wonder, what did we learn? DHS began operating in 2003. It is now in its third year. Have we learned nothing in all of that time?

And I would ask for quick responses because I am conscious of the time and the vote.

Mr. HARRALD. I think, yes, we have learned. And I think Hurricane Katrina has been the big lesson learned, and a lot is obviously being digested by your Committee and others.

I think the issue of DHS really relegating the natural hazard preparedness and response to natural hazards is really internally a secondary role to the terrorism issue, combined with the structural way that FEMA was integrated into DHS, not as an independent agency as the Coast Guard was or Secret Service, but into a directorate and essentially put all of the resources for FEMA up for grabs bureaucratically, very internalized.

And so, how it was done was as much of a problem as what was done. And I think a path out of that is necessary, and I think the Committee has provided that.

Senator LAUTENBERG. Let me ask you a question that is a little far afield, but I think very directly related. The use of intelligence by DHS, by military organizations, is a critical factor. Now we are talking about fixing things after the breakage has begun.

What about the question of where we are with our environmental concerns? Where are we in terms of—we are certainly seeing worse by way of storms, rainfall, differences in weather. Well, does that compare to the intelligence assignment that you have in the military engagement? Or do we go merrily along blasting pollution in the air that is ultimately going to disturb the waters and create more vicious hurricanes, etc.?

Mr. HARRALD. Actually, I think this is one of the arguments that I would make for having FEMA or emergency management within DHS. FEMA as a stand-alone agency had no research capability and only very limited research ties to other agencies. DHS is building quite a robust research capability, which would tie in with and is tying in with the national labs, university research centers, people who are doing environmental research and others.

Now has that research within DHS been linked to FEMA? Probably not. Is that a potential? Yes.

Senator LAUTENBERG. We all work for the same company; right? And the fact is that the company has a responsibility to supply us with as much information, product, etc., as we do. And I stare in amazement at the reports that we get about the worsening of our environment, about the raising of the temperatures, the raising of the sea level, and things that forecast gloom and disaster for the Navy to prepare for in the second half of this century, for everybody else.

But we are going along, and we say well, OK, so we need some more of this, some more levees, some more of that.

When do we step in and say hey, the patient's developing a temperature? And it seems to be on a constant rise. At what point do we use some medicine or some therapy to make the patient better?

Mr. KETTL. Senator, if I could respond in two ways. First, I think that is a terrific set of questions, which then frames a second issue,

which is that the thing that concerns me most is our ability to respond to the thing that we have not thought of.

One of the things that is fascinating, if you look at the morning of September 11 is there were some responses that were not so good. There were some responses that were really excellent. And what separated the two was not that one set of people imagined the possibility of using large airplanes as weapons of mass destruction, but that some groups had developed effective integrated teams prepared to respond to a wide range of threats, some of which they had never anticipated.

What we need to do is to use some of what you have suggested as a way to imagine some of the threats we may need to be concerned about.

But the more that we press in that direction, the more we need to build the capacity for a wide range of things, including the capacity to respond to threats that may not be Hurricane Katrina, may not be September 11, but may be something we have yet to be concerned about, to think through.

And that is what argues, I think, most for this integration of strategies with some heavy Department of Homeland Security strategic thinking, but also the ability to integrate response and remediation.

Senator LAUTENBERG. You do not want to put the National Science Foundation in DHS?

Mr. KETTL. No, but I sure hope they are reading the reports.

Mr. HARRALD. But they should be closely linked.

Senator LAUTENBERG. Thank you.

Chairman COLLINS. Thank you, Senator.

We have a vote on, so I am going to adjourn the hearing.

I want to thank our witnesses for their testimony. Your expertise is very helpful to the Committee as we grapple with these issues. Thank you very much for participating today.

The hearing record will be held open for 15 days for the submission of questions and other additional materials.

Senator Lieberman.

Senator LIEBERMAN. Just a very strong personal thank you to both of you. You are a national resource and a great resource to this Committee. Thank you very much.

Chairman COLLINS. Thank you.

This hearing is now adjourned. I want to thank the staff for their hard work, as well.

Thank you.

[Whereupon, at 1:09 p.m., the hearing was adjourned.]

APPENDIX

STATEMENT FOR SECRETARY MICHAEL CHERTOFF
US DEPARTMENT OF HOMELAND SECURITY
BEFORE THE SENATE COMMITTEE ON HOMELAND SECURITY
WASHINGTON, DC - JUNE 8, 2006

Introduction

Chairman Collins, Ranking Member Lieberman, Members of the Committee: Thank you for the opportunity to offer my views on whether FEMA should be removed from the Department of Homeland Security.

I would like to make my views on this matter clear and unambiguous from the outset: removing FEMA from DHS would greatly undermine the federal government's ability to prepare for, respond to, and recover from disasters, both natural and man made. It would also derail our important, ongoing efforts to transform FEMA into a 21st century agency, and it would hinder the federal government's ability to manage the hurricane season that began just a week ago.

Before I explain the many problems that would result if FEMA were removed from DHS, I want to first thank this Committee and the Senate for confirming David Paulison as the new FEMA Director. Chief Paulison is a distinguished, well-respected emergency manager, with over 30 years of experience at local, state, and federal levels. He has led FEMA's efforts for 25 Presidentially-declared disasters. His experience and dedication will be invaluable as we retool FEMA for the 21st century, and I am grateful to the Senate and this Committee for taking prompt action to confirm him.

I also want to thank this Committee for its thoughtful look at how we as a nation, and especially the federal government, responded to Katrina. I agree that there were important shortcomings. I also agree with the fundamental principles underlying the Committee's conclusions and recommendations.

Fundamental principles

The first and most important of those principles is that DHS must operate as an all hazards, integrated organization. I said this when I announced our Second Stage Review one month prior to Katrina, and my experiences since then have made me even more steadfast in the belief that this is the best approach.

FEMA must stand ready to help communities across the country respond to and recover from all disasters, whether caused by nature or terrorism. At the same time, preparedness, prevention, response, and recovery should all be coordinated within one department. Removing FEMA from DHS would return us to the pre-9/11 stove-piping that the Homeland Security Act was designed to eliminate.

A second fundamental principle on which we agree is the importance of integrating national preparedness activities. We have not taken FEMA out of the preparedness business, nor have we taken preparedness out of FEMA. Rather, we have created a central point for coordinating the multitude of preparedness activities within DHS and across federal, state, and local departments and agencies. At the same time, operational agencies such as FEMA and the Coast Guard continue to do their agency-specific preparedness activities to ensure operational preparedness across the Department.

Why FEMA Belongs in DHS

Let be briefly describe what I believe are the key reasons why removing FEMA from DHS is exactly wrong approach.

An Independent FEMA Is Ill-suited for 21st Century Disasters

First, the previous independent agency model for FEMA is ill-suited for 21st century disasters, which, as we now know, include acts of terrorism. Many of those who argue most strenuously for separating FEMA from DHS paint a portrait of FEMA's history that simply does not comport with reality.

To be sure, FEMA has a history of dedicated public servants who have helped their fellow citizens in times of need. But FEMA has never been a large, first responder organization. It has always been a relatively small organization whose mission is to support state and local first responders and, when necessary, coordinate with other federal agencies like the Coast Guard.

While FEMA responded to a large number of Presidentially-declared disasters in the 1990s, none of these events came close to the scope and scale of Hurricane Katrina. It is fair to say that the efficiency and effectiveness issues highlighted during Katrina occurred throughout the 1990s, but the absence of a truly catastrophic storm meant such issues were subject to relatively short-lived public attention. Most important, FEMA had not achieved the level of preparedness needed to address a true catastrophe.

We Must Take an Integrated, All-Hazards Approach

Second, keeping FEMA in DHS enables the Department to take an integrated, "all-hazards" approach to emergency management. One lesson that is abundantly clear from our experience during Katrina is that the federal government must function as an integrated and unified whole during catastrophes. Many of the shortcomings in our response to Katrina were partially a result of the failure to sufficiently integrate FEMA into DHS.

I recognize that in the initial days after Katrina's landfall, the federal response was lacking in many respects. Insufficient planning had taken place and FEMA's leadership at the time was attempting to operate FEMA as an independent agency reporting directly to the White House.

But we also saw many successes after I designated Admiral Allen as the Principal Federal Official and he worked in a more integrated manner under the National Response Plan. The Coast Guard partnered with FEMA's Urban Search and Rescue teams to rescue over 40,000 people. TSA established an air bridge and evacuated 22,000 individuals. Roughly 1,500 CPB, ICE and Secret Service officers supported local law enforcement. These efforts were possible in large part because these components existed within the Department under the leadership of a single Secretary.

FEMA is also closely linked with our new Preparedness Directorate, which was created shortly after Hurricane Katrina. The Preparedness Directorate coordinates the Department's overall preparedness efforts, including those of operating components such as FEMA. It is important that these functions remain consolidated in a single Preparedness Directorate. It is also essential they continue to partner with FEMA as part of a single, all-hazards department.

Consequences of Removing FEMA from DHS

Third, removing FEMA would result in an independent but weak agency that would exist in tension – and even competition – with DHS.

Removing FEMA from DHS would give it independence, certainly—but at great cost. One of the key reasons that Congress created the Department through the Homeland Security Act was to integrate the agencies of the federal government that would take a lead role in preparing for, responding to, and recovering from major disasters. Ripping FEMA from DHS would unravel the Homeland Security Act. We would have two agencies instead of one to manage disasters and catastrophic events depending upon whether the disaster was labeled natural or man-made.

Instead of integration, we would have competition and confusion: prior to a disaster striking, there would be competition for funding, competition for primacy, and confusion over jurisdiction. It would be a straight line to the type of bureaucratic mess that the Nation is counting on us to avoid. And during a disaster, it would be even worse, because precious time could be lost in determining who's in the lead.

Removing FEMA would also result in a break between it and the Coast Guard, TSA, CBP, ICE, and many other DHS assets and operating components that FEMA must not only work with during a major disaster, but also train with before such a disaster. Additionally, if separated, FEMA would have to mission-assign from outside DHS to agencies such as Coast Guard, ICE, CBP, and Secret Service—which would slow the response from these key components.

Conclusion

Hurricane season officially began on June 1 of this year. We worked tirelessly between the end of last hurricane season and the start of this one to make FEMA ready for the worst that Mother Nature has to offer. We have made great progress – giving FEMA the experienced leadership it deserves in Chief Paulison, boosting FEMA's tracking, communications, and victims' assistance capabilities, and expanding FEMA's partnership with the Department of Defense.

Most of that progress was made because FEMA is part of DHS, not despite it. This is an all-hands effort. Similarly, it is my belief that the weaknesses exposed so vividly during Katrina would have been orders of magnitude worse were FEMA not part of DHS.

Separating FEMA from DHS would undo much of the important work that we have done to make FEMA stronger, and it would violate the core purpose of the Homeland Security Act. It would diminish the Nation's ability to prepare for and respond to catastrophic disasters.

I would like to thank the committee for its time today. I appreciate the thoughtful recommendations provided in your report, and I look forward to working together as we move forward in achieving our shared goals.

Statement

of

Michael Chertoff
Secretary of Homeland Security

Building An Integrated Preparedness And Emergency Management System: The Case For Keeping FEMA Within The Department Of Homeland Security

June 8, 2006
Washington, DC

Introduction

Good morning Chairman Collins, Ranking Member Lieberman, Members of the Committee: Thank you for the opportunity to offer my views on whether FEMA should be removed from the Department of Homeland Security (DHS). I would like to make my views on this matter clear and unambiguous from the outset: removing FEMA from DHS would greatly undermine the federal government's ability to prepare for, respond to, and recover from disasters, both natural and man made. It would also derail our important, ongoing efforts to transform FEMA and would hinder the federal government's ability to manage the hurricane season that began just a week ago.

Before I explain in greater detail the many problems that would result if FEMA were removed from DHS, I would like to thank the Committee for its thoughtful look at how we as a nation, and especially the federal government, responded to Katrina. I agree that there were important shortcomings. I also agree with the fundamental principles underlying the Committee's conclusions and recommendations.

The first and most important such principle is that DHS must operate as an all hazards, integrated organization. I said this when I announced our Second Stage Review one month prior to Katrina, and my experiences since then have made me even more steadfast in the belief that this is the best approach. The same agency – FEMA – must stand ready to help communities across the country respond to and recover from all disasters, whether caused by nature or terrorism. At the same time, preparedness, prevention, response, and recovery should all be coordinated within

one department. Removing FEMA from DHS would return us to the pre-9/11 stove-piping that the Homeland Security Act was designed to eliminate.

A second fundamental principle on which we agree is the importance of integrating national preparedness activities. We have not taken FEMA out of the preparedness business, nor have we taken preparedness out of FEMA. What we have done is create a central point for coordinating the multitude of preparedness activities within DHS as well as across federal, state, and local departments and agencies. But the operational agencies such as FEMA and the Coast Guard will continue to do their agency-specific preparedness activities to ensure operational preparedness across the Department.

There are several important reasons why removing FEMA from DHS is the wrong approach:

- The previous independent agency model for FEMA is ill-suited for 21st century disasters, which, as we now know, include acts of terrorism that are designed to cause maximum harm to persons and infrastructure.
- Having FEMA in DHS enables the Department to take an "all-hazards" approach to disaster management, including both natural and man-made events.
- Having FEMA in DHS allows FEMA to integrate efforts with DHS' other operational components, including the U.S. Coast Guard, thereby ensuring a more effective response and recovery.
- Having FEMA in DHS enables the integration of FEMA in DHS' overall preparedness functions.

- Removing FEMA would result in an independent but weak agency that would exist in tension with DHS, creating two separate agencies to deal with disasters.
- Removing FEMA would disrupt the current integration process, which was delayed by the Katrina response last year, and would severely undermine our activities during the current hurricane season.

I certainly do not want to suggest that reform is unnecessary. As I have acknowledged, Katrina exposed weaknesses in our ability to respond to a disaster of its size and scope. Even as Katrina came ashore, we were in the midst of addressing many of these weaknesses through our Second Stage Review process, which has now resulted in a reorganization of the Department around an "all-hazards" approach to disaster management and the creation of the Preparedness Directorate. Unfortunately, just a few weeks after we announced our Second Stage Review findings — and two months before their scheduled implementation — Katrina made landfall.

Hurricane Katrina exposed shortfalls in FEMA: lack of detailed planning; failure to modernize tools and systems; and, in some respects, deliberately uncooperative senior leadership. I and the new leadership of FEMA have addressed these issues. But an overarching lesson of Katrina is this: Protecting America against the full range of risk we face requires unity of effort, not fragmentation of effort. It requires strengthening federal, state, local and tribal capabilities. Just as Congress responded to shortcomings by the Department of Defense by enacting the landmark Goldwater Nichols Act of 1986 in order to increase integration among the armed services, Congress now should focus on efforts to improve integration of FEMA with other DHS components rather than ripping them apart. The lesson is clear: instead of disintegrating

essential mission components we must follow the same path as our military and complete the integration of FEMA into our overall preparedness organizational structure, thereby tightly coupling our protection, prevention, response, and recovery capabilities. I am fully committed to working with the Committee to do exactly that.

I would like to turn to the many important steps that we are already taking to reform FEMA and to prepare for the hurricane season that officially started a week ago. But I would first like to highlight an important step that this Committee and the Senate recently took by confirming David Paulison as the new FEMA Director. David Paulison is a distinguished, well-respected emergency manager, with over 30 years of experience at local, state, and federal levels who has led the agency's efforts for 25 Presidentially declared disasters. Chief Paulison's broad experience and dedication will be invaluable as we retool FEMA for the 21st century, and I am grateful to the Senate and this Committee for taking prompt action to confirm him. As you know, I also have appointed Vice Admiral Harvey Johnson as the Deputy Director of FEMA. VADM Johnson brings a career of operational experience at the Coast Guard and will help further integrate FEMA's activities with those of the Coast Guard. This new leadership team has decades of experience in public service, emergency management, and state and local government.

FEMA Prior to Joining DHS

Many of those who argue most strenuously for separating FEMA from DHS paint a portrait of FEMA's history that does not comport with reality. Essentially, they long for a return to glory days that in fact never existed.

To be sure, FEMA has a history of dedicated public servants who have helped their fellow citizens in times of need. But FEMA has never been a large, first responder organization. Instead, it has always been a relatively small organization whose mission is to support state and local first responders and, when necessary, to coordinate operations of other federal agencies such as the U.S. Coast Guard.

FEMA was created in 1979 through the merger of the Defense Civil Preparedness Agency and the Office of Federal Disaster Assistance, in order to respond to both the Cold War and natural disasters. The same holds true today, except the Cold War threat has been replaced by a more complicated terrorist threat. This threat requires that we have the ability to protect our nation through a combination of border and immigration security, critical infrastructure protection and response and recovery, to name a few. This is precisely why FEMA is an integrated part of the Department of Homeland Security.

Throughout the years, the size of FEMA remained relatively stable, except for a limited number of changes in the aftermath of major natural disasters, and usually only after criticism of its performance. Since FY 1995, the level of full time employees at FEMA has remained around 2,200 with some years slightly higher and others slightly lower. FEMA was simply not tested in the 1990s on a scale anyway comparable to Hurricane Katrina. It is fair to say that the efficiency and effectiveness issues highlighted during Katrina occurred throughout the 1990s, but the absence of a truly catastrophic storm meant such issues were subject to relatively short-lived public attention. While FEMA responded to a large number of Presidentially declared disasters

in the 1990s, none of these events came close to the scope and scale of Hurricane Katrina. Hurricane Andrew, major ice storms, flooding events in the Midwest, and even the Northridge Earthquake, while devastating to the victims, were all significantly smaller in scope and magnitude than Katrina. Most important, FEMA had not achieved the level of preparedness needed to address a true catastrophe.

Placing FEMA Within DHS Creates a More Unified, Effective Approach

One lesson that is abundantly clear from our experience during Katrina is that the federal government must function as an integrated and unified whole during catastrophes. In fact, many of the shortcomings in our response during the aftermath of Katrina were partially a result of the failure to sufficiently integrate FEMA into DHS.

I recognize that in the initial days after Katrina's landfall, the federal response was lacking in many important respects. Insufficient planning had taken place and FEMA's leadership at the time was essentially attempting to operate FEMA as an independent agency reporting directly to the White House.

But we also saw many successes after I designated a Principal Federal Official (PFO) – Vice Admiral Thad Allen -- who was committed to the National Response Plan and an integrated federal response. Admiral Allen will address this at greater length in his own testimony. But here are just a few examples of the many ways in which DHS components worked closely with FEMA to provide an integrated response:

- The U.S. Coast Guard and FEMA's Urban Search and Rescue Teams worked together to rescue over 40,000 people.
- TSA established an air bridge and evacuated 22,000 individuals.
- Roughly 1,500 CPB, ICE and Secret Service officers supported local law enforcement.

These efforts were possible in large part because these components existed within the Department under the leadership of a single Secretary.

In addition to working closely with DHS' other operating components, FEMA is also closely linked with DHS' new Preparedness Directorate, which was created shortly after Hurricane Katrina. As explained above, the Preparedness Directorate coordinates the Department's overall preparedness efforts, including those of DHS' operating components such as FEMA. The Preparedness Directorate handles grants, training, exercises, infrastructure protection, and medical preparedness, among other issues. It is important that these functions remain consolidated in a single Preparedness Directorate, but it is also essential that they continue to partner with FEMA as part of a single, all-hazards department. I have seen first hand the synergies produced by FEMA and the Preparedness Directorate, and by Chief Paulison and Under Secretary of Preparedness George Foresman in particular.

The Consequences to Preparedness and Response of Removing FEMA from DHS

Removing FEMA from DHS would give it independence, certainly—but at great cost. In the wake of 9/11, Congress recognized the inherent inefficiency of federal agencies working separately to deal with disasters, both natural and man-made. One of the key reasons that Congress created the Department through the Homeland Security Act was to integrate the

agencies of the federal government that would take a lead role in preparing for, responding to, and recovering from such disasters—an all-hazards approach.

Ripping FEMA from DHS would unravel the Homeland Security Act. Instantaneously, pursuant to certain Congressional proposals, we would have two agencies instead of one to manage disasters and catastrophic events, depending upon whether the disaster was labeled as natural or man-made. Instead of integration, we would have competition and confusion: prior to a disaster striking, there would be competition for funding, competition for primacy, and confusion over jurisdiction. It would be a straight line to the type of bureaucratic mess that the Nation is counting on us to avoid. And during a disaster, it would be even worse, because precious time could be lost in determining who's in the lead. After all, disasters will not always come with warning, and they will not always be labeled "natural disaster" or "terrorism." With FEMA in DHS, there is no question: The Secretary has the responsibility and the authority as principal Federal official for domestic incident management.

Removing FEMA would also result in a break between it and the Coast Guard, Transportation Security Administration, Customs and Border Protection, Immigration and Customs Enforcement, and many other DHS assets and operating components that FEMA must not only work with during a major disaster, but also train with before such a disaster. True preparedness results from working together before a disaster strikes. With FEMA in DHS, we are able to do what we have done to prepare for this hurricane season: take elements that only exist in FEMA—such as Federal Coordinating Officers under the Stafford Act and FEMA's Regional Office structure—and bring them together with DHS elements—such as the pre-designated

Principal Federal Officials, many of the Emergency Support Function leads under the National Response Plan, and DHS' other components—to train together. Separating FEMA from DHS would exacerbate a problem we are trying to eliminate: having emergency operators meet for the first time when they arrive at the Joint Field Office to deal with a disaster. And when they get there, another problem might well arise: since the FEMA employees would not be in the Secretary of Homeland Security's chain of command, there would be no effective way for me to resolve the conflicts that would invariably result in such situations. Additionally, if separated, FEMA would have to mission-assign from outside DHS to agencies such as Coast Guard, ICE, CBP, and Secret Service—which would slow the response from these key components.

We are now in hurricane season. DHS and FEMA are continuing to prepare for any potential disaster. Ripping FEMA from DHS at this time or deciding now to do so at a future date would cripple our nation's ability to respond to a major storm, be a disservice to state and local governments as they prepare, and serve as a disincentive to FEMA employees. DHS and FEMA must be allowed to implement our plans and strengthen our capabilities. It is time to stop refighting the Congress' correct decision to integrate FEMA into DHS.

One additional point bears emphasis: Just as FEMA is much more effective being part of DHS, other components of DHS are much more effective being in the same department as FEMA. Later today, on the next panel, you will hear the Commandant of the Coast Guard, Admiral Thad Allen, testify that the Coast Guard—clearly one of the agencies of the federal government that responded most admirably to Katrina—had its response enhanced because it was in the same department as FEMA.

Modernizing and Strengthening FEMA Within DHS

Even as we continue to integrate FEMA into the Department as part of the Second Stage Review reorganization process, we are also working to upgrade the leadership, structure, business processes, and capabilities of FEMA itself. The following are a few highlights of these efforts.

From a leadership standpoint, I have already mentioned the confirmation of FEMA's new director David Paulison and the appointment of Vice Admiral Harvey Johnson to serve as his deputy. In addition to these appointments, FEMA continues to add significant bench strength in key position such as Chief Acquisitions Officer, Director of Mitigation, Director of Response, Director of Recovery and regional director positions. Furthermore, to support these senior positions, FEMA is working aggressively to fill open positions in preparation for another active hurricane season.

From a structural standpoint, the most visible improvements are reflected in the establishment of federal leadership cells in major coastal regions to support state and local governments in their disaster management and response planning, with a special focus on hurricane preparedness. In an unprecedented move in April of this year, we announced the designation of twenty-seven federal officials to support the Gulf Coast, Northeast, and Mid-Atlantic regions as well as the states of Florida and Texas. For each of these five regions, we have designated a PFO to serve as my primary disaster management liaison between the Department and state and local officials. The PFO is supported by an experienced team of senior DHS managers for each region, and together they form a cadre of highly effective disaster managers who provide *an integration point between* the chain of command, from state and local officials, to FEMA leadership, to my

office at DHS headquarters. Further highlighting the benefit of integrating FEMA with other operational elements of the Department, these twenty-seven appointees are an even mix of both senior FEMA and Coast Guard officials.

From a business process standpoint, we revised FEMA's procurement rules to streamline the bidding process, increase transparency, and provide greater opportunities for small and disadvantaged business that reside in local areas. This streamlining has resulted in the awarding of millions of dollars in debris removal contracts to small businesses located in the Gulf Coast where Katrina and Rita devastation is greatest.

From a capabilities standpoint, we have upgraded FEMA's logistics tracking system, interoperable communications systems, call center capacity, and mobile registration teams. We have dramatically increased the amount of food, water, ice, and other relief supplies and pre-staged them at critical supply points throughout coastal regions. We have quadrupled the number of trucks available to transport these supplies and will outfit them with GPS devices to enable us to centrally track their location. Because of these upgrades, FEMA is now able to monitor individual shipments of relief supplies in the two primary hurricane-affected regions, establish interoperable radio and internet communications within two hours of arrival at a disaster site, process 200,000 assistance calls per day, and register thousands of evacuees for benefits at any shelter using wireless-enabled "tough-book" laptops that can function in extreme conditions.

These are just a few examples of the steps we have taken to modernize FEMA and build 21st century capabilities that will benefit not just FEMA, but the Department as a whole. These capabilities complement the strengths of our other Departmental components, such as the

Preparedness Directorate and the Coast Guard, and because FEMA is part of DHS, these other components will benefit from leveraging FEMA's capabilities as well. Furthermore, the capabilities I have outlined above represent the first phase of modernization activities. After we get through the current hurricane season, we will be able to implement the second phase of our FEMA modernization plan, which promises to provide even more cutting edge technologies and business processes to FEMA's growing arsenal of disaster management capabilities.

Conclusion: Strengthening FEMA

The 2006 hurricane season officially began on June 1. We worked tirelessly between the end of last hurricane season and the start of this one to make FEMA ready for the worst that Mother Nature has to offer. We have made great progress. And most of that progress was made because FEMA is part of DHS, not despite it. This is an all-hands effort. Similarly, it is my firm belief that the weaknesses in FEMA exposed so vividly during Katrina would have been orders of magnitude worse were FEMA not part of DHS.

Separating FEMA from DHS now would undo much of the important work that we have done to make FEMA stronger, and it would violate the core purpose of the Homeland Security Act. It would diminish the Nation's ability to prepare for and respond to catastrophic disasters.

I would like to thank the committee for its time today. I appreciate the thoughtful recommendations provided by the committee in its report and I look forward to working together as we move forward in achieving our shared goals.

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

ADMIRAL THAD W. ALLEN
COMMANDANT

ON

FEMA'S PLACEMENT IN THE FEDERAL GOVERNMENT

BEFORE THE

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

U.S. SENATE

JUNE 8, 2006

Introduction

Good morning Madam Chairman, Ranking Member Lieberman and members of the committee. It is a pleasure to be here today to discuss the Federal Emergency Management Agency's (FEMA) placement in the federal government. I know that Congress has made substantial contributions to affecting changes that will better position our Nation for responding to catastrophic incidents in the future, and I sincerely respect this hard work. This hearing is a testament to the continuing priority this committee places on emergency response and protecting our Nation.

My testimony today will highlight my personal observations of FEMA while serving as the Principal Federal Official (PFO) during the Hurricane Katrina response, why FEMA should remain in the Department of Homeland Security (DHS) and how the Coast Guard's relationship with FEMA has been strengthened since the creation of DHS.

Observations as Principal Federal Official (PFO)

My personal experience as PFO during both Hurricanes Katrina and Rita has made it fundamentally clear to me that the Department of Homeland Security is the optimal location for FEMA within the Federal government. I believe this for the following reasons.

First, the Homeland Security Act together with Homeland Security Presidential Directives 5, 7, and 8 have created the statutory and policy structure for the Secretary of Homeland Security to serve as the national incident manager for all events not related to national defense. This role has been reaffirmed in every review of the government's response to Hurricane Katrina and there has been no recommendation to change the Secretary's responsibility. Accordingly, there is little to be gained by placing FEMA outside the Department that will manage every major incident that involves FEMA and Stafford Act support to state and local governments.

Second, the synergies created between FEMA and the other operating components of the Department of Homeland Security would be lost if FEMA were relocated. Operationally, the Coast Guard and FEMA have never worked closer together. The interaction between Transportation Security Administration (TSA) and FEMA employees in the evacuations from New Orleans Airport were facilitated by a shared departmental structure. The amount of security forces available in the Department of Homeland Security creates an ability to force package responses from within the Department.

Third, the evolving joint requirements process in the Department has created the opportunity to aggregate requirements for capabilities such as land mobile radio communications, emergency notification systems, deployable logistics support, and credentialing. For example, in 2004, the Joint Requirements Council (JRC) reviewed a host of component projects and acquisition programs that shared a common "wireless communications" facet. The Coast Guard's Defense Messaging System (DMS), Coast Guard Data Network (CGDN) and Rescue 21 programs were featured, as were FEMA's National Emergency Management Information System (NEMIS), Alerts and Warning System, the National Radio System, and the DHS Integrated Wireless Network (IWN). As a result of the JRC's review, requirement overlaps and redundancies were identified, IWN was designated as the lead acquisition program for wireless communications

technologies, and the Department's Wireless Management Office took the lead to ensure interoperability, value delivery and standardized enterprise architecture. Locating FEMA outside DHS would make this process difficult if not impossible.

Finally, FEMA's regional structure, which is being used as the base for improved preparedness planning, would be removed from the Department with the potential to create separate field structures where one exists now.

Coast Guard's relationship with FEMA before and after the creation of DHS

The Coast Guard is the Nation's maritime first responder and well-positioned to respond to disasters due to its unique blend of authorities, capabilities, competencies and relationships with federal, state and local partners. Our flexible, multi-mission forces and agile command and control systems provide the solid foundation from which we respond to major catastrophes. These capabilities, combined with our experience operating with other components, such as FEMA, provide vital emergency response services to the nation.

Although the Coast Guard and FEMA have had a history of jointly responding to disasters prior to the creation of DHS, the relationship between the two has been greatly strengthened since becoming components within DHS. From an intra-agency perspective, the Coast Guard's relationship with FEMA is excellent and will continue to improve. Having FEMA within DHS promotes close working ties with the Coast Guard, the Preparedness Directorate, and many other DHS assets and components; thus gaining critical law enforcement, communications and intelligence synergies. The Coast Guard's transition to DHS also brought an extensive knowledge base related to first response that has evolved for decades in oil and hazardous material spill response, including extensive knowledge and application of the incident command system in actual response operations.

To illustrate why it is important to maintain FEMA in DHS, let me highlight our relationship prior and post-DHS.

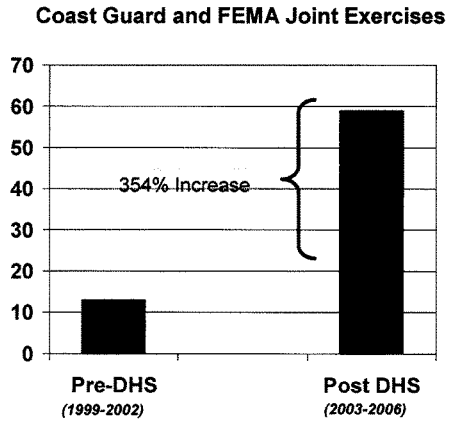
Pre-DHS
Prior to the creation of DHS, Coast Guard and FEMA interaction was infrequent and far less extensive. The relationship was largely driven by the Federal Response Plan, which focused the Coast Guard's role on only two Emergency Support Functions (ESFs): ESF 1 (Transportation) and ESF 10 (Oil/Hazardous Material Response). Although the Coast Guard and FEMA interacted, the relationship was based primarily on avoiding duplication of efforts rather than on enhancing effectiveness.

Notable interactions occurred in the 1990s, when the Coast Guard supported FEMA response efforts in the following events:

- Restoration of the transportation system to the Ports of Los Angeles/Long Beach in the aftermath of the 1994 Northridge Earthquake,
- Providing emergency transportation of FEMA officials during Hurricanes Andrew (1992) and Marilyn (1995), and

- Providing search and rescue for flood victims in Georgia (1994), the Mississippi River Delta (1993) and the Red River in Minnesota (1997).

Post-DHS
Since the creation of DHS, the relationship between the Coast Guard and FEMA has significantly improved. The below charts highlight the facts that since the formation of DHS, the number of joint exercises involving FEMA and Coast Guard has increased by 354% (13 exercises from 1999 to 2002, and 59 exercises from 2003-2006), and how Coast Guard ESF expenditures, obligations and roles have grown.



Listed below are some of the more significant examples of how planning and joint training have resulted in more potent disaster response capabilities. The list is not exhaustive and does not even take into account the numerous benefits gained from the Coast Guard and FEMA's interaction with other DHS components.

Planning
Pre-Scripted Mission Assignments (PSMAs)
In major disasters and emergencies, Mission Assignments are a common mechanism used by FEMA to task and reimburse federal agencies for providing emergency assistance to affected state and local jurisdictions. In the spirit of continual improvement, and based on the lessons learned from Hurricanes Katrina, Rita and the other major storms we faced last year, the Coast Guard and FEMA finalized PSMAs that can be quickly executed to deploy Coast Guard resources as needed. These PSMAs have been created to enhance the Coast Guard's coordination during disaster responses across all Emergency Support Functions (ESFs). They prompt the Coast Guard to be used for up to 22 possible Mission Assignments, organized under 10 (ESFs). As threats and envisioned consequences continue to evolve, the Coast Guard remains committed to working with FEMA in making necessary adjustments and additions to the PSMAs. As noted above, the Secretary has the authority to move these resources when needed while requests are processed.

Pre-designated lead federal officials

On April 26, 2006, DHS pre-designated five teams consisting of 27 experienced Coast Guard and FEMA officials that will coordinate the Federal Government's role in preparing for, and responding to, the upcoming hurricane season. Several of these teams have already participated in regional exercises to bolster their response readiness.

Joint Training

Bringing Coast Guard and FEMA together under DHS has led to a continued increase in cooperation across a broad spectrum of joint training, including:

- Joint coordination of strategic response development within the Emergency Support Function Leaders Group (group comprised of all federal agencies that respond to disasters under NRP) and participation in numerous interagency emergency management projects;
- Working with FEMA and DHS to create the FEMA Incident Management Handbook, the National Response Plan and FEMA's Emergency Response Team-Advanced (ERT-A) (modeled after the Coast Guard's National Strike Teams);
- Continuing to work together on the new Madrid Seismic Zone Catastrophic Workshop Program, developed in collaboration with the Coast Guard led Spills of National Significance (SONS) 2007 exercise, which will involve response to a nationally significant earthquake event involving the states of the U.S. Central Earthquake Consortium; and
- Having Coast Guard personnel participate in FEMA's Master Exercise Practitioner Program (MEPP), in order to improve the Coast Guard's ability to manage exercise programs and administer emergency management exercises. Prior to the formulation of DHS, the Coast Guard did not participate in MEPP.

Conclusion

Hurricanes Katrina and Rita drastically demonstrated the need for a robust, comprehensive and nationally integrated response capability; it is imperative that we continue to address this need. However, in doing so, we need to focus on the entire response architecture, not just FEMA. Having the Coast Guard and FEMA in the same department is one step toward meeting that need. Our two agencies form a solid marriage that has already improved our combined preparedness and response efforts and promises greater efficiencies and effectiveness in the future. We must capitalize on the synergies created by having FEMA within DHS, and continue to develop a united front against all hazards, all threats, at all times.

National Emergency Management: Where Does FEMA Belong?

Testimony

Committee on Homeland Security and Governmental Affairs
United States Senate

June 8, 2006

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I want to thank the Committee for this opportunity to discuss one of the most important issues of our day: how best to structure the federal government's emergency management system. I deeply appreciate the opportunity to contribute the lessons learned through our work at Penn, including the findings of our book, *On Risk and Disaster: Lessons from Hurricane Katrina* (University of Pennsylvania Press, 2006), to the national debate.

When Katrina struck the Gulf Coast last year, we learned painfully that management failures can have devastating consequences. Even worse, we had tried very hard to design FEMA precisely to avoid these consequences, and to learn the lessons of the 9/11 terrorist attacks. The fundamental tragedy is that everyone involved in FEMA's response to Katrina was trying their best. The central failure was a system failure. We now have an obligation to get the system right.

In response to this failure, some reformers have called on Congress to remove FEMA from the Department of Homeland Security and to restore its status as an independent agency. Some reformers have called on radical surgery for FEMA while keeping it within DHS. Almost no one proposes to keep FEMA as it now is.

FEMA needs fundamental reform. There can be no debate about it. The fundamental question is ***whether a different structure will prevent a better result.***

In brief, I believe that the answer lies ***in making important changes in FEMA's role and structure, but not in removing it from the Department of Homeland Security***. What it needs, more than anything else, is ***effective leadership clearly focused on achieving a more sharply defined mission.***

Over its history, FEMA has gone through a long and wrenching series of reorganizations. A Congressional Research Service study of the structure of federal emergency management has a chart of the function's structural evolution that stretches over five pages.[1] Anyone proposing another major structural change for FEMA bears a very heavy responsibility for ensuring that the restructuring will in fact solve FEMA's enduring problems. Just as important, reformers have a profound responsibility for ensuring that their changes will not make things worse. Change for the sake of change could simply induce organizational whiplash and further destabilize an already unsteady organization.

What follows flows from a careful look at FEMA's performance in recent years; at the fundamental reasons for its problems; at the searching (and often searing) investigations that have followed;[2] and broader lessons for organizational performance. From this analysis comes the following conclusions.

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[1] Henry B. Hogue and Keith Bea, *Federal Emergency Management and Homeland Security Organization: Historical Development and Legislative Options* (RL33369, April 19,2006).

[2] U.S. Senate, Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina: A Nation Still Unprepared* (May 2006); U.S. House of Representatives, Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, *A Failure of Initiative* (February 2006); White House Office of Homeland Security and Counterterrorism, *The Federal Response to Hurricane Katrina: Lessons Learned* (February 2006).

1. *The problem is not structural.* FEMA has substantial problems, but there is no evidence in recent times that it has performed substantially better as an independent agency than as a part of DHS; that differences in performance are the result of different structures; or that fundamental restructuring is likely to improve its results.

2. *The solution must develop the capacity for an all-hazards-plus strategy.* It is tempting to send a strong signal by pulling FEMA out of DHS. But that would only undermine its ability to accomplish its mission. Instead, FEMA needs to redefine its mission: to create capacity for an all-hazards-plus strategy that links preparedness and response, for both terrorist events and natural disasters.

3. *Some organizational solutions would make things worse.* That strategy requires keeping FEMA in DHS. Breaking these pieces apart—separating response to terrorism from response to natural disasters, separating preparedness from response, separating FEMA from DHS—would inevitably bring problems. We would surely suffer from duplication and overlap, as we recreate the same functions elsewhere in the federal government; and confusion and coordination problems, as we seek to link together what we have just separated.

4. *Leadership matters most.* Structure matters. But leadership counts far more.

Let me examine each of these points in turn.

1. The problem is not structural

By any measure, FEMA's performance following Katrina's strike was a disaster. Indeed, history may well record it as one of the most profound administrative disasters in American history. According to FEMA's website, its mission is "to lead the effort to prepare the nation for all hazards and effectively manage federal response and recovery efforts following any national incident."[3] When Katrina struck, it simply did not do so.

The failure was profound and fundamental. Some observers have concluded that the failure was the result of FEMA's move into DHS in 2002. They believe that restoring its former status as an independent agency would solve the problem.

In support of this argument, they point to the demonstrable success that James L. Witt achieved as director of FEMA from 1993 to 2001. Witt transformed a troubled agency and made it successful. Under Witt, FEMA was independent. Therefore, some observers conclude, FEMA should be restored to independent status.

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[3] http://www.fema.gov/about/index.shtm

However, history fails to support the argument. First, it is important to remember that FEMA did not perform well when Hurricane Andrew struck southern Florida in 1992—and that, at the time, FEMA was an independent agency. FEMA failed in 1992 even though it was independent.

Second, when Congress mandated a "no-notice" exercise in 2000, to test the nation's ability to respond to terrorism, FEMA demonstrated serious problems that presaged its Katrina failures in 2005.[4] This exercise, christened TOPOFF 2000 (for "top officials") simulated a terrorist bio-terror attack in Denver and Portsmouth, New Hampshire. Analysts identified important issues in communication and coordination. Many of those problems returned in the wake of Katrina. Problems surfaced in TOPOFF 2000 even though FEMA was then an independent agency: identifying who was in charge of producing results; ensuring adequate communication; clarifying uncertainty over decisions; and creating effective coordination between federal, state, and local officials. The problems were all fundamentally based in process, not structure. Their roots did not lie in FEMA's structure; changing the structure would not, in itself, have solved them.

In short, FEMA had demonstrable and significant performance problems when it was an independent agency. Independent agency status was no guarantee of good performance. Many of these problems were similar to the ones it had in 2005, as part of the Department of Homeland Security. The only logical conclusion is that independence is no bulwark against performance problems. There can be no confidence that restoring its independent agency state will improve its performance.

Reformers have an obligation to take a public sector version of the Hippocratic Oath: The first obligation is to ***do no harm***. The corollary is to ***ensure that they solve the right problem***. Making FEMA independent again, as a reaction to its Katrina problems, risks failing to learn the real lessons from the past; drawing the wrong lessons instead; and taking a substantial risk of making FEMA's hard work even harder.

2. The solution depends on an all-hazards-plus strategy

The federal government faces a difficult challenge, to be sure. It must have the capacity to respond adequately to terrorist-related events. It must also have the capacity to respond to natural disasters and major accidents. Neither citizens nor policy makers will have any more patience with failures of response that leave people in jeopardy.

Determining how best to respond to this challenge centers on three fundamental puzzles:

1. Are terrorist-related events similar enough to non-terrorist-related events (like natural disasters) that responsibility for them ought to be *housed in the same agency*?

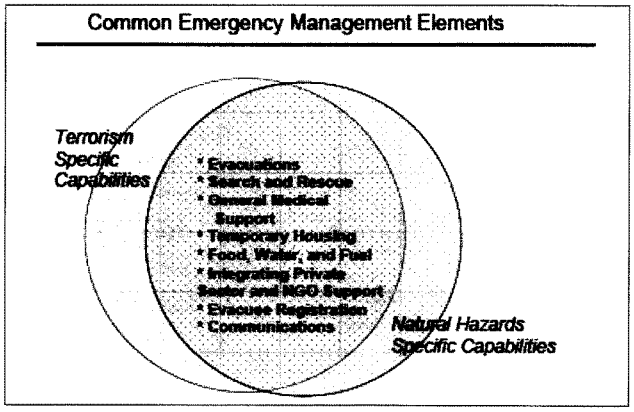
[4] National Response Team, *Final Report: Exercise TOPOFF 2000 and National Capital Region After-Action Report* (August 2001).

2. Is it possible to *respond effectively to terrorist-related events* if responsibility for managing them is separated from the rest of the homeland security functions? In particular, would the agency's capacity to respond to terrorist events be weakened if it is pulled away from the homeland security preparedness functions?
3. Is it possible to *respond effectively to non-terrorist events,* like natural disasters, if responsibility is housed in the Department of Homeland Security? Would the focus on the homeland security mission inevitably undermine capacity for other critical functions, like response to major storms?

To be sure, these questions are very hard—and absolutely central. The answers depend on defining FEMA's mission. The federal mission, in turn, must be defined in terms of what will get the job done. What matters, in particular, is leading from the top down so that the system works from the bottom up.

James Lee Witt explained the central importance of defining the mission. As he told a reporter in 1998, "It is absolutely critical that you look at your role and mission, and redefine that role and mission to what you feel is important for that agency to be responsible for."[5] In short, success in managing FEMA flowed from the leader's ability to lead: to frame the organization's mission and leading people to accomplish it. Structure can help support leadership. It can make it the job harder. But restructuring cannot *substitute* for leadership.

But what is FEMA's mission, and what should its leaders be responsible for accomplishing?



Source: Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina,* Recommendations—p. 5

[5] Quoted by Robert Worth, "Reinvention Lite," *The Washington Monthly* (September 1998), at http://www.washingtonmonthly.com/features/1998/9809.worth.gore.html

The report of this Committee, *Hurricane Katrina: A Nation Still Unprepared,* points to the key issue. In its section on "Recommendations," the report points out that FEMA has basic responsibilities to respond to natural hazards (like hurricanes and earthquakes). As the chart above makes clear, effective response involves a wide range of functions, including evacuations, medical support, basic food and water, and communications.[6]

However, the mission *also* includes capabilities that are terrorism-specific. For example, FEMA not only has responsibilities for ensuring basic medical care but also for ensuring the specialized medical care that would be required following attacks with biological agents or nuclear materials. Firefighters and police officers responding to the first stages of a major event, for example, not only need to rescue those trapped. They also need to assess whether the cause is an accident, like a gas main or chlorine tank explosion, or a terrorist attack, which might pose additional risks.

The front-line realities of this mission must define the federal strategy. All homeland security events, whether caused by terrorists or by natural disasters or by public health issues, begin as *local* events. Response to the 9/11 terrorist began as firefighters in southern Manhattan rolled to the scene of a very large fire, perhaps (they were told) caused by an airplane accident. Response to Katrina began when Louisiana National Guard troops in New Orleans noticed that the water was rising very, very quickly outside their Jackson Barracks. They concluded that could only happen if the levees had failed. The medical response to the monkeypox outbreak in 2003 began the same as to the 2001 anthrax attacks: patients arrived at physicians' offices with unusual symptoms.

On the front lines, where the first critical decisions must be made in response to terrorist events, there is no neat line between terrorist and non-terrorist events. Only when New York City firefighters, police officers, and emergency medical technicians were already engaged in responding to the first World Trade Center fire did everyone realize, when the second plane hit, that it was a terrorist attack. When Washington-area physicians treated the postal workers exposed to anthrax, they did not know for some time that they were dealing with a terrorist attack. Front-line first responders must be prepared to respond to all such events. Moreover, we have only one set of local first responders—not completely separate teams for terrorist and non-terrorist events.

Local first responders have long trained and worked on an all-hazard system. They have designed a single system with the goal of responding to a wide range of local events, from chlorine take explosions to large building fires and floods to earthquakes. Since 9/11, first responders now know that they could also encounter highly deadly agents like anthrax or radioactive materials. This means they must take additional care in assessing and responding to suspicious scenes. It does not mean that they send out completely separate fire, police, and emergency medical service teams for different disasters. They supplement their basic response teams with specialized units for new-generation terrorist

[6] Senate Committee on Homeland Security and Governmental Affairs, *Hurricane Katrina,* Recommendations—p. 5.

threats. In short, they have developed new operational strategies based on the traditional all-hazard system—plus new capabilities for responding to terrorist events.

The "all-hazards-plus" model is precisely the right one for local responders. The national government's strategy must be to support it. If the federal response does not match local operating realities, failure will occur. That is precisely the lesson of FEMA's failure when Katrina struck. FEMA has a profound responsibility to shape the system from the top down, so that it works on the front lines and is coordinated effectively from the bottom up.

Bringing the "plus" element into emergency response is an enormous challenge. It is especially a challenge for FEMA. Given the new realities of the post-9/11 world, it is perhaps its most important function. Thus, the answers to the fundamental questions:

1. The all-hazards-plus approach argues for basing responsibility for terrorist- and non-terrorist events in the same agency. There is so much common ground that effective management requires that the functions not be separated.

2. The all-hazards-plus approach argues for basing emergency response functions together with security functions. The operating realities for first responders do not create a neat dividing line between terrorist- and non-terrorist-related events. The same core group of first responders deals with most issues that arise in the community. To separate terrorist-related capacity from non-terrorist related capacity at the federal level is sure to create artificial divisions that will increase the difficulty of front-line coordination at precisely the moment when it is most needed. It would also be likely to weaken coordination at the federal level between those charged with *planning* for terrorist-related events and those responsible for *coordinating the response* to them.

3. The all-hazards-plus approach argues for basing all of these response functions in the Department of Homeland Security. As the Committee's diagram points out, there is so much overlap between terrorist- and non-terrorist-related events that it makes little sense to separate them. There is certainly a risk that the security-based mission of DHS might tip the balance of FEMA's focus. Keeping the balance just right will surely be an important, continuing challenge for FEMA's leaders. But separating FEMA from DHS is certain to create new, structural problems that would prove far harder to overcome.

Thus, the ***"all-hazards-plus" model must be the core of the nation's homeland security response system.*** In working through FEMA's organizational issues, great care must be taken to avoid making that critical job even harder.

3. Some organizational changes would make things worse

The operating reality for first responders is that there is no neat dividing line between natural and manmade disasters. FEMA should not be crippled by trying to create one. If artificial dividing lines are drawn—between response to terrorist events, natural disasters, more common emergency issues, and public health crises; and between preparedness for

these issues and response to them—we will inevitably create deep fissures between national policy and the realities of local response. That, in turn, will surely compound the difficult of producing an effective, coordinated response to future events. It will, in short, make a repeat of FEMA's Katrina failure more likely.

FEMA needs a structure to support this integrated mission. Pulling FEMA out of DHS would inevitably make that harder: because it would separate the traditional "all hazards" capabilities, especially for dealing with natural disasters, from capabilities for responding to terrorist attacks, which would remain within DHS; *or,* if the terrorist response elements are removed from DHS along with FEMA, it would separate the terrorist response units from the DHS units charged with threat assessment and preparedness. Either way, pulling FEMA from DHS would multiply the already daunting coordination challenges surrounding FEMA's mission.

That highlights a closely related issue. Response works best when it is tightly linked to preparedness. It is hard for responders to plan a response without close coordination with the officials analyzing the threats. It is even harder to develop the critical close partnerships among all the participants if there are artificial dividing lines between preparedness and response. It vastly complicates the job of first responders if they need to establish separate relationships with officials charged with preparedness and response. Trying to switch teams in the middle of a major event—or starting from scratch in the middle of an event to build new teams—would be even harder. That, in fact, is a major lesson from Hurricane Katrina.

Thus, ***pulling FEMA out of DHS would require wasteful duplication of efforts***: of those that would remain within DHS and those that would be spun off into an independent agency; or it would separate DHS's preparedness planning from those with the responsibility for carrying out those plans. Either way, costs would be greater and response would be worse.

For the same reason, ***preparedness and response ought to be united in the same agency.*** To do otherwise would either require duplicative effort—or would risk creating fundamental fissures between those functions at precisely the moment they most need to be joined.

Finally, it is worth noting that steps taken to reduce the consequences of natural disasters could also help reduce losses from terrorism. Steps taken to shore up foundations against earthquakes can also help make them bomb-resistant. Individuals who stock up on water, canned food, and batteries are better prepared to deal with major events, whatever their cause. It makes great sense to build remediation into the strategy—and to avoid creating artificial barriers between terrorist- and non-terrorist events.

4. Leadership matters most

What has separated FEMA's past successes from its failures is leadership, not structure. Structural change cannot ensure good leadership. Structural mistakes, however, can make it far harder for good leaders to lead.

The cornerstone of a revitalized FEMA must be *operational awareness:* a keen sense of front-line realities, and how to provide the federal support needed to maximize the effectiveness of front-line officials. FEMA has important functions to perform. Its mission, in brief, focuses on

> the process through which emergency managers prepare for emergencies and disasters, respond to them when they occur, help people and institutions recover from them, mitigate their effects, reduce the risk of loss, and prevent disasters such as fires from occurring.[7]

But these six elements—preparation, response, recovery, mitigation, loss reduction, and prevention—all require close work with others in the federal government, in state and local governments, in the private and nonprofit sectors, and among ordinary citizens.

The debate over structure has often flowed out of a search for command and control. Securing command authority in a disaster, of course, is critical. After Katrina hit, many parts of the Gulf suffered severely because of the loss of continuity of local government operations, and command over the federal response was confused and disjointed.

But most of what FEMA does most of the time is not a question of command and authority. It is building partnerships. Coast Guard Commandant Than Allen, whose leadership proved so effective in getting the federal government's efforts back on track in the months after Katrina hit, calls this a focus on "unit of effort," instead of "unity of command."[8] Results, not control, matter most.

An obsession with moving FEMA out of DHS could provoke a focus on authority that could blind participants to the core, underlying issue in improving FEMA's effectiveness: how to improve its ability to broker these partnerships.

FEMA's director, the nation's top emergency management official, needs to act as the conductor of a well-tuned orchestra, not as the commander of a hierarchy. In Katrina, there was an unseemly fight for the baton.

FEMA's core problem lies in its inability to secure effective coordination among all of those who help is needed to engage in effective preparedness and response. That is, fundamentally, a problem of leadership. An obsession with structure will surely blind an

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[7] http://www.fema.gov/about/what.shtm

[8] James Kitfield, "New Coast Guard Chief Discusses Lessons Learned from Katrina," *GovExec.com* (June 2, 2006), at http://www.govexec.com/story_page.cfm?articleid=34234&dcn=todaysnews

organization that faces a wide variety of homeland security issues whose nature and complexity are so often unpredictable.

Conclusion

We face a fundamental choice. We can continue to try to force problems into poorly designed organizations. Or we can try to build organizations nimble enough to respond to a wide variety of problems.

If we attempt the force our problems to fit our organizations, the problems will always win. We will face more Katrina-like failures. Out hope lies in building nimble organizations capable of flexible response. We need organizations that can rise to the challenges of the problems we face.

How can we create a nimble, effective, robust, results-driven strategy? We need strong leadership.

Such leadership, in turn, requires:

- Establishing FEMA as a reservoir of expertise, for preparedness, response, recovery, mitigation, risk reduction, and prevention.
- Creating within FEMA the locus of strong command. That command should focus bringing together the needed capacity wherever it can be found—not on insisting on giving orders through a hierarchy.
- Fashioning effective partnerships among the vast array of federal agencies whose expertise and capacity might be needed in a crisis. Not all agencies will be needed in every crisis, and which agencies will be needed when is impossible to predict.
- Building an effective intergovernmental link between FEMA and state/local governments.

This requires coordination that is both vertical (from local and state governments to the federal government) and horizontal (across the range of federal agencies with the ability to contribute to government's response). Such a system must, by necessity be flexible and lithe. It must be based on a networked, not a hierarchical approach to governance.

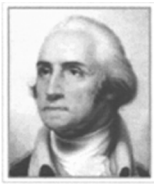
What it most definitely does *not* need is a continuing obsession with structure. We cannot have any confidence that alternative structures, including making FEMA an independent agency again, will produce better results than we saw in the aftermath of Katrina. We can identify important new barriers to effective coordination that removing FEMA from DHS would create. We can most certainly predict that yet another restructuring would further destabilize an agency in desperate need of finding an even keel.

There are two remaining counter-arguments to consider. One is that making FEMA independent would provide it with the stature required to accomplish its task. However, the task most required is the ability to connect, quickly and effectively, with top federal

officials, including the President. The Senate Committee's recommendation for giving FEMA direct access to the White House helps to addresses that issue.

The other is that making FEMA independent would make it easier in the future to recruit and retain top-quality leaders. FEMA's recruitment difficulties, of course, run from the agency's top to its front lines. The solution to all of them lies not in its structure but in its leadership. An independent agency with a weak sense of mission and ineffective leadership will never be able to recruit or retain top-level talent. On the other hand, a FEMA that is not so much restructured as re-imagined could prove an enormously exciting organization, with a mission of unquestioned importance and a culture that would attract top managers.

There is no escaping the basic lesson. FEMA has fundamental problems. Those problems are not fundamentally structural. Restructuring cannot in itself solve the problems. It can make things worse. The solution to FEMA's problems lies in strong, effective leadership. Building that leadership within DHS, around an "all-hazards-plus" strategy of federal preparedness and response, offers the strongest hope for building the national emergency management structure we so desperately need.



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Senate Homeland Security and Government Affairs Committee:
"National Emergency Management: Where does FEMA belong?"
June 8, 2005

Thank you Madam Chairwoman and Senator Lieberman for the opportunity to testify on how to structure National Emergency Management resources to best ensure effective mitigation/prevention of, preparedness for, response to, and recovery from extreme events. The May report from this committee, *Hurricane Katrina: A Nation Still Unprepared,* provides recommendations that should be seriously considered by Congress and the White House.

When then Department of Homeland Security was created and FEMA became the core of the Emergency Preparedness and Response Directorate, I had two immediate thoughts: first, emergency management in this country would now be conducted within the context of homeland security and secondly, that I had no idea what that meant. In a typical academic reaction, a colleague and I assumed that others would be struggling with these issues and started a new journal. The Journal of Homeland Security and Emergency Management (JHSEM) provides a source of research and practitioner based material. The success of this electronic Journal may be an indication of the interest in the research and professional communities as the Federal government introduced dramatic changes in emergency management structure and doctrine. Hurricane Katrina was the first test of this re-construction of emergency management as a component of Homeland Security and of the National Response System created by the National Response Plan and the National Incident Management System. The failures crossed all phases of emergency management. We failed to mitigate obvious vulnerabilities, we failed to evacuate people out of harms way, we failed to provide basic emergency services to disaster victims, we failed to provide adequate temporary housing or to develop a viable recovery strategy for a culturally unique and economically critical American city. As Karl Weick[1] has observed, "reality is a cruel auditor."

My remarks are based on the following three premises:

1. The US continues to be vulnerable to extreme events with potentially catastrophic consequences---nature will not rest after Hurricane Katrina and terrorists will not stop with the September 11 attacks.
2. We have not reduced known vulnerabilities, to adequately prepare for extreme events, or to create the ability to mobilize, deploy, and coordinate an adequate response and recovery to a large scale event.

[1] Weick, Karl E. and Kathleen Sutcliffe, 2003. *Managing the Unexpected.* Jossey Bass Press. San Francisco

3. Making our society and economy more resilient to extreme events is a national priority. It is not enough to ensure that our citizens survive extreme events. Our society and economy must be able to withstand and adapt to these events and continue to thrive at the local, regional and national level.

Form follows function, so we must first ask what we expect the Federal government to do. The post Katrina reports from this committee, from the House Select Committee, The White House, the General Accountability Office, and the Department of Homeland Security collectively contain 321 recommendations providing some insights into these expectations. We expect Federal leadership and coordination to produce an effective national emergency management network of organizations, led by DHS, capable of reducing vulnerability, and managing the response to and recovery from catastrophic events of all types. William Jenkins[2] of the General Accountability Office, notes that the Department of Homeland Security controls only a portion of the resources needed to succeed in this task. Coordination and networking, not command and control are the essence of emergency management. DHS must coordinate the actions of other Federal departments, notably DOD, DOJ, DHHS, and DOT, state and local governments, non governmental non profits, and private sector organizations. Coordination is one critical success factor, the others are capacity, capability, and competence. The national emergency management leadership must ensure:

- That the Federal government has adequate personnel and materiel resources available or immediately accessible to prepare for and to meet the needs caused by a catastrophic event. (capacity)
- That the Federal Government can rapidly mobilize and organize enough skilled personnel and can it deploy people supported by adequate resources to the places needed and coordinate their actions? (capability)
- That the Federal Government can provide the leadership, management, decision making, and situational awareness necessary to manage the response to a catastrophic event? (competence)

The current debate is framed in terms of solutions: Should emergency management responsibilities remain in DHS or should an independent FEMA be created? If emergency management remains in DHS are the changes proposed in Secretary Chertoff's Second Stage Review, and the revisions to the NRP and NIMS adequate or is more radical restructuring required to create an emergency management structure within DHS? How extensive an emergency management role should be assigned to DOD? I believe that, depending on the leadership and resources provided, any alternative could work or could fail, I believe that the organizational proposal made by your committee are superior to other alternatives based on the following four factors considered in your report.:

1. Minimizing the human, property, social and economic impacts of extreme events and building a resilient society are tasks that require cabinet level authority and political access.
2. The nation's emergency manager must have the budgetary, planning, research, training, and operational resources necessary to establish doctrine and to effectively coordinate its

[2] Jenkins, William, "Collaboration over Adaptation: The Case for Interoperable Communications in Homeland Security. *Public Administration Review,* May/June 2006. pp. 319-321

implementation and the political standing to coordinate with other cabinet secretaries and with state governors.

3. The Committee's recommendations propose innovative solutions to the problems of restoring the conceptual and programmatic coherence of all hazards, comprehensive emergency management within DHS while not interfering with non emergency management homeland security functions.
4. Effective mobilization and coordination of DOD resources will be required to adequately prepare for and respond to any extreme event. The Committee proposes a structure that has the Cabinet level status and staffing required to provide this coordination.

The DHS Second Stage Review re-organization does not restore comprehensive, all hazard emergency management within DHS and in my opinion will acerbate some of the problems we witnessed in the Katrina response. The reorganization has been opposed by the National Emergency Management Association because it separates preparedness from response and recovery, creating a disconnect for states. States receive preparedness funding and guidance from the DHS Preparedness Directorate while the responsibility for mobilization and coordination during a disaster response remains with FEMA. Under this plan, FEMA will become a response organization, competing with preparedness for budget. More importantly, the proposed structure will constrain vital feedback between response and recovery results and mitigation and preparedness programs.

FEMA cannot be re-created as an independent agency without a difficult transition period and a re-writing of doctrine and re-design of systems that we can ill afford. Natural hazards and terrorists are not going to wait for us to re-organize yet again. Emergency management at the Federal level has been conceptually absorbed within homeland security with the creation of the National Response Plan, NIMS, and the National Infrastructure Protection Plan. FEMA as an independent agency ceased to exist when DHS was formed and the Secretary was designated by law as the Primary Federal Official for all incidents of national significance. The name was retained largely to preserve internal morale and capitalize on the agencies good public image. Functions performed by the independent agency have been distributed and consolidated in the DHS structure. The removal of FEMA from DHS will seriously disrupt the Department, removing the consequence management portion of its comprehensive risk management responsibilities. FEMA is a small agency that will be overwhelmed by an extreme event. It has been capacity and capability constrained both as an independent agency and as a part of DHS. As the Director of the GW Institute for Crisis, Disaster and Risk Management, I was frequently interviewed by the media in the aftermath of Hurricane Katrina about FEMA's performance. I made a practice of asking my interviewer how many people he or she believed served as full time FEMA employees. The smallest answer I got was 10,000 people. Frequently the response was 100-150,000. All were shocked when I informed them that the answer was less than 2,000. The creation of DHS was supposed to dramatically expand the pool of skilled personnel available as a surge capacity for emergency management functions. Katrina showed that it has not yet worked that way, but the potential is there and is recognized in both the Second Stage Review and in your committee's proposals.

In conclusion, getting the structure right will not be easy, and is only the first step in solving the problems identified in all the post Katrina evaluations. The resulting organization must be

flexible and agile enough to respond to the unexpected and structured enough to coordinate state and regional preparedness and risk reductions programs. It must creatively engage the private sector in all phases of emergency management. It must provide for competent leadership, with the regional and local presence required to ensure capability, capacity, and competence at all levels. The next event will bring totally unanticipated challenges, will we be ready?

The 9-11 commission termed the failure to anticipate and react to the terrorist threat a failure of imagination, the House Select committee called the inept response to Hurricane Katrina a failure of initiative. We now know about the potential catastrophic consequences from the threats and hazards facing us, we also know what must be done to mitigate, prepare for, respond to, and recover from extreme events. Failure to successfully reduce these potential future catastrophic consequences will be viewed by history as a failure of intent. We must truly get it right this time. I thank the committee for the opportunity to testify, and more importantly for focusing the public discourse on issues critical to our nation's survival.

Respond to this Article July/August 1995

The FEMA Phoenix

reform of the Federal Emergency Management Agency.

By Daniel Franklin

Rarely had the failure of the federal government been so apparent and so acute. On August 24, 1992, Hurricane Andrew leveled a 50-mile swath across southern Florida, leaving nearly 200,000 residents homeless and 1.3 million without electricity. Food, clean water, shelter, and medical assistance were scarce. Yet, for the first three days, the Federal Emergency Management Agency (FEMA), which is responsible for coordinating federal disaster relief, was nowhere to be found. And when FEMA did finally arrive, its incompetence further delayed relief efforts. Food and water distribution centers couldn't meet the overwhelming need; lines literally stretched for miles. Mobile hospitals arrived late. In everything it did, FEMA appeared to live up to the description once given to it by South Carolina Sen. Ernest Hollings: "the sorriest bunch of bureaucratic jackasses I've ever known."

Fast forward one year to the summer of 1993: Weeks of unrelenting rainfall had driven the level of the Mississippi River and its tributaries far beyond the previous records. Every county in the state of Iowa was declared a federal disaster area, as were portions of eight other states in the river basin. But this time, FEMA's response earned nothing but praise. The agency met the needs of the flood victims quickly and with few of its trademark bureaucratic tangles. Said Congressman Norman Mineta, then chair of the committee that oversees the agency, "FEMA has delivered finally on its promise to stand with the American people when floods or hurricanes or earthquakes devastate their communities."

How FEMA transformed itself from what many considered to be the worst federal agency (no small distinction) to among the best is the most dramatic success story of the federal government in recent years. Not only does it provide further evidence that the government can work, it offers a blueprint for what it takes: strong leadership, energetic oversight, and, most importantly, a total reevaluation of its mission.

With a budget of less than $1 billion and only 2,800 employees, the relatively small agency has an enormous and vital role. Few areas provide such a clear case for federal involvement as does disaster relief. State and local governments simply do not have the resources to cope with natural catastrophes like the flood of 1993 or

Hurricane Andrew.

But after a string of natural catastrophes to which FEMA's response was, well, catastrophic, people began to wonder whether the feds really did have a role in disaster response. When FEMA bungled its relief efforts after the 1990 Loma Prieta, California earthquake, Congressman Mineta concluded that FEMA "could screw up a two-car parade." In the wake of Hurricane Andrew, the criticisms were even more pointed. The Wall Street Journal ran a front page article that quoted a range of disaster specialists who thought that the agency was more trouble than it was worth; it would be better, they maintained, to dissolve the agency entirely than to try to reform it.

One of the most maddening problems with FEMA, the critics said, was the constant bureaucratic delay. FEMA workers would routinely hold up vital aid requests because the proper forms were not filled out or certain signatures had not been included. "If we had asked for a certain resource this way we could have gotten it," said Kate Hale, director of the Dade County Emergency Services of her experience after Hurricane Andrew, "but FEMA would say that we hadn't framed the question properly.... FEMA's employees appeared to be terrified at making a mistake, so they'd rather do nothing than make a mistake because a mistake could cost them their career."

It was a problem that had long dogged FEMA. In 1990, as Hurricane Hugo hurtled towards Puerto Rico with winds of 120 miles per hour, Governor Rafael Hernandez-Colon sent the proper federal aid request forms to FEMA headquarters in Washington. One scrupulous bureaucrat, however, noticed that the governor had failed to check one section of the form. Dutifully, the FEMA worker sent the request back--via the U.S. mail. The returned forms did not reach the governor until after Hugo hit. As Puerto Ricans were cleaning up the mess left by their worst hurricane this century, Governor Hernandez-Colon was forced to re-file the request forms and send them, once again, through the mail. Federal aid was held up for days.

The red tape was aggravated by old-fashioned incompetence. FEMA was, in the words of former advisory board member and defense analyst Lawrence Korb, a "political dumping ground," a backwater reserved for political contributors or friends with no experience in emergency management. President Bush, for example, appointed Wallace Stickney, head of New Hampshire's Department of Transportation, to lead FEMA. Stickney's only apparent qualification for the post was that he was a close friend and former next door neighbor of Bush Chief of Staff John Sununu. Throughout his time there, Stickney was nearly invisible, except for regular trips to Capitol Hill to defend the agency against its many critics.

Because FEMA had 10 times the proportion of political appointees of most other government agencies, the poorly chosen Bush appointees had a profound effect on the performance of the agency. Sam Jones, the mayor of Franklin, Louisiana, says

he was shocked to find that the damage assessors sent to his town a week after Hurricane Andrew had no disaster experience whatsoever. "They were political appointees, members of county Republican parties hired on an as-needed basis.... They were terribly inexperienced."

FEMA's most serious problem, though, was even more basic: Its mission was misdirected. First, FEMA was still spending nearly half of its budget on the mission it had been created in 1979 to perform: to prepare for a massive nuclear attack. The more immediate mission of natural disaster response was handicapped by the drain this operation put on the agency's resources.

But even in responding to natural disasters its mission was muddled. FEMA saw its main responsibility as distributing federal loans and grants to help rebuild an area after a disaster. It would not issue direct aid to a state--or even prepare to deliver aid--until it was given a specific request by the governor. That may seem reasonable--why give help that isn't asked for?--but, as Hurricane Andrew made clear, this wholly reactive interpretation of the agency's role was at the root of many of its difficulties.

In Florida, the hurricane so overwhelmed state officials that they didn't even know what had happened, let alone what help they needed. Initially, Andrew was expected to hit Miami. But when the hurricane hit 20 miles south of the city the morning of August 24, most Floridians breathed a sigh of relief. "The storm surges were not as bad as anticipated," said one spokesperson for Governor Lawton Chiles. One National Guard major issued this report the day after the hurricane: "Florida has not requested any support from other states or federal agencies, nor do we project a need."

Florida was slow to realize its own dire straits because many of its emergency workers were among the storm's victims. Half of the members of the Dade County Police and Fire Departments had lost their homes. Most of the area's fire and police stations were destroyed. Like their fellow southern Floridians, disaster management workers were looking for food, water, shelter, and medical care. The state was unable to issue specific requests for aid because it had no one available to assess the damage.

Finally, as the full extent of the damage--and the lack of federal action--prompted heavy criticism, President Bush circumvented FEMA and formed a hurricane task force led by Secretary of Transportation Andrew Card. Card and the task force flew down to Florida to assess the damage. As the Department of Transportation airplane passed over southern Florida, the members of the task force were stunned by the extent of the damage. "This eerie silence came over the plane as we flew over mile after mile of pure devastation," remembers Shelley Longmuir, the task force's chief of staff. "You got the feeling that you were no longer in the United States, but in some far away, mystical place because there were none of the reference points of

civilization.... It looked like Beirut."

FEMA would have seen as much--had it bothered to look. Because of its reactive posture, it had never sent a team of damage assessors to survey the wreckage. Not until Card and the task force flew to Florida did the federal government have a true sense of the storm's impact.

Upon landing, Card met Chiles in the Miami airport to offer federal aid. Chiles initially declined, saying that Florida could handle the emergency. It is more likely that the governor did not want to have to pay the required 10 percent of the recovery costs. Unlike the FEMA officials who took Chiles at his word, Card insisted that the damage was beyond Florida's response capabilities, and pressed Chiles to accept massive federal aid to be delivered by a large U.S. Army presence.

After some pushing, Chiles eventually agreed. That day, Bush signed the order to send in Army troops to build shelters and provide food and medical care to the victims of the storm. The next day 3,500 troops were in southern Florida, the first of 17,000 that would eventually serve. Almost immediately, Hale says, the situation changed. "The first thing that happened was the morale improved the minute that people felt they weren't alone, they weren't abandoned.... You could just see people find the strength to go one more day when they were at the point of collapse."

As life in southern Florida began its long march back to normalcy, Congress began to consider what should be done with FEMA. It was clear to many on Capitol Hill that it was time to either fix FEMA or do away with it altogether. In the fall of 1992, Senator Barbara Mikulski, then the chairman of the appropriations subcommittee with jurisdiction over FEMA's budget, told the General Accounting Office (GAO) that it had to suggest real improvements for FEMA or else the GAO itself would see its budget slashed. Officials took the threat from Mikulski, whose subcommittee had jurisdiction over the GAO's budget as well, very seriously. "This isn't a member of Congress we were eager to upset," says GAO administrator Stan Czerwinski. "She wanted this fixed and she's a very key player in Congress for us, and we were there to help her."

With uncommon motivation, the GAO took a tack not often found in government audits. Rather than looking at whether FEMA lived up to its own expectations, as previous studies on the agency had done, the GAO asked what the most effective and efficient role for the federal government would be in a large disaster, and how FEMA could fill that role. This common-sense shift had a profound impact. When agencies and departments pause to self-reflect, they usually ask themselves how to improve their performance in what they are already doing. Rarely do they ask, "What should we be doing in the first place?"

With this question in mind, says Jeffrey Itell, the GAO project manager who conducted the study, the answer was "a no-brainer." FEMA's enabling legislation, the Stafford Act, provided FEMA officials with powers that the bureaucrats didn't

exercise. "We found that without state requests, FEMA could assess the catastrophic area, assess what assistance the state needed, start mobilizing that relief, present its recommendations to the governor, and, if necessary--as Andrew Card did--get in the governor's face to force the issue of accepting federal help. Before Hurricane Andrew, FEMA officials took almost none of these steps. Consequently, when a disaster occurred, FEMA's relief efforts were inevitably too little, too late."

The GAO's final report recommended that FEMA develop a more proactive sense of its mission. The report caught a bit of luck in November 1992 with the election of Bill Clinton. The model for FEMA fit nicely with the new president's notion of an activist federal government. To implement this change in mission, the President appointed James Lee Witt as the agency's director. An unassuming and direct man, Witt was a former construction company owner and county judge who had worked with Clinton in Arkansas as the director of the state Office of Emergency Services. As state director, he had earned high marks for the successful management of three presidential disaster declarations, including two major floods in 1990 and 1991.

Witt's first challenge was to assemble a staff to direct the new FEMA. Much criticism had been leveled at the high number of political appointees in the agency. More than one member of Congress, including Senator Mikulski, had called for FEMA to be reorganized along the lines of most federal agencies, to be "professionalized." In other words, only the highest positions would be appointed by the president, while all other positions would be staffed by career civil servants. Only then, these critics suggested, could FEMA properly respond to catastrophes.

But Clinton and Witt demonstrated an understanding of the virtues of the patronage system. The high number of political appointees allowed the new administration to free itself of the incompetents and replace them with talented new people. Clinton agreed to let Witt interview all potential appointees to ensure that they were qualified for the jobs. As a result, the resumes of the team they assembled are formidable. Elaine McReynolds, head of the Federal Insurance Administration served as the insurance commissioner of Tennessee for over seven years. Richard Moore, a former state legislator from Massachusetts, was appointed to help make state and local governments better prepared for disasters. Carrye Brown, head of the Fire Administration, had worked on Capitol Hill for 18 years where she was a specialist in disaster and fire legislation.

With a new mandate and the staff to go with it, Witt conducted a top-to-bottom review of FEMA's mission, its personnel, and its resources. The review brought swift changes. In its first two years, the agency shut down several unneeded field offices. It reduced internal regulations by 12 percent and drafted a plan to reduce them by 50 percent by the end of 1995. It strengthened programs that prepared states for natural disasters. And, so it could better inform state directors what aid was available, FEMA conducted the first comprehensive inventory in the agency's

history.

Recognizing the unlikelihood of a massive nuclear attack, Witt also moved the agency out of the nuclear war business, making available to natural disaster responses many of the resources the agency had accumulated in preparation for a Soviet attack. One hundred FEMA disaster specialists were freed up to deal with natural catastrophes.

Virtually overnight, the agency has developed a new reputation for quickness and efficiency. Gone are the bureaucratic swamps that the old FEMA had made its hallmark. It is telling that when state disaster officials talk about FEMA's response time, they no longer speak in days or weeks, but in hours. They speak of phone calls, not of forms dropped in the mail.

Consider the Oklahoma City bombing. Tom Feuerborne, director of Oklahoma's Civil Emergency Management Department, can cite the events of April 19, 1995 almost down to the minute. It was 9:02 a.m. when a truck bomb ripped through the Alfred P. Murrah Federal Office Building in downtown Oklahoma City. At 9:30, Feuerborne placed a phone call to FEMA's headquarters in Washington. At 2:05, FEMA's advance team arrived, complete with damage assessors and members of Witt's staff. Six hours later, at 8:10 that evening, Witt himself arrived to be briefed on the situation. By 2:30 a.m. April 20, the first of FEMA's search and rescue teams had arrived to supplement the efforts of the Oklahoma City fire department. Says Feuerborne, "My office is very happy with the quick response of FEMA."

Ellen Gordon, administrator of Iowa's Emergency Management Division, has a similarly uncanny memory when it comes to FEMA's response to the Midwestern floods of 1993. Shortly after midnight on Sunday, July 11, she received a call from L.D. McMullen, the general manager of the Des Moines Water Works. Their operation was at the point of collapse, he said. The 250,000 citizens of Des Moines would soon lose all of their water.

One year earlier, Gordon would have mailed federal relief request forms to Washington, where, as Puerto Rico's Governor Hernandez-Colon discovered, they may have received a less-than-speedy response. But all Gordon had to do was place a phone call to the FEMA disaster field office located in Davenport. Early Sunday morning, FEMA officials arrived in Des Moines, and, by 11:30 a.m., they had determined a plan of action. By that evening, 29 water distribution centers had been established. The next morning, the first of 30 self-contained water purification machines arrived. For the next two-and-a-half weeks, the Des Moines Water Works was inoperable, but the city had all the water it needed. "Nothing sticks out in our minds that we had to haggle over or justify," says Gordon. "Whenever we asked for assistance it was there."

It is a sentiment shared by virtually all those involved with the response to the midwestern floods. At a Congressional hearing in October 1993 to appraise

FEMA's performance, congressmen and state disaster officials who testified praised FEMA's efforts and marveled at the turnaround Witt had engineered. Missouri State Emergency Management Director Jerry Uhlmann said that, "this flood showcased FEMA's new commitment and successful efforts in disaster response to catastrophic events." And, as disasters are bipartisan, the response to FEMA's success has been as well. "I haven't spent a lot of time complimenting the President on his appointments," said Oklahoma Republican Daniel Inhofe, "but I sure did on this one."

The true judge of FEMA's success lies not in the praise of Congress, though, but in the minds of the victims of natural disasters. Last year, FEMA sent 5,000 surveys to victims to ask them about the agency's performance. More than 80 percent of the respondents approved of the way the agency was doing its job--a percentage that would have been unthinkable in the dark days following Hurricane Andrew just one year before.

To be sure, Witt deserves ample praise, but do not miss the lesson of FEMA's rebirth. The change he brought to FEMA is to varying degrees within the capabilities of any government agency or department with strong leadership. "It is absolutely critical that you look ... at your role and mission," he says, "and redefine that role and mission to what you feel is important for that agency to be responsible for." In other words, you can't expect to do a good job unless you know what job you're trying to do.

Daniel Franklin is an editor of *The Washington Monthly*. < C$>

Questions for the Record
Senate Homeland Security & Governmental Affairs Committee
"National Emergency Management: Where Does FEMA Belong?"
June 8, 2006
Secretary Michael Chertoff

Questions from Senator George V. Voinovich

1. Please describe what you determined during your Second Stage Review regarding the optimal placement of the preparedness and response functions. How did you reach these conclusions, and do you still believe the creation of the Preparedness Directorate was the right approach?

Response: The Second Stage Review utilized a core group of subject-matter experts from across the Department and elsewhere in the Federal government to focus the Department's fundamental challenges: prevention, protection, and mitigation, and all-hazards response and recovery. This Second Stage Review core group consisted of 18 action teams -- involving more than 250 members of the DHS staff -- to evaluate specific operational and policy issues. We asked each team to answer several questions. First, freed from the constraints of existing policies and structures -- writing on a clean slate -- how would you solve a particular problem? And then, how would you take the best solutions and implement them? The core group sought opinions from hundreds of public and private partners at the Federal, State, local, tribal and international levels. Finally, we examined the DHS organizational structure, to make sure that our organization is best aligned to support our mission. This work, along with the experience of the Department, played an important role in deciding the optimal placement of preparedness and response functions.

In addressing the issue of emergency management in the Second Stage Review, the input highlighted the necessity for national-level emergency management capabilities to adapt to the all-hazards threat environment. While the perception of some is that the Department of Homeland Security is only a terrorist-fighting entity, we are also the center-point for comprehensive, all-hazards risk management nationally. As clearly demonstrated in Hurricane Katrina, the scope and requirements of emergency management require broad coordination among the Federal, State and local governments, the private sector, and citizens.

In the area of preparedness, the Department of Homeland Security is charged with being an "all-hazards" agency -- focused on the full range of capabilities to prevent, protect against, mitigate, and respond to acts of terror or other disasters. One of the core recommendations of our action teams was to realign preparedness activities under a single directorate, and to enable FEMA to focus on the core mission of coordinating the response to, and assisting the recovery from, disasters and emergencies regardless of cause.

Therefore, to ensure that Department-wide preparedness efforts have a focused direction, we consolidated all of the Department's existing preparedness efforts -- including planning, training, exercising, and funding -- into a single Directorate led by the Under Secretary for Preparedness. The Directorate for Preparedness has primary responsibility not only for emergency preparedness, but also the related functions of critical infrastructure protection, cybersecurity, and infrastructure resiliency. Through this Directorate for Preparedness, we are devoting unprecedented resources and focus on ensuring that we have effective doctrine, policies, and plans -- and the necessary Federal, State, and local training to execute those plans -- for a variety of scenarios that we might face across a broad range of hazards. The Preparedness Directorate

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relies on the expertise of FEMA, but it also integrates the expertise and experience of the U.S. Coast Guard, the Department's intelligence units, and the Department's other operational assets. In this manner, the Preparedness Directorate consolidates the Department's efforts concerning emergency preparedness while leveraging the Department's resources in other areas to ensure true, steady-state, all-hazards preparedness.

2. In your view, might the proposals in both the Senate and the House to combine FEMA and the Preparedness Directorate into one bigger agency have any negative -- and perhaps unintended -- consequences?

Any reorganization of the scope and impact of some of the proposals to consolidate FEMA and the Preparedness Directorate should take care to avoid unintended and potentially negative consequences. We will work with Congress to avoid any such consequences if consolidation occurs. We are working every day to strengthen and integrate FEMA's capabilities into the Department. Our national preparedness efforts depend on unity and leadership commitment. FEMA -- like Customs and Border Protection, U.S. Coast Guard, Immigration and Customs Enforcement, Secret Service, Transportation Security Administration, Citizenship and Immigration Services, and our other DHS components -- is a critical element of Department preparedness, and leads the Department's emergency management efforts.

3. Do you believe the shortcomings in the response to Hurricane Katrina were a result of the structural design of the emergency management system within DHS, or were there other leading factors? Having identified these factors, have you been able to make the appropriate fixes administratively, or is legislation needed to address certain issues?

Response: The shortcomings during Hurricane Katrina clearly were not the result of the Department's current structural design because the current, Post-Second Stage Review structure—including the creation of the Preparedness Directorate—was implemented after Hurricane Katrina. Nonetheless, we continue to evaluate both the shortcomings and successes related to the response and recovery efforts of Hurricane Katrina. The recommendations and lessons learned identified in the Senate, House, and White House reports have been helpful and constructive, and the Department is working diligently to implement them. These reports complement our own internal assessments and provide a useful road ahead that will guide the Department's efforts to bolster our emergency preparedness and response efforts and to ensure that we fulfill our mission of preparing for and responding to all hazards that may impact this Nation.

4. Some of the reorganization proposals would give the Director of FEMA (or the Under Secretary of the newly created agency) a direct line to the President. In your experience, do you believe this dual reporting structure would harm your authority or your ability to be held fully accountable for the actions of the Department? Would this chain of command interfere with your ability to leverage the resources throughout DHS during a crisis?

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Response: The President should, and does, have access to the advice of the FEMA Director. I frequently take the FEMA Director to briefings for the President. But, ultimately there must be a single chain of command. The Homeland Security Secretary is fully accountable for the actions of the Department, and must therefore have authority over the entire Department during a crisis.

Certain proposals requiring the Director of FEMA to report directly to the President are inappropriate. Establishing a direct line of command from the Director of FEMA to the President outside the Secretary's chain of command would be contrary to concepts for emergency management outlined HSPD-5 and the Homeland Security Act of 2002, each of which designates the Secretary as the coordinator of incident management activities. This arrangement would also run contrary to the concepts of unified command as outlined by the Incident Command System and as set forth in the National Incident Management System (NIMS). Such an arrangement could make DHS employees subject to conflicting demands of the FEMA Director and the Secretary, and would cause confusion at the State, local, and tribal level, and among the non-governmental and private sector communities, as to authorities and responsibilities for preparedness, response, recovery, and mitigation. Finally, the Secretary should not be made responsible for an activity and then removed from the chain of command when the Department faces its major responsibilities.

5. As the Secretary of Homeland Security, how are you ensuring that the Preparedness Directorate and FEMA coordinate their missions closely? It seems that Under Secretaries David Paulison and George Foresman work well together currently, but is there a system in place to ensure the two agencies will cooperate in the future?

Under Secretaries Paulison and Foresman do indeed work well together and will continue to do so. Because the Preparedness Directorate and FEMA are cohesive and complementary parts of the Department of Homeland Security, the Department's overarching authority provides the necessary assurance that their missions will be closely coordinated.

FEMA and the Preparedness Directorate have coordinated activities in a number of areas. For example, the two organizations have supported each other in:

- Developing and revising the National Response Plan and associated support documents;
- Conducting and participating in the Catastrophic Assessment Task Force (CATF) exercises;
- Conducting and participating in the series of Regional Hurricane Exercises in preparation for the 2006 Hurricane Season;
- Jointly testifying before the U.S. House of Representatives, Committee on Government Reform, on DHS preparations for the 2006 Hurricane Season;
- Coordinating the response to post-Hurricane Katrina after action reports and recommendations;
- Conducting and supporting the Nationwide Plan Review;
- Conducting and participating in training the Principal Federal Official (PFO) and Federal Coordinating Officer (FCO) teams;

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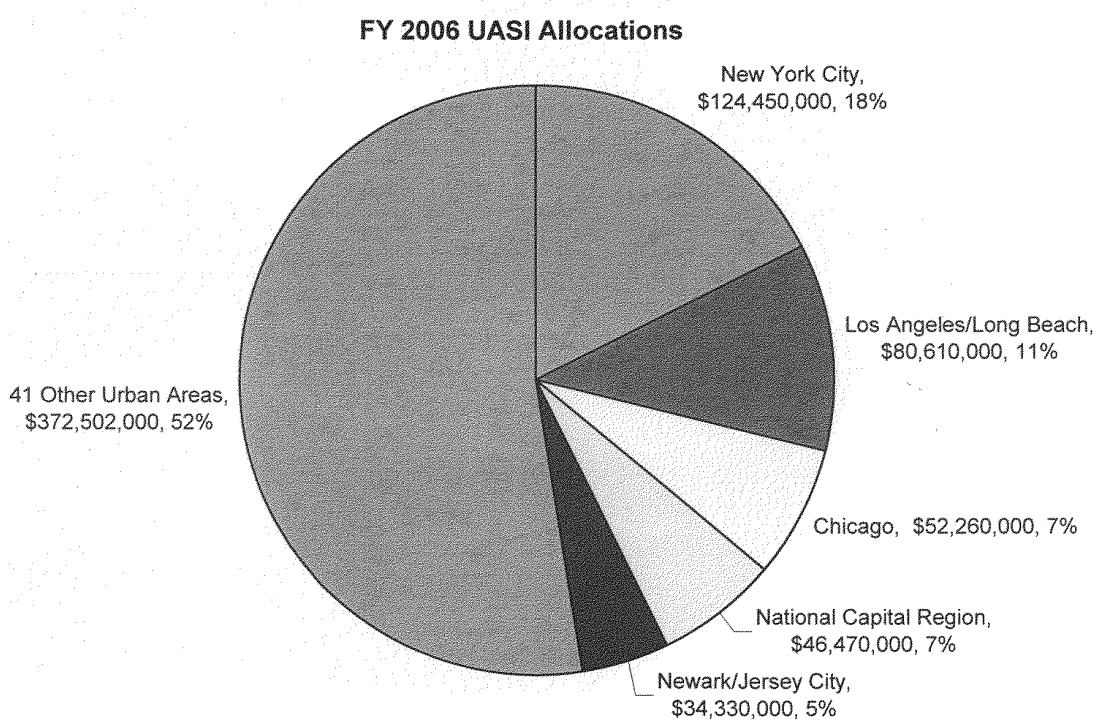
- Conducting and participating Regional Interagency Steering Committee Meetings;
- Supporting the activities of the NIMS Integration Center (NIC);
- Participating in the Training Leaders Council activities; and
- Working cooperatively on the Emergency Management Performance Grants process.

As one of many examples of close cooperation, the Preparedness Directorate and FEMA recently partnered to sponsor five regional Hurricane Preparedness Exercises. The exercises engaged top officials from states and territories along the U.S. Gulf Coast and Eastern Seaboard and adjacent states within FEMA Regions I-IV and VI. The exercises also included participation from Federal agencies, tribal entities, non-governmental organizations, and private sector partners. The FEMA regional offices and Preparedness Directorate exercise managers were integral partners in coordinating the development, execution, and evaluation of the regional exercises.

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