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Senate Homeland Security and Governmental Affairs Committee Holds Hearing on FEMA Hurricane Preparedness

List of Panel Members and Witnesses

PANEL MEMBERS:

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SEN. JOHN W. WARNER, R-VA.

SEN. JOHN E. SUNUNU, R-N.H.

WITNESSES:

MICHAEL JACKSON, DEPUTY SECRETARY, DEPARTMENT OF HOMELAND SECURITY

DAVID PAULISON, ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

LIEBERMAN:

The hearing will come to order.

Good afternoon and thank you all for being here. Today, we will examine the Department of Homeland Security's progress in implementing legislation which this committee and the Congress passed last year and the president signed to strengthen FEMA and make it the leading force in our nation's emergency-preparedness-and-response system.

Just this morning, the National Oceanic and Atmospheric Administration predicted that this hurricane season, which is just 10 days away, will be a very active one. They have predicted between 13 and 17 named storms, and as many as 10 becoming hurricanes.

We have already had, actually, our first named storm, in case you missed it: Subtropical Storm Andrea, which formed on May 9th. And, of course, beyond preparing for and responding to natural disasters, we know that DHS and FEMA must be prepared to also respond to a possible terrorist attack.

I want to welcome our witnesses, FEMA Administrator, David Paulison and Deputy Secretary of the Department of Homeland Security, Michael Jackson.

I want to thank you both for your service to our country in two of the most demanding jobs anywhere. Your successes are, too often, taken for granted and not noticed. Your failures, real or perceived, are broadcast live for all to see. That's a tough assignment. And I want to say to you and all the employees of the Department of Homeland Security who work under you that we appreciate your hard work every day on behalf of the American people.

When Katrina hit New Orleans and the Gulf Coast in August 2005, causing the deaths of over 1,500 people, destroying billions of dollars in property and uprooting millions of lives, we all watched -- the nation watched live on television -- as a region drowned and our emergency-response systems floundered.

It was the Department of Homeland Security's first large -- that is, large to the extent of catastrophic challenge -- since it had been formed post -9/11. And while the Coast Guard, a proud division of DHS, performed valiantly, rescuing thousands of people stranded on rooftops, the overall response was chaotic and uncoordinated.

Following the Katrina debacle, this committee -- Senator Collins as chair, and I -- spent eight months investigating what went wrong. We issued, what I believe, was a comprehensive and tough report, concluding that there were failures of government at all levels, including FEMA.

The committee report contained many recommendations, a substantial percentage of which were adopted last year in the Post- Katrina Emergency Management Reform Act of 2006. First and foremost, this new law was designed to ensure that a newly strengthened FEMA would be the hub of the efforts of the Department of Homeland Security, indeed of our government, to prepare for and respond to disasters of all kind, natural and terrorist.

That means that FEMA would be more forward-leaning, efficient and proactive. It would be prepared to marshal resources from across the federal government, the private sector and non-governmental organizations and move quickly, particularly in those cases, as in Katrina, when state and local governments are overwhelmed. And DHS had to be prepared to fully support those efforts of FEMA. That was the contemplation of the 2006 law.

It reunited preparedness and response within FEMA so that the officials who have to lead our nation's response are also responsible for leading our efforts to prepare. We thought the two naturally went together and it was not good management to separate them.

The new law also makes the administrator of FEMA the principal adviser to the president of the United States for emergency management, and requires FEMA's senior leadership to have the emergency-management qualifications necessary for their jobs, which was not the case prior to the new law.

I do want to say that I've been troubled recently -- even as you begin to implement your new authorities under the new law -- to hear that there are some people who, notwithstanding the reforms that we adopted in the 2006 law for FEMA and DHS, are still calling for FEMA to be taken out of the Department of Homeland Security. I believe that would be a serious mistake. And I, personally, will do everything I can to stop such a step backward if there are legislative attempts to accomplish it.

The fact is that the 2006 legislation strengthens FEMA enormously by both making it distinct within the Department of Homeland Security in the same way that the Coast Guard and the Secret Service are, but at the same time, bolstering FEMA's ability to tap into and coordinate with the many other preparedness and response assets that exist within the Department of Homeland Security.

That would be lost if we separated FEMA, the agency that we ask to be most involved in disaster preparedness and response, from the Department of Homeland Security, the department we created to coordinate federal government protection of the American people from disasters.

So with today's hearing, as part of our ongoing oversight of DHS and FEMA, we want to explore what DHS and FEMA have done pursuant to the new law -- last year's law -- which, in many ways, just went into effect a little more than a month ago -- to improve disaster preparedness and response and what challenges you see ahead of you that we can work together to fix.

America needs to know that we are making progress, because Hurricane Katrina obviously didn't just devastate New Orleans and the Gulf Coast, it also dealt a body blow to the confidence that the American people have in the ability of their government to protect them in times of disaster.

Today, almost two years later, we are, obviously, clearly better off. FEMA has made changes that we are going to hear more about today. But FEMA continues, certainly in the Gulf Coast region, to face post-Katrina challenges, including the challenge of helping tens of thousands of Americans still living in trailers get back on their feet and bringing aid to communities across the Gulf Coast, still struggling to rebuild.

Obviously, building FEMA into the premiere Federal Emergency Response Agency our nation needs has not happened and cannot happen overnight. But I am confident that FEMA today, within DHS, is much stronger than it was on 9/11, much stronger still than it was on the day in August of 2005 when Katrina struck the Gulf Coast. And I am confident that, together, we can make FEMA yet stronger -- as strong as America needs it to be -- in the months and years ahead.

Senator Collins?

COLLINS:

Thank you, Mr. Chairman.

Let me begin my comments today by associating myself with your remarks. I am baffled that there are those who are proposing that FEMA -- the new, improved, strengthened FEMA -- be moved out of the Department of Homeland Security. I have no idea what has prompted a renewal of this debate that we went through last year, and concluded that it was the wrong solution to the problems that we face.

I also want to point out, Mr. Chairman, as you're well aware -- as most of the members of this committee are well aware -- that this committee conducted the most in-depth investigation into the flawed response to Hurricane Katrina of any entity. It was the only bipartisan investigation. We held 24 hearings. We interviewed 400 individuals. We had 85 public witnesses. And we reviewed 838,000 pages of documents. And, yes, we actually issued subpoenas, as well, to get the information that we needed.

And the results were a detailed, lengthy report and comprehensive legislation: The Post-Katrina Emergency Management Reform Act, which became law in October. That act brought about sweeping changes to the Federal Emergency Management Agency.

It raised FEMA's visibility, protected its status and budget within DHS, gave its administrator a direct channel to the president, restored the linkage between preparedness and response, strengthened its regional presence and established multi-agency strike teams to promote rapid and effective action. And this was all brought about because of the universal dissatisfaction with the response of government at all levels to the horrors of Hurricane Katrina.

The 2007 hurricane season does start very soon, on June 1st. The wisely regarded Colorado State University forecast also calls for a very active season, as does the NOAA forecast that was released this morning. So this is the ideal time for us to ask the question of whether or not FEMA is better prepared for potentially significant storms.

I think the answer to that is, obviously, "yes." But it leads to another question, which is, "Is FEMA sufficiently prepared to respond to a catastrophe?" While memories of Hurricane Katrina and the approaching hurricane season provide the impetus for this very timely hearing, the purpose of our reform efforts was broader than just the response to hurricanes or even to natural disasters in general.

Our legislation explicitly defined FEMA's mission as "all hazards, whether natural or manmade," and it invoked the full range of emergency-management functions: Preparedness, protection, response, recovery and mitigation. In fact, one of the reasons that I'm so opposed to moving FEMA out of DHS is that it would inevitably require DHS to create a duplicate of FEMA to respond to terrorist attacks.

Our nation is regularly challenged by natural disasters such as fires, floods, tornadoes, earthquakes, as well as, at times, by terrorist attacks. So when we ask whether FEMA is sufficiently prepared for the 2007 hurricane season, we'll really be posing questions that are proxies for a broader and deeper set of concerns.

The FEMA administrator, Mr. Paulison, who is here with us today, recently testified on the House side, that his agency is leaning forward and is an engaged partner with state and local agencies. And I've seen this firsthand lately in FEMA's response to the Patriot's Day storm in Maine that was devastated to the southern coast of Maine. And I'm very grateful that the FEMA administrator came to see firsthand the damage and has been so responsive to our concerns.

I've also seen the response to the recent tornadoes in the Midwest. And, again, FEMA has received commendable praise for its quick response.

There have been a lot of improvements. FEMA has a new operating agreement with the Defense Logistics Agency. It has new capabilities for procuring, delivering and monitoring supplies. None of us will soon forget the shocking, wasteful and sometimes

tragic stories of supplies delayed, spoiled or misdirected because of an inadequate logistics system that hampered the response to Katrina's victims.

I'm sure the chairman remembers that ice destined for the Gulf Coast spent weeks in Portland, Maine, in cold storage at a terrible waste and tremendous cost. FEMA is also adopting new controls that will increase assistance the victims, as well as help curtail fraud and abuse.

There are other indications of progress. Earlier this month, I participated in a New England exercise in Rhode Island and Massachusetts. The response was to a hypothetical hurricane event that struck New England. And the difference was remarkable. I saw first-responders and emergency-managers from all levels of government working with the National Guard, going through training -- the kind of joint training that is essential.

One of the lessons of Hurricane Katrina is, "Never again should we have people who are in charge of the response exchanging business cards in the midst of the crisis." And I was very pleased what I saw during this New England exercise.

There still is, obviously, much to do, but I want to also tout a reform that is already paying dividends. And that is the reform that we mandated of having defense-coordinating officers assigned to regional FEMA offices. That has made a big difference. And I saw that firsthand.

Mr. Chairman, there is much more that we need to do. We need, for example, to make sure that we heed the caution of Florida's emergency manager-director, who is well known nationwide, that we need to increase the funding for the Emergency Preparedness Grant Program. That is part of the bill that we passed in the Senate. And I know we're going to fight for that in conference.

And to this day, I recognize from a recent trip to Mississippi and my conversations with Senator Landrieu and Senator Vitter, that residents of the Gulf Coast still point to a cumbersome bureaucracy that hinders the delivery of aid and reconstruction assistance.

There is still work to be done in completing the National Response Plan and the National Incident Management System. FEMA's reorganization is still a work in progress. And coordination with other federal partners still needs to be improved.

But I think we're seeing considerable progress. We're not yet there. We're not yet where we need to be, but I, too, Mr. Chairman, am pleased with the results of our legislation. So I thank you for scheduling this hearing, as our witnesses come before us to help us explore our readiness to respond to the inevitable next catastrophe, regardless of its cause.

LIEBERMAN:

Thank you, Senator Collins.

Secretary Jackson, welcome. We look forward to your testimony now.

JACKSON:

Mr. Chairman, thank you for having me here today. And Senator Collins, members of the committee, thank you for this hearing and thank you for the time and energy that you're spending on these issues. I'm grateful for the support that this committee has given to the department -- to FEMA, particularly -- and grateful for the sage counsel that was invited in your comprehensive review of the post- Katrina actions that we needed to focus on.

I would like to offer, just briefly, by way of introduction, and then get to question-and-answer period, an overview from the chief operating officer position at DHS about how we're doing on the DHS reform integration and also how we are generally positioned relative to emergency-management capabilities, as the both of you have discussed today.

I share the fundamental observations, Mr. Chairman, that you and Senator Collins have offered. When Hurricane Katrina and Rita hit, we were, obviously, in clear possession of the vision of an agency of a department with serious deficiencies. These deficiencies were and are longstanding.

I had a chance to see that firsthand back in the president's father's administration at Hurricane Andrew and the aftermath of Hurricane Andrew. There are longstanding issues that we have not faced up to and that we are now, I think, clearly facing up to.

It would be folly to understand that the same degree of change is not needed at the state and local level. My saying this is not a ruse to blame others or to deflect blame from our department for our past failures. There is a keen sense of awareness at DHS of our shortcomings and an eagerness to participate and to improve in doing our work.

The change is being driven, I should say, though, at the start -- and thank you for your comments about the FEMA team and the DHS team that's supporting them. It's being led by an outstanding group of people who have been reviled and, in some cases, dismissed as oafs or worse, and the work that they have done.

And I would say that, for me, it's a magnificently inspiring group of people that have been willing to dig in and say, "This work is too important. Let's fix this. Let's do it right. We know we have a lot to do. We are not perfect." And they want to get on with the job. And that's exactly what I see at FEMA today.

My job is to make sure that FEMA has clarity about its mission, that they have solid management tools in place to work the right leadership. And then I help with the secretary to clear a clear path forward for them to do their jobs.

Twenty-seven months ago, when Secretary Chertoff came in, we did not have the tools in place across the department to support an architecture that would allow FEMA to operate in a totally effective fashion. I think, today, that we have put in place a multiplicity of such tools and very specific reforms. They range from getting people in the FEMA regional offices who have the right experience and the depth of experience to be able to deal with our jobs, to this macro- architecture of support.

And I'd like to just say a few words about that. That architecture starts with the right doctrine, as our military colleagues would say. This means that we have to support our state and local colleagues. We have a strong supporting role, but we are there to support their mission. When they are unable to complete the mission, we have to be prepared to be an effective partner that fills the gaps.

That means that we have to call upon maximum flexibility for on- scene leaders to do their job. We have to have capabilities to surge and accommodate all catastrophic incidents, whether they be natural or terrorist in their origin, as is clearly the case. And we have to lean aggressively into this with pre-positioning of assets, a faster response-cycle time, more extensive integration to the state and local teams, as they communicate and the operate at the local level.

The tools in our toolkit that have helped us since Katrina made landfall are a national-preparedness goal; the interim goal, which is on the table and which is materially the same as we will come out with shortly, in a matter of days, with the final version -- is structuring how we work with the local and state investments necessary to make preparedness work.

The National Incident Management System, NIMS, provides a framework for this. And that, too, has been a product that we've delivered and now trained and exercised, too.

The National Infrastructure Protection Plan picks up the means and the tools and the points of connectivity and the networks necessary to protect our core infrastructure and to respond and recover from attacks against that. That has been published since Katrina. Just yesterday, we released the 17 sector-specific plans, which outline the process of managing, and the progress that we've made and the progress forward on how to work to protect our infrastructure.

Strengthening infrastructure strengthens our response capabilities. We continue to invest money in this. The Congress has appropriated some \$2 billion for interoperable communications, for example. We put a significant focus on that since Katrina made landfall. And we have just slightly less than \$1 billion that we'll spend in conjunction with the Commerce Department this year for further strengthening of that work.

We have programs with buffer-zone protection with our nationwide planned review of state and local emergency preparedness work, with assessments in the 75 large cities and, soon to come, of all the states of the interoperability communications plans.

And so I think what we are seeing is a substantial collection of additional assets, structure, strength and communications among those who are responsible for emergency preparedness.

I'd conclude by just talking briefly about FEMA's role within the department and the department's responsibilities to support FEMA in the mission that it has.

Katrina, unfortunately, revealed weaknesses and outright fissures in the unified command of operation within DHS. That was a historical relic of DHS' legacy integration or the lack thereof. That is gone. That is over with. By statute and by presidential directive, Secretary Chertoff is the principal figure on behalf of the administration to provide coordination and unity of effort within the federal government regarding national incident management and emergency response.

Dave is his key figure in managing the operational components of this, but he is supported by and assisted in his work by the rest of the department's activity and by other agencies of the federal government, which operate in conjunction with FEMA.

Our role is to provide for the entire federal government and, with our state and local colleagues, an architecture, a plan, a process, a method for dealing with catastrophic incidents of all types. This has reached a level of maturation that did not exist in August of 2005. Our mission has particularly focused on eliminating, at the federal level, the seams between agencies and departments and also between the states and the local governments who have to work in harness with each other to manage such incidents.

My final words, really, are about a topic that both you, Mr. Chairman, and Senator Collins -- you -- have raised about the courage of our convictions in supporting DHS as we intended to create it. And it was created by law. Some, today, look back at Katrina and are tempted to conclude that DHS is too large or that the complex mission is impossible to succeed with.

The creation of DHS was a bold and gutsy move. Both the president and the Congress took those measures to make a place where the work of all-hazards protection could work. And it was the right decision.

I know that Dave agrees with me that FEMA is made stronger by being a part of DHS, by being supported within a larger organization that is responsible for our larger counter-terrorism mission and preparedness for natural disasters.

I can assure you that what Congress voted to create is taking shape and improving. The senior leadership has its eye on this thought, which is, "We are determined that by the end of the president's tenure -- President Bush's tenure -- that DHS will leave, for the next president, a strong, successful and well-managed organization to make an effective transition to the new president and the new secretary."

Why do I say that? It's not that we're not focused on the short term and this hurricane season. But we are saying that the task ahead is more than we'll get done in a day. But there's a clear mission. We've made clear progress. We have substantial assets. I believe we are prepared, effectively, for the hurricane season. And this is our mission: To make certain that this department is able to perform in a way that will give Congress and the American people the confidence that this is the right organization for the mission.

I would urge Congress to stay with the vision that created the new FEMA and, before that, the organization of DHS as a whole. I'm convinced that a failure by Congress to embrace DHS' mission as an integrated homeland-security organization will entail (ph), for far too many of my 208,000 colleagues at DHS -- them to question their own sense of commitment and enthusiasm for the mission at hand.

The faith of DHS employees in our mission is the solid foundation upon which our success is daily driven. We need your support and we will earn it, I hope, in the days ahead.

LIEBERMAN:

Thanks, Chief. Excuse me. Thanks, Secretary, not Chief Paulison.

Thank you for being here. And we look forward to your testimony.

PAULISON:

I thank you, Chairman Lieberman, Senator Collins, Senator Coleman, Senator Stevens, Senator Coburn. I see Senator Landrieu stepped out. And I've been meeting with her on a regular basis, by the way.

I do welcome the opportunity to come in front of the committee and talk about what we've done for the 2007 hurricane season and, quite frankly -- since your report came out and how we've implemented some of those things.

We have instituted numerous reforms to improve our ability to respond and to recover from disasters. In addition to FEMA's internal transformation that we embrace to improve this agency, the Department of Homeland Security and FEMA have been working together closely to implement the adjustments included in the Post-Katrina Emergency Reform Act.

The result is a new FEMA that is stronger and more nimble -- that you talked about, Senator Lieberman -- than it was simply just a year ago. And that has improved our preparedness posture for the 2007 hurricane season.

You can see the impact of these changes in our responses this year to the Florida, Georgia and Alabama tornadoes, the Nor'easter that affected states across the mid-Atlantic and New England and just a few weeks ago in Greensburg, Kansas.

In each of these cases and immediately following the event, FEMA was an engaged partner with the state. We deployed operational technical experts, we rolled logistic communications capabilities -- that was even before disaster declaration -- and coordinated with the governor to assist and facilitate a presidential declaration.

It was also FEMA that supported and helped facilitate an effective unified command system amongst the many federal, state and local partners involved in that response. We call this an "engaged partnership," and that's how FEMA is going to operate.

Our response to these diverse and numerous events across the breadth of this great country are evidence of the new FEMA's readiness for the 2007 hurricane season. With the first named storm of the season, Andrea, behind us, and with this year's official prediction released today, let's look at our advanced preparation, our plans for operations during the storm, our improved ability to help with the short and long-term recovery.

Local governments will always -- always -- be the first to respond, but FEMA still has an important role to play. The old paradigm of waiting for state and local governments to become overwhelmed before providing federal assistance, as we saw in Katrina, simply does not work. We have to go in as partners.

Under engaged partnership, FEMA has strengthened our relationship with key state and local partners and, also, we've learned that one-size-does-not-fit-all approach to emergency management. FEMA is helping each state analyze their strength and weaknesses. Thus, our plan is more informed and we can better anticipate specific needs and quickly move to support each state with the things that it does need.

This reorganization has provided an additional strength to these efforts. And Post-Katrina Reform Act established the 10 regional administrative positions. This year, we have filled all 10; and not with just anyone, but with solid and experienced managers, each with 20 and 30 years of hands-on experience in emergency management.

These recognized leaders with backgrounds in firefighting, law enforcement, armed service and emergency management, are helping us to build strong relationships with our partners on the ground that will be essential for the future.

When a hurricane forms in 2007, FEMA will be ready to act. As part of our improved and reformed operations, we have pre-arranged contracts, an improved and improving logistics system and the other elements already ready in place to expedite a response. FEMA can surge its own teams and assets into an area in anticipation of an approaching storm.

This forward-leaning new FEMA was evident in our response to the tornado that devastated Greensburg. In the first 72 hours, FEMA coordinated the efforts of numerous federal agencies. FEMA had an urban search-and-rescue team on the ground the same day that Kansas asked for the support. Supplies were rolling within hours. Mobile support vehicles moved in early.

And I was very proud of the response of our team; not only our team, but also the state and local teams for doing an outstanding job. The mayor and the city manager both lost their homes and they were there working to help to get their city back up on its feet. And they did an outstanding job.

Once the storm has passed, FEMA is also better organized and better prepared to help with the recovery. FEMA's disaster-assistance directorate has expanded its capabilities to assist with mass care; sheltering; debris removal; victim registration, including enhanced protections against waste, fraud and abuse; and coordination among the government and private-sector entities, all moving forward to provide assistance.

Another recent example was FEMA's response to the storms and floods that hit the Northeast earlier this year. FEMA had a staff on the ground before the rain stopped, evaluating damage and registering victims. Mobile-assistance centers were available in the immediate wake of the storm. The first individual financial aid was actually delivered less than 24 hours after the president signed the first disaster declaration.

This fast, efficient, multi-state response shows the type of action you can expect from FEMA during this year's hurricane season.

In conclusion, we've made real progress at FEMA and are much better aligned and prepared for the 2007 hurricane season. By leaning further forward to coordinate the federal response, which is more informed through assessments and communications with our partners, we can better serve all Americans.

Today, FEMA has created engaged partnerships with state and local governments. We have facilitated and supplied an effective, unified command across all levels of government. We've engaged with hurricane-prone states to gain better understanding of their vulnerabilities. We have improved logistics and communication capabilities that will improve response. And we've enhanced our disaster-assistance capabilities for recovery efforts.

Now, we're not done yet. We know we still have a lot of work to do. I've already met with Senator Landrieu several times and I know there is a significant amount of bureaucracy. And my goal in my tenure as a FEMA administrator is to make sure that we can remove a lot of that bureaucracy and make our system much easier, much user-friendly.

But if our progress over the last year is any indication, I believe we're on the right track to fulfilling our vision to become the nation's preeminent emergency-management-and-

preparedness agency. I'm especially proud of the men and women at FEMA. They really have put their hearts and souls into rebuilding this agency.

I want to thank this committee for their support, and I'm looking forward to answering any of your questions.

LIEBERMAN:

Thanks, Chief. That was really good news. I appreciate the progress report.

I understand it's early in the history of the new FEMA, but I must say -- and Senator Collins and I have talked about this before -- that in this unusual life that we live as lawmakers, there's nothing more satisfying than having seen a problem during the investigation, try to create a response to it in the law, seen the law through, president's signed it and then actually to hear about how it's being implemented; I mean, specifically, the beefed-up regional offices, with the interaction of federal, state and local, including, as Senator Collins said, a representative of the Defense Department right there, is really a step forward.

And, obviously, if it had existed at the time of Katrina, I think the Gulf Coast would have been in a lot better shape. So I thank you for what you've reported.

Let me just ask -- you mentioned just recently both the tornado in Greensburg, Kansas and the Nor'easter storm earlier this year just a short while ago, and the quick response of FEMA. Talk a little bit, if you would, about what I presume was the role of your regional office and regional strike teams in both of those cases. Is that part of why you were able to respond so quickly?

PAULISON:

Senator, it's a different philosophy of how this agency's going to operate. We are not going to wait for a state to start asking for assistance. No, we're not going to come in and take over and we're not going to step on the state. But recognizing what the disaster is and having people on the ground that can tell us very clearly what the needs are going to be of the state, we can start moving quickly, sometimes before the local community or the state can recognize exactly what their needs are.

In the Greensburg, Kansas, we saw very quickly the entire town was destroyed. So we started moving cell systems in, radio systems for the local emergency responders to have (inaudible) mobile radios to talk to each other. We knew they were going to need supplies. We knew they were going to need tarps. So we started rolling those things.

And (inaudible) in the government -- we were doing that while they were working on the declaration. We knew they were going to get a declaration just by the enormity of the

situation. So why sit back and wait for the declaration to go through the process and get those papers signed before you start moving equipment.

So when they needed the supplies and equipment and people, they were already there.

LIEBERMAN:

One of the things that we learned -- and I suppose it's just common sense, but it's important to say it -- during our investigation of Katrina, is that there is a difference between a natural disaster, which I would say the tornadoes in Greensburg and the Nor'easter, earlier in our part of the country would qualify as -- not to diminish their impact on people; they're devastating -- but the difference between a natural disaster and what we, in our work on the committee, came to call a natural catastrophe like Katrina.

It was a, whatever you want to call it -- a 100-year storm. It was beyond what we have seen and what FEMA had to deal with. So take a moment and try to spell out for us a little more -- are you ready? If one of these hurricanes, God forbid, this season -- 2007 -- becomes a catastrophic storm -- anything like Katrina -- what have you got now that FEMA didn't have then?

PAULISON:

Quite a few things.

One, the report that came out of this committee was extremely helpful in identifying the things that simply did not work. And we worked on those very carefully to put those in place -- a better communication system and much more coordinated logistics-type of a system; a better ability to register people and track them -- having people scattered across this country and really not having a clue who they were, where they were, what their needs were.

LIEBERMAN:

How about in the early moments when -- one of the definitions, I think, we came to attach to a natural catastrophe is that it was so great that it, effectively, incapacitated state and local government.

PAULISON:

Part of the issue also was not having a good, rock-solid evacuation plan and ability to do that, to move people out. So if you do have a devastating -- a known event coming in,

like a hurricane -- move people out of the town before the catastrophe happens and there's nobody there to get injured and pass away.

So we've been working with all the states. Right now, particularly, in the Gulf Coast, we're doing a tri-state evacuation plan. Last year, we just kind of shoved one down their throats, working just strictly with Louisiana. But it has a major impact on the surrounding states.

So working with all three states there -- Mississippi, Alabama and Louisiana -- to do a tri-state evacuation plan; also, doing a gap- analysis tool across not only the Gulf States, but all the way from Florida to Maine on looking at those issues of, "What is in place for evacuation? What's in place for transportation? What's in place for sheltering? What are the gaps, so we can help fill those now, instead of waiting for a catastrophe to happen?"

We also have the ability that we did not have before for the president to do a pre-landfall declaration, where, let's say, if a category three, four or five storm is coming into a mid-Atlantic state or Florida or, you know, God forbid, Louisiana again, we can do a pre-landfall declaration and start providing funds and equipment prior to that hurricane making landfall. That will help the city get much better prepared and the state get much better prepared to move in.

We've put a lot of tools in place just by, literally, stepping back and watching, "What went wrong with Katrina? What can we do to mitigate that if we should get another storm of that size?"

LIEBERMAN:

What will the presence of a representative of the Department of Defense full time in the 10 regional FEMA offices enable you to do?

PAULISON:

Well, we did not have it during Katrina. And I think Secretary Jackson can talk about this also -- is having mission assignments in place with the military of understanding exactly what they're going to do and what our needs are that we need from the military.

We had about 14 pre-scripted mission assignments across the entire federal government before Katrina. Last year, I had about 44 in place. This year, I have over 180 pre-scripted mission assignments. So a lot of those were with the military.

By having those defense people in each region and also in FEMA headquarters -- we have put some of our people at NORTHCOM and some of their people at FEMA headquarters -- to have that relationship so we will get action immediately instead of having to negotiate mission assignments like the secretary did after Katrina made

landfall. Those will be ready to move before a storm even hits. That's a tremendous asset for us.

LIEBERMAN:

An as you remembered, as we discussed, one of the thoughts about the regional offices is that they would prepare more for the kinds of disasters that were likely to occur in the region. So I presume that the region, for instance, that Kansas is in, has a set of plans ready to go in case of tornado, as compared to the Gulf Coast, which would prepare more for hurricanes.

PAULISON:

And they did. They had a good plan in place and they responded very quickly to that town. The town was totally devastated and didn't have a lot of resources itself. But the adjunct general, who runs the emergency management out of the state, was in there very, very quickly -- had a lot of equipment on the ground. And that was part of the reason -- plus the early notification -- they had 20 minutes before the tornado hit to move people into the basement -- was because of the low loss of life.

LIEBERMAN:

Thanks, Chief. My time is up.

Senator Stevens, as you saw, came by and had to leave for a meeting, but asked me to submit two questions for you, Chief, for the record. And they're typically direct and tough -- Ted Stevens' questions.

So, Senator Collins?

COLLINS:

Thank you. Thank you, Mr. Chairman.

Mr. Chairman, I'm sure that you and Senator Coleman will remember that the lead-off witness for our investigation was a FEMA employee from region one named Marty Bahamonde, who was the first person in New Orleans and, regrettably, the only FEMA person in New Orleans prior to the storm. And he happens to be a region one employee.

So during this exercise for the hypothetical hurricane that struck New England, Marty was part of the participants. And he came up to me and volunteered how dramatically

better FEMA was organized. And this was a very credible report because he, essentially, was our whistleblower who started our hearings out.

So I just wanted to share that with the members of the committee.

Nevertheless, Mr. Paulison, not all is perfect. And there still are areas of great concern. And one of those you touched on very briefly in responding to the chairman, but I want to pursue with you.

When I think back on the hearings we had, the hearing that was most troubling to me dealt with the failure to evacuate those who could not evacuate themselves, particularly, frail, sick, elderly members of nursing homes. And that, to me, was such a colossal leadership failure at all levels.

Certainly, the Louisiana official who had been assigned responsibilities to do the evacuation plan had just utterly failed to perform his responsibility -- bears a large measure of the blame. But the fact is that our investigation showed that it's not just Louisiana that has had flaws in its plans for evacuating those who cannot evacuate themselves.

Please bring us up-to-date on how FEMA is helping state and local governments better plan evacuations. This is an area where GAO has been critical of FEMA's efforts and has said that they are not sufficient, and that evacuation plans for many state and local governments -- and they are the primarily responsible parties here -- failed to take into account the special needs of non-mobile populations.

PAULISON:

And Senator, that's a major issue across this country, not just in hurricane states.

We have a large elderly population. A lot of them are not mobile. And how you deal with those when you have to evacuate those -- last year, we worked very closely with Louisiana identifying the nursing homes and those types of shelters. Some can shelter in place -- doing a survey of those to see who can shelter in place, so they have the -- "Do they have the plans in place, the things in place to do that?" and those who cannot -- forcing them to put a plan together of how they're going to evacuate. "Where are they going to go and how are they going to get there?"

And we're doing similar things in all the hurricane states. We're doing, like I said, a gap analysis. And part of that gap analysis is just not talking about evacuation, but, "What are you going to do with your elderly? What are you going to do with your people who are not mobile? What are you going to do with pets?" and, "What are you going to do with hospitals?" and looking at each of those plans from Texas all the way to Maine, then, very carefully working with the states to make sure they put those plans in place.

It is so important that every state has those rock-solid plans in place to do those things.

COLLINS:

I think that is absolutely critical. We had language in our bill that spoke to the need to have effective evacuation plans.

I want to turn to another area where I still think FEMA needs to improve. And that is to ensure that the true victims get the assistance that they deserve as quickly as possible; that those who are not victims do not rip off FEMA's individual-assistance program.

We had two hearings on this last year, where we found very disturbing examples of outright fraud, not to mention waste and abuse -- but outright fraud. And a lot of it was caused by FEMA not having in place obvious safeguards to verify identify, to verify damage, to ensure that duplicative payments were not being made.

We want to make sure that the money goes to those who really need it and it's not lost to waste, fraud and abuse. Our estimate was that -- depending on GAO's and the IG's estimates -- our estimate was that as much as \$1 billion in federal assistance was lost to waste, fraud and abuse.

What steps has FEMA taken to ensure that we don't see that kind of looting of the individual-assistance program in future disasters?

PAULISON:

A major problem during Katrina, no question about it -- FEMA did not have the capability to have identity verification, to make sure they weren't applying for benefits more than once. Some times, some people, 20-30 times.

We have put systems in place that we can now tell you are who you say you are and you live where you said you live. And our Web-based system does not allow duplicate applications from one household. So we put a lot of systems in place to stop that. It was very important that we did that because we simply could not go back to the way it was in Katrina. And that's, again, one of the lessons we learned that came out of this committee that we've put in place.

COLLINS:

Perhaps the worse example of that were those prisoners who applied for and received rental assistance while they were incarcerated. Are you confident that that would not happen, given the safeguards that you now have in place?

PAULISON:

Yes, Senator, I am.

We're very confident that -- now, you're not going to stop 100 percent of the fraud. That's just the way our -- any system is going to work. But we really feel very comfortable that we can stop a lot of it. And a lot of it, sometimes, was done -- not intentionally. People got two checks and, you know, didn't report that. But we're able to stop that now with the identity verification and our Web-based system that simply will not allow two applications from one household.

COLLINS:

Thank you.

LIEBERMAN:

Thanks, Senator Collins.

Senator Coburn?

COBURN:

Well, thank you, Mr. Chairman, for having this hearing. I think it's important for people to hear the positive side of FEMA. I've had some personal experience with them in the 19 counties in Oklahoma -- eastern Oklahoma -- this year. Although the communication wasn't always great, their response was excellent and they carried out their mission greatly.

I also would note my disappointment, again, with the fact that OMB, obviously, held the testimony -- we didn't get it until yesterday evening. So it's hard to prepare to read your testimony and to have the time to think over the problems that we have in front of us. And, again, I would ask you to send a message -- I don't know when you got it to OMB, but the fact that we didn't get it until the night before the meeting, number one, violates our rules and, number two, is inappropriate for us to do an appropriate job.

I want to talk to you. And I'm supportive of the changes that have been outlined and accomplished by both Senator Lieberman and Senator Collins and the committee. But I really want to focus a couple of things on the financial aspects of FEMA and HHS.

You know, basically, if you were to be -- if you could be audited, which you can't be because they can't complete an audit on you -- what the American people would see is

something similar to Enron accounting. And my question really is not blame. I know you're working on that and we're improving every day. And, hopefully, some day, we'll get the audit the financial statements for both FEMA and HHS.

But, basically, what I'm worried about is the duplication that we're going to see as we now combine FEMA with DHS. We've got 36 grant programs. And I'm worried a little bit about the potential in those specific grant programs that the IG talked about in terms of being -- duplication from FEMA grants to DHS grants and HHS grants.

And I'm wondering what is happening. What are the safeguards that are in place now so that we don't duplicate the grants, so that we truly send grant money where it's needed, but then we don't turn around and send it again for the same thing? And if you can give me some examples on how you're trying to coordinate that, rather than this stovepipe, "Here's DHS grants and here's FEMA grants," so that we're not sending money twice, foregoing somebody who should be getting it because the money's already gone to somebody that's getting it twice.

JACKSON:

Senator, I'll take a first shot at that one, and Dave can jump behind me if he wants.

There are no stovepipe grants in the department. They're all run in one coordinated way. DHS has FEMA as its executive agent for all of our Homeland Security grant programs. And those grants are managed out of FEMA.

But let me unpack what that means for you. FEMA has, for example, the -- well, essentially, FEMA has the financial management, the audit, the discipline for financial controls and assessments to make certain that that money is being spent as we said it would be spent and that it is being used as we have required by all the rules of the grant guidance.

If I could unpack our grants -- we have a large grant program for states and a large grant program for major cities. And both of those are administered by FEMA under an agreement within the department where we all put the appropriate assets to the test to support the grant program.

The secretary, at the end of the day, feels like he owns the responsibility to make sure that his department does not stovepipe programs, but supports these programs in an effective way.

COBURN:

So you're saying there is one system in DHS that is responsible for and administers all the non-disaster grants.

JACKSON:

That's exactly right.

COBURN:

And when did that come about?

JACKSON:

On the 31st of March this year, when we moved it by virtue of the law that Congress had passed into FEMA, and administered it that way.

COBURN:

And it's effectively being run at this time?

JACKSON:

Exactly.

COBURN:

OK, fine.

JACKSON:

Senator, if I could, I can just -- and there's one part that is really important about this, that I'd just like to make. FEMA does not have the subject-matter expertise for all of those Homeland Security grants.

For example, the risk formula that we need to run this program has to call upon our intelligence services; it has to call upon our infrastructure-protection people in the field. It has to call upon the broad array of assets in the department to make a judgment about how to define these programs for the maximum impact.

If you look at our substantial amount of money we spend on transportation and infrastructure support -- Coast Guard, for example, has the subject-matter expertise for port-security programs. They have a captain of the port. The whole program revolves

around the captain of the port and the various professional assessments that flow from that area of subject-matter expertise. For our transit grants, it's the Transportation Security Administration.

So around the department -- Fire Administration, for example, inside of FEMA, has the subject-matter expertise for the fire grants. So Dave is responsible for the financial controls and financial management and the distribution of these systems and the management of it, but he calls upon, literally spread throughout the department, the multiplicity of assets there that will help make these grants effective.

And that's why the opening comments by both the chairman and Senator Collins about the necessity to draw within FEMA upon assets in the department is very real and tangible when it comes to grants.

COBURN:

Let me just sneak in one other question.

There are two grant programs for interoperability, both essentially run through you, both authorized and funded -- one, through the Commerce Committee and one through the Homeland Security Committee, correct?

JACKSON:

Well, not exactly.

This is one grant program -- and Commerce has assigned DHS as its executive agent to design the program, to deal with the states, to manage it so that it is integrated in an effective way for our Homeland Security grants for states and urban areas.

COBURN:

And how much is that?

JACKSON:

It's, this year, \$1 billion.

COBURN:

OK.

JACKSON:

It's a one-time grant program.

And then, Commerce is ultimately -- the ultimate sign-off agreement comes from Commerce. And so they have the statutory authorization to obligate the funds. And they use this program at DHS to accomplish that. We're working hand-in-glove with each other.

COBURN:

All right, thank you.

LIEBERMAN:

Thanks very much, Senator Coburn.

Senator Landrieu, thank you.

LANDRIEU:

And thank you, Mr. Chairman.

And let me begin by thanking you and Senator Collins for the work that you've done to get us to this point. I didn't receive the testimony, unfortunately, until too late to prepare the specifics of the testimony today. But I was able to receive from the committee the long list of the accomplishments that this committee has achieved since Katrina and Rita.

And I am pleased to have been a part of that. And I do know that FEMA is stronger today than it was when Katrina and Rita hit the southern coast of Louisiana, Mississippi and Texas. The question is, "Is it strong enough?"

And that is what this hearing and many other hearings that will take place on this side and the other side of the Capitol in many different committees will continue to ask: "Is it strong enough to respond to a catastrophic disaster, whether that disaster is caused by the collapse of multiple federal levees that should have held and didn't, whether it is the catastrophic disaster of a terrorist attack of many different natures that we could think about?"

And so we have to pursue aggressively our reform efforts. And I continue to represent, of course, millions of people who are affected daily by the failure of the system to respond to this particular large-scale disaster.

I am fairly certain, as my colleague said, from Oklahoma, that FEMA is equipped to deal with your regular tornadoes, regular storms. But as the chairman and the subcommittee and the chair and ranking member knows, since they've been down now to New Orleans and Louisiana, Mississippi, what happened to us was a flood of biblical proportions. That was seven times the size of Manhattan -- 250,000 homes under water, 20,000 businesses lost.

And responding and recovering to this kind of disaster is beyond the scope of what this country has attempted to do -- just way beyond the scope. So while things have been improved, I, you know, have, you know, many questions that I'm going to submit to the record.

But I will ask Secretary Paulison: What are the three things that you're most proud of having accomplished since you've been there and what are the two or three things -- you have to do this quickly in the two minutes or three minutes to respond -- that you still firmly believe we've got additional work to do?

PAULISON:

Well, in a couple minutes, that's tough, Senator.

LANDRIEU:

Well, do two and two -- the two things you're most proud of accomplishing, that you think will have the most impact, and two things that are on your mind that we could focus on to help you with.

PAULISON:

I think that the -- I had to think of two very quickly. I think working with the secretary and the cabinet to put together a unified command system -- one of the biggest failures that I saw during Katrina was the inability to share information from the local community to the state, the state to the federal government, and inside the federal government.

We have tested the system all the way up, including the president's cabinet. We have used it in the smaller instances, but the system works. It worked in the first-responder world for 30 years, and now, we've got it in our entire emergency-management system. I think that, and I think that the -- I'm going to give you three.

The other is leadership. I only had two of my 10 regional- director slots filled. And they happened to be two very good people, so I kept those. But I've got the other eight filled with rock-solid people who have emergency-management experience.

And then, being able to register people and track them and developing partnerships with people like the Red Cross and HHS and others that can help us to that so we don't end up with the same mess that we had, quite frankly, with Katrina, and, particularly, the biggest impact on Louisiana.

The things that we do need help with: Housing. If we have another catastrophic mass migration, which was what this was -- the largest migration in the history of this country - - how do we do a better job of housing people? FEMA should not be in the long-term housing business. HUD should be in the long-term housing business. And now we're partnering with them to make that happen. So I would appreciate support from this committee when we bring this before you of exactly how we're going to do this.

The other is logistics -- still working on logistics, which is much, much improved -- much improved -- over what it was before. It is much improved over last year. We still have a long way to go to get the type of system that I want in place that the business community uses every day. And we're working hard to do that.

I brought in one of the top people out of the Defense Logistics Agency, hired him away from them and brought him in to put our logistics system together. And that is really starting to take shape, but it's not where I want it to be yet.

LANDRIEU:

And my second question is -- you can most certainly appreciate, given your comments about housing why I am pressing this Congress so hard for the 10 percent waiver, which helps us rebuild our public facilities which support the rebirth of the city and the region.

Is there any reason that you would know of that we would not be entitled to ask for that waiver, given that it's been given before?

PAULISON:

You're always entitled to ask for it.

You know, our position has been -- and I have not had a conversation with the secretary or the president on this lately -- is that by the state being involved financially with the decisions, we have much better control over the expenses, making sure they're spent in the right way. And that's the position we've had in the past with all states.

LANDRIEU:

But we have waived the 10 percent in the past for all the -- at least the most recent disasters?

PAULISON:

That's correct.

LANDRIEU:

And now, I guess, my final question would be about this planning. While some of this is too late for us for this time, it's not going to be, hopefully, the next time.

I'm still concerned, Mr. Chairman, that we are not investing more money in planning, but we are moving money from one pot to another. So my question is, "How much money was in the grant program for local planning for disasters before Katrina and Rita and how much is available today?" Are we \$1 billion to the positive or \$1 billion or more to the negative?

PAULISON:

Senator, I can't give you that off the top of my head, but I can get that to you if you submit that for the record. Again, off the top of my head, I just don't really...

LANDRIEU:

Do we believe it's an increase?

PAULISON:

I do believe that. And not only that...

LANDRIEU:

But we don't know what percentage...

PAULISON:

I just don't know what off the top of my head. But I know it is an increase.

Also, when I took over FEMA, there were no operational planners inside of FEMA. And now we're hiring a lot of those to put a planning office inside this organization to

assist with those types of things. And they'll be going out to the regions to work with the states on planning.

But we know that's an important issue, and you, rightfully, brought it up. Our weakness in the system is our planning system, and that's what we're -- we are addressing that. I just can't give you the figures...

(CROSSTALK)

LANDRIEU:

Mr. Secretary?

PAULISON:

Senator, I can add just a little bit of a gloss to that -- is that in our core Homeland Security grant programs, planning is an eligible expense, which is to say that when a state or a community wishes to use this money for planning purposes, they're allowed to do so.

I think all of us have seen the lesson of Katrina and Rita and know that this is an area for more work. We've gone out to 75 of the largest cities and we've reviewed their planning process, reviewed their preparedness measures. And we've issued a report on where that stands. We're continuing to engage with them on interoperability, for example -- all the states, all the territories, all the major cities. And a statewide plan is coming soon this fall for interoperability of communication.

So we're trying to do that and to put the training and the exercise programs together in ways that are much more robust. In the federal government, we've created a coordinated training program and exercise program -- especially the exercise part -- with the Defense Department, with DHS and other agencies to be able to take these core catastrophic scenarios and operate much more effectively to exercise together.

LANDRIEU:

And I know that my time is up, but I know that our bills have doubled the authorization for these grants. But doubling the authorization and appropriating double amount of money are two different things. And I just want, Mr. Chairman, for us to make sure, on the appropriations side, that we're actually investing more money for planning which could help save not only lives, but property, et cetera.

PAULISON:

And, Mr. Chair, if you don't mind, if I could add one more...

LIEBERMAN:

Go right ahead.

PAULISON:

I know you're over the limit.

We also have put a lot of money aside for catastrophic planning, particularly in Louisiana, for another catastrophic storm coming in there. We're doing catastrophic planning in Florida for around the Herbert Hoover Dike, around Lake Okeechobee and a cat-five storm coming into Miami, and are also doing a catastrophic planning for the New Madrid fault.

So those are new dollars that we have actually set aside for this year, to do that catastrophic planning, which can be applicable across the entire country once we get them done.

LIEBERMAN:

Thanks very much, Senator Landrieu. You made a very good point at the end there.

Senator Coleman?

COLEMAN:

Thank you, Mr. Chairman. What a difference leadership makes -- both Mr. Chairman and Ranking Member of this committee -- and the work that was done last year and the review-investigation reports, and, clearly, leadership that's represented at the table. It's refreshing for me to hear about engaged partnerships and forward-leaning new FEMA. And I think that's positive.

I just want to kind of look back and then look forward. There was a piece in the Washington Post about three weeks ago that talked about international assistance -- a story that out of \$854 million in cash and oil that was to be sold for cash, only about \$40 million had actually been used. Did we ever figure out what happened and whose responsibility in understanding, as Senator Landrieu said, this was a disaster of biblical portion?

In my experience as mayor, that hundred-year flood seemed to happen more than once every 100 years. And so I don't want to kind of look at this as just something that happened and we never have to deal with it again. So, just two questions -- one, did we ever sort out what the problem was? And two, are we in a position now, should we have those kinds of international offers again -- we'd be in a better position to utilize and to get that money into action?

We, inside the United States, did not have a good system in place on how we accept international donations and what we're going to accept. And that was a flaw in our system. We have put a good system in place. I've been working personally -- we've been working with the State Department -- of how we're going to set up in the system to accept international donations. FEMA will be involved with the State Department on what our needs are, what we can accept and what we'll not accept.

A lot of the dollars that were promised, they had not been received. We did receive, I think, \$120 million. \$60 million went to the Department of Education. I think they've already spent \$30 million of that. The other part went for crisis counseling that we distributed. And they're in the process -- they're still doing crisis counseling with it.

So the dollars that we did receive, we did spend. We distributed enough to get exactly what they figured, but hundreds of metric tons of supplies that we did take in -- blue tarps -- we took generators in, a lot of other supplies. But we weren't able to accept, sometimes -- were foodstuffs and things like that.

So now we're doing a better job of laying out exactly what we can't accept and what we can accept. We can make that known to our international partners out there if we do have a catastrophic event. That will make our system work much better.

COLEMAN:

I appreciate that.

One of the biggest concerns that we heard in our review was about interoperability at the local level -- between local and federal level. Where are we at today? You talked about unified command- center logistics. But on the interoperability piece -- the communication piece -- what's your assessment of where we stand today?

PAULISON:

You were here, too, you know?

(UNKNOWN)

(inaudible)

PAULISON:

Your interoperability issue -- we literally have come a long way. We have a lot of money going into this system. The \$1 billion that was from the spectrum sale does not (ph) come into the system to be distributed.

The biggest issue with interoperability is really a management issue, sometimes, more than an equipment issue, of how we're going to communicate with each other. It can be as simple as changing hand-held radios, working out of the same command post, working in a unified command system.

There are technologies that exist out there -- units like the AC1000 -- where it can merge five or six different frequencies together in one place. Most of the state and National Guards have the capability. FEMA has the capability, with several units around the country, to move into an area and provide interoperable communications like we did in Kansas just recently.

It's an issue that is quickly becoming resolved. Sometimes it's also a buzzword that, "(inaudible) interoperability," but the fact is there are resolutions to it at the local level also.

JACKSON:

Senator, that's two problems. One is operability and the other is interoperability.

If you're wiped out like we were in New Orleans and you don't have towers and communication systems, you need to be able -- for a rapid response -- to move in those temporary communications infrastructures necessary to be able to communicate. And the other part of it is what Dave has addressed with the interoperability investments that we're making around the country.

There are some bright spots. In Texas, for example, they have gotten statewide interoperability to the point where people from all around the state -- emergency responders -- can come and talk to each other with guaranteed success and proven capabilities to do that. I was with the governor recently when he announced their accomplishment of getting to this benchmark for the state, but there's a lot more investment that needs to be made here to make this where we need to be.

COLEMAN:

And my concern goes back to the uneven playing field at the local level.

Minnesota has put a lot of time and a lot of effort into this area. They say it's reached interoperability, but my concern is that if the states are at a -- there's an unequal playing field -- that when a disaster occurs, somebody needs to be there to make sure that that playing field is leveled and that the systems are operational in spite of states not having achieved the success (inaudible) Texas and Minnesota has really achieved.

JACKSON:

Right. There has been differential investment here. And you'll see in the fall very detailed progress reports and report cards on a statewide basis from all the states about where we are.

This tool is being used by us to drive the investment that we'll be making with the \$1 billion Congress has provided. So we're looking for these disciplined, systematic and clear plans. And you'll see it in black and white where we stand across the whole country with those.

COLEMAN:

The confidence of the people is often a factor in our ability to do the things that have to be done.

There were recent surveys that continue to show a lack of confidence at the federal level -- the state level, there appeared to be -- folks had a high degree of confidence in their local responders. But, still, I think it was about three in 10 -- 30 percent -- had confidence in folks at the federal level. And that number was worse for minority communities.

Are you addressing that issue? Do you have something in place that would spread the word? We're trying to hear a little bit of it today. What are you doing to reach out to people to raise their level of confidence?

PAULISON:

We are doing that, one, with all 10 regional directors in place and with very clear direction from me to make sure they make those contacts so, like Senator Collins said, we're not exchanging business cards in the middle of a disaster -- telling them what we're doing, showing them what we're doing.

The problem is going to be -- until we have a major event and this agency performs, you know, it's just going to be difficult to get (inaudible) with those doubts. You know, we lost a lot of confidence during Katrina. We're rebuilding this agency back again. It is going to perform.

But I don't expect people to believe me. I expect them to see what we do actually do. And we've been doing that. Every disaster we've had -- whether it's in Florida, Georgia or Alabama and Kansas, up in the New England states -- FEMA has done an excellent job of responding to these disasters. And we just do it a piece at a time. And I think eventually we'll get there.

COLEMAN:

Actions speak louder than words.

PAULISON:

Yes, sir -- right on target.

COLEMAN:

I thank you, Mr. Chairman.

LIEBERMAN:

Thanks very much, Senator Coleman.

We're going to do a second round. Do you have to go?

(UNKNOWN)

(inaudible)

LIEBERMAN:

Go right ahead.

(UNKNOWN)

The \$1 billion -- is that enough to solve the interoperability problem?

JACKSON:

No, but it makes a heck of a downpayment on top of the \$2 billion we've already spent.

As Dave said, really, one of the core problems remaining is that we have to have the government structures necessary to make this work. This is not, necessarily, about buying gizmos or all the same gizmos for all the same people. It's about making the fundamental management decisions about who needs to know what type of information in what time sequence and who's talking to whom.

There are bridging mechanisms -- technologies -- that can help us take existing tools and link them together. In the places where we've seen great success, it's been state and local leaders who have a very clear vision and a strong commitment to getting the job done. In the places where we need to go a little farther, it's a case of sometimes trying to get a community together. And even in a single state, you can see a diversity there among communities that really get it and get all together with the multiplicity of law enforcement, emergency managers that have to be connected.

And so that's the part where I would say, for the smallest investment of money, a little bit of energy and leadership in the right way can help us bridge very far where we need to be.

(UNKNOWN)

So are you going to need another \$1 billion?

JACKSON:

I'm not here to tell you what it's going to cost, but I am here to say that this is not going to end the problem. We are using our Homeland Security grant dollars for this every year. That's where the \$2 billion figure comes from.

Since DHS was created four years ago, we have spent \$2 billion on this. And we'll spend more in the Homeland Security program this year, on top of the...

(CROSSTALK)

(UNKNOWN)

And you realize there's another \$1 billion in the 9/11 bill that's in conference right now for the same issue?

JACKSON:

I've heard stories.

LIEBERMAN:

Yes, just to give you the latest update, the budget resolution that has passed has \$400 million to fund the first part of the interoperable grant program -- the grants for interoperability of communications. And, as you know, the \$1 billion that you got was the beginning of a program which will now flip over into this new program until we actually get it done.

We have, naturally, today, talked about preparedness for natural disasters, because the FEMA reorganization followed the terrible performance of FEMA during Katrina. But FEMA also has very critical responsibilities to lead the nation in responding to a terrorist attack. And, of course, the department itself was created -- the Department of Homeland Security -- in the aftermath of 9/11.

So I wanted to ask at least one question about that. Look, the 9/11 Commission -- the Kean-Hamilton Commission -- said that one of the causes of 9/11 was a failure of our imagination, which is to say that we could not imagine that people could want to do and do what the terrorists did to America on 9/11.

So we have to think about the, normally, unimaginable. And I know, sitting at that table, Secretary Chertoff, a while ago, when we asked him, "What's the nightmare you have?" It's of a nuclear weapon being smuggled into a large American city and detonated by terrorists.

Somebody I saw yesterday -- a reporter told me they had interviewed the director of the FBI, asked him what his number-one concern was -- same thing, understandably.

So let me ask you both, are we ready -- you know, God forbid that happens -- but are we ready to respond in a way that diminishes the devastation that would be caused by such an explosion of a nuclear weapon in an American city?

JACKSON:

I would say we, clearly, are better equipped to do this mission than before the creation of DHS, before 9/11, before the focus that's been brought about thinking about the awful and catastrophic on a daily basis across the government.

It will still be a very untidy and devastating event if we have the type of attack that Secretary Chertoff explained to you in his testimony as his worry, and which I certainly share. So there's no way to make it a happy day...

LIEBERMAN:

Sure.

JACKSON:

... everybody to be picked up quickly and dusted off and put back on their road. This is one of Dave's problems, I think.

What's happened is we've created an expectation that if anything bad happens -- and if it's catastrophic, this expectation, I think, is even more -- that somehow the federal government will come in and swap immediately and make everything better. So what he has to worry about is that there is an unreasonable set of dependencies or expectations on what can be done by a government.

And I would say that's not an excuse for the most aggressive and forward-leaning and considerable investment in making catastrophic incidents easier to manage. But it won't take away the word "catastrophic," because...

LIEBERMAN:

Oh, no way. I agree.

Incidentally, I should say what we all know, which is that the department has divisions within it and working alongside of law enforcement and the new intelligence apparatus through the DNI and the National Counterterrorism Center to prevent such actions. And, in fact, they have been prevented; most recently, with the arrest of the six in Fort Dix, New Jersey, but more catastrophically in the arrest in the United Kingdom of those individuals who were planning to fly that series of planes over to the U.S. and blow them all up in the air before they reached here.

So, unfortunately, the extreme -- the bizarre -- there's already evidence they're trying to carry it out.

A big question to ask, but -- talk about catastrophes -- is FEMA prepared to try to mitigate -- it's not going to -- it will be a terrible day, a dark day. But, God forbid this happens, is FEMA prepared to mitigate the effects of such a nuclear explosion set off by terrorists in an American city?

PAULISON:

I can tell you that it's not being ignored. We had a major exercise, in fact, last week, involving the Department of Defense, HHS -- in fact, every federal agency played in this -- the same type of scenario you just laid out and how we would work together -- a lot of lessons learned out of that exercise.

In the exercise, FEMA was capable of carrying out its mission of making sure that we could provide the things that we were supposed to provide. We even had classified radio conferences on how you would make certain decisions or what you would do. So we are working on these types of things.

You know, I think the secretary is absolutely right. A catastrophic event like that is going to be a catastrophic event, and it's not something you're going to go in and clean up in a couple days. There's going to be tens of thousands, maybe hundreds of thousands, of injuries and fatalities and, "Where you put people a how do you deal with them?" There will be some very difficult decisions to make.

So I don't know that -- FEMA is not the core agency to deal with those types of things, but we are playing our part. And we will perform up to the best of our ability.

LIEBERMAN:

But who is the core agency?

PAULISON:

OK. Well, it's going to the health side -- it's going to be HHS.

LIEBERMAN:

Right.

PAULISON:

The Department of Defense is going to be involved.

LIEBERMAN:

Right.

PAULISON:

FEMA is going to be involved with a piece of it. Department of Justice will be involved with it during (ph) the investigation...

(CROSSTALK)

LIEBERMAN:

Who will coordinate?

PAULISON:

The secretary of Homeland Security.

LIEBERMAN:

Secretary of DHS?

PAULISON:

He will be the coordinator -- yes, sir.

LIEBERMAN:

Yes, I must tell you, I'm encouraged that you accept, at least, the possibility of such a scenario and that the government is planning prior to mitigated (inaudible). Let me ask...

JACKSON:

Mr. Chairman, can I just -- real quickly, on that one?

LIEBERMAN:

Please.

JACKSON:

To show you the priority that we placed on exactly what you're asking about, we've created at the department, operational planning cells which are drawing staff from all the

relevant federal agencies -- Defense Department, HHS, Energy, Transportation -- and that are able to accommodate, for particular matters, a growth to the entirety of the federal government's assets.

And we are unpacking the 15 scenarios that are part of the national preparedness goal to give very precise operational plans. It is working out of our operations-coordination group. It's got very active involvement from FEMA and other aspects of the department.

The number-one plan that we are working through operationally in the first draft is being interagency coordinated as we speak. It is on this type of nuclear attack in a city.

LIEBERMAN:

I appreciate that. It's reassuring. I thank you for it.

Senator Collins?

COLLINS:

Thank you, Mr. Chairman.

Secretary Jackson, one of the most significant findings of this committee's investigation into Hurricane Katrina was that there was a significant delay in getting support to the states and the local government because of the way the system was set up.

Under the system in place at that time, the local government had to be overwhelmed and, essentially, fail before the state government would step in. Then, the state government had to be overwhelmed and fail before the federal government would step in.

Senator Lieberman just posed the question about a truly significant catastrophe, such as a nuclear bomb being smuggled into a city. That's a perfect example of a catastrophe that is going to overwhelm even the best local government and, most likely, the state government as well.

What is DHS doing to not wait until there are failures of delivering services at the state and local level before stepping in, when there is obviously an overwhelming catastrophe?

JACKSON:

Senator, this is an excellent question and an important point. And I just want to make sure that I have rammed the answer home very clearly.

We have changed our total operating model for how to manage this type of incident, based upon the results of our failure in Katrina. And what that means is spread across the department in different ways. You've heard the administrator talking about how we pre-position goods more aggressively and move them up to the point of deployment while we're waiting for the request to come from a state if we know that it's likely to be there.

Sometimes we've actually done that and then had to move them back to the warehouse a little bit when it turned out not to be so bad. I'd rather err in that way, call it an exercise, and then not be able to fail if we have the need for the goods.

So at FEMA, we are moving into that as much as possible. We can declare in advance of a pre-known event -- a disaster -- before it strikes, like in a hurricane. For an attack of chemical or nuclear, biological nature, we would instantly move the assets that we have into that arena as necessary. We would certainly -- certainly -- closely coordinate with the governor and make sure that we are all operating in a unified way. But it would not take a lot of paperwork, rigmarole, to get us up and operating.

COLLINS:

Mr. Paulison, I noted that you smiled as I was asking that question, which makes me think you may want to add something.

PAULISON:

No, you were singing my song.

That's exactly how we're going to operate. There's different philosophy inside this organization. And with the support of the secretary, we are leaning very far forward, just like we did in Kansas -- moving equipment early, knowing we're going to get a declaration. And, "Why wait for the paperwork to be signed before we move in?" And so we've been doing that.

It raised some eyebrows inside the organization. We had 30 years of history here and 30 years of culture. And we're changing. And sometimes it's difficult to change in a few months, but we're making headway. And we have a lot of people inside of FEMA now who are going, "Yes, this is the right way to do it." And most everybody is getting on board with it.

COLLINS:

Thank you.

Secretary Jackson, just one final question. I may submit some others for the record. We found during our investigation considerable confusion between FEMA and DHS as to who performed what role. We also found that there was an astonishing lack of situational awareness that added to that confusion.

What has DHS done to better clarify the roles within DHS? We've talked a lot today about coordination with state and local partners, coordination with other federal agencies. But within DHS, what has been done? And second, what has been done to ensure a far better level of situational awareness than we saw during Katrina.

JACKSON:

In DHS, we just faced up to what we need to do to be able to operate in the fashion that we are able to do today. And we have defined our roles and responsibilities in very clear, unambiguous ways.

The management team meets weekly with each other from the seven operating components of the department. There is no core ambiguity about how we're going to operate as a department and there is ample opportunity for the experienced leadership team to be able to go directly to the secretary, directly to the deputy, to resolve any question of this nature quickly.

We've created an operations-coordination group as part of the secretary's initial assessment of the deficiencies inside the department. That is now up and effectively functioning, and that is a substantial enhancement to being able to make sure that we're connecting to each other on an operational basis on a daily basis so that we have a surge capacity to jump into a big circumstance.

So how do we assure ourselves that we have situational awareness? It occurs at multiple levels and it gets integrated and infused in our national operations center, which is managed by the operations- coordination head. That work leverages and pulls a major pipeline of information from FEMA during the course of a FEMA-centric event. But if it were another type of event, it would pull from other agencies with greater volume.

For example, we've established a team of people both and FEMA and within ICE to be able to swamp into an area quickly, with communications devices, using satellite links with cameras and video and other capabilities, to be able to show clearly what's happening in that dome with these people. "Is there a problem here or is there not?"

We've put a common operating platform together inside the National Operations Center to fuse data from, literally, thousands of different points into a common template that can be put up and understood easily as to the major functioning elements of the response and recovery.

We've created a new operations center for FEMA and are using better technology tools, better doctrine about how to communicate, more extensive training of people in this process. This is literally a question we could talk for many hours on. But you are hitting on an indispensably important part of making a new FEMA -- a new DHS -- which is integrated, where the management team all knows what their role is and where they want to work together.

I think, as your own hearings proved, there were not such common points of understanding about how the department operated in its components related to each other on the day that Katrina made landfall. That's over with.

COLLINS:

Thank you.

Thank you, Mr. Chairman.

LIEBERMAN:

Thanks again, Senator Collins.

Senator Coleman?

COLEMAN:

Thank you, Mr. Chairman.

One of the exchanges that I found rather disturbing when we did our Katrina review was -- I think it was a FEMA witness who made the comment that they knew that -- it wasn't an issue of whether there was enough food or supplies. It was in the pipeline. They just didn't know where it was. I think my comment was, "You know, you should have probably FedExed or given a call."

Just touching on logistics, if there are, you know, supplies in the pipeline today, do we have the computer capability -- capacity -- much like any basic shipping company has today, to know exactly where things are and how long it's going to take to get them?

PAULISON:

We do.

We put a system in place called Total Asset Visibility. And it's not just tracking the vehicles. It's the whole entire ordering system from the time the order is placed in the field until it goes to the regional office and to who is actually going to deliver the supplies, and tracking that real-time.

We have the capability of tracking our vehicles that come out of Denton, Texas and out of Atlanta. We don't have them in the rest of the country yet, but we have it there.

But also, we're looking at, very clearly, what -- you mentioned FedEx -- and using what we call the 3PL, third-party logistics, using other people's tracking systems instead of continuing to purchase the stuff ourselves. So that's a piece we're looking at for the upcoming hurricane season, into '08.

It's, "How do we tap into that private sector out there that already does this and does it very well, as opposed to trying to recreate the wheel inside of FEMA."

But our logistics system now is -- it is light years -- and I mean light years -- of where it was two years ago.

JACKSON:

Senator, I agree with that. But I would tell you, we're not where we want to be.

And when Senator Landrieu asked the administrator what one of his worries was, this was one of his worries. So we've gone from the Stone Age to a moderately effective set of tools. We sure as heck have another major jump to make, but the good news about this -- it's not rocket science to do it, as you have indicated. This is about fusing commercial, off-the-shelf products that are used in the trucking industry and the logistics industry and the air-cargo world.

The Defense Department learned how to do this between the first Gulf War and the second Gulf War. And what they were able to do at TRANSCOM and at Defense Logistics Agency, by leveraging those commercial in-transit visibility tools and fusing them into their planning and management systems, is a lesson that we're going to borrow.

We are not going to reinvent the wheel. We are going to leverage existing technology in the commercial world. We're going to have end- to-end visibility. And you will see between this year and next year another major change and growth spurt in how FEMA manages this.

So it's a good example, Mr. Chairman, of something that we're not trying to put a little smiley face on in front of a microphone and say, "It's all done. Forget about it. Don't bother me about this." This is an area where we have to invest more.

COLEMAN:

I think it's true, and I appreciate the self-analysis. I think it's, at time, frustrating to the average citizen to -- you can go to an ATM machine and get your instant cash. You order a pair shoes and they're not there today, you know, you give Johnson & Murphy or somebody a call and they tell you exactly where they are and how long it takes to get there. And then we've got a government that spends billions and -- obviously, wasn't there at Katrina.

So I appreciate the focus. And, hopefully, we'll be part of the 21st century before the next natural disaster occurs.

There have been recent reports about lack of National Guard strength. Some say the strength is being depleted by international commitments, the war in Iraq. I'd be interested in the assessment of either of you gentlemen as to the state of National Guard readiness today, should there be a major terrorist attack or natural disaster?

JACKSON:

I had lunch last week with the general who runs the National Guard, Steve Blum. And his assessment is that for our needs, they are prepared and they're ready. I know this because we have 6,000 National Guard troops at the southern border on an extraordinary mission in support of CBP.

When we have a catastrophic event, there will be many, many, many claims upon the National Guard. They are also overseas fighting a war now. But we have found -- and the National Guard leadership believes -- that they will be able, adequately, to support us in the missions that we expect FEMA to need to draw upon during the course of this hurricane season.

COLEMAN:

Last question -- this, "Are You Ready?" It's an in-depth guide to citizen preparedness. For a government document, it's actually pretty simple. It's pretty good. I mean, in an average family, mom or dad could look at this. And it deals with everything from radiological disaster to extreme heat, extreme cold. We don't worry about the (inaudible) -- it is hot in Minnesota on occasion.

But it's actually a pretty -- it's a pretty good publication. I mean, I got a copy of it, but how does the average citizen get this? Do you get it in public libraries? What are you doing to make this available, because this goes to my confidence issue -- just to have people know that we're thinking about this and we're connecting with them better than we have in the past? Is there a plan or program to make this available?

PAULISON:

It's available online. They can go at our Web site and download that or even -- all the information is there also. Everything that's in that book is also on our Web site. And we do advertise that.

COLEMAN:

Is there a plan to get it into public libraries, local schools, things of that nature?

PAULISON:

We have a citizen core group that does a lot of this for us, that distributes this. Putting it in public libraries is probably not a bad suggestion. I'll look at that.

COLEMAN:

Great. Thank you.

And thank you, Mr. Chairman.

LIEBERMAN:

Thanks, Senator Coleman, for your contribution to the hearing.

I have, Chief, two oversight questions to ask you briefly. As you know, when Katrina hit, FEMA didn't have technical-assistance contracts in place for the provision of housing-related needs. And the agency then rushed around and entered it into four large non-competitive contracts with the Fluor Corporation, Shaw (ph) Group, Bechtel and CH2M.

In October of 2005, when you came before the committee, you pledged that you would complete the requirements covered by the four large contracts. My staff tells me that in reviewing the records, FEMA did award new contracts for maintenance and deactivation of trailers in April of last year, but that the agency also continued to use the four large, non-competitive contracts until recently, when a competition for new technical-assistance contracts was carried out.

So, two questions: Why did FEMA keep extending the four contracts? And second, are there new technical-assistance contracts now in place for the hurricane season?

PAULISON:

We did continue to use them for a period of time because it did not make sense, right in the middle of this housing push -- that we were putting trailers on the ground -- to try to change the horse in mid-stream, so to speak.

However, they have been re-bid. We do have new contracts in place. Now there are five instead of four. I've made it a policy that I do not want no-bid contracts in this agency. We have a lot of contracts that we have written ahead of time that we're not even using yet. They're on the shelf so we don't end up in that situation, trying to write a contract when you really need it.

We were really at a disadvantage to get a good, negotiated deal. So we're putting those in place ahead of time. We have a couple smaller no-bid contracts that are still viable, and we're going to re-bid those as soon as they come up. And the only other no-bid that we have is if we go into a town and have to put a trailer park up or something -- a trailer site. There's no reason to bid that. If there's a trailer site there, we'll go in and lease that from an agency.

But my philosophy is as it was back in 2005, that, except for extreme circumstances, we should not be doing no-bid contracts.

LIEBERMAN:

OK. I appreciate that reassurance.

You kept on those four, as you said, because it didn't make sense to switch. Even though they were let out non-competitively, without bidding, you felt that they were performing under the contract and it didn't make sense to stop them in mid-stream.

PAULISON:

Yes, sir. And they really had gone through the bidding process. I did the research after we (inaudible) of this. They had gone through the bidding process, and had it gone to its extent, would have received the bids. But we didn't have the opportunity to sit down and negotiate the terms of the contracts that I would have necessarily put in here, had we had the opportunity or time to do that. Now, we've done that.

LIEBERMAN:

Appreciate it. And last question -- you talked a lot about plans and preparation. I know that DHS has been rewriting the National Response Plan. And FEMA, at one point, set

for itself a goal of June 1st to get it done. Recently, you said you probably wouldn't be able to by then.

Just give us a status report. And when do you hope to have the National Response Plan done?

JACKSON:

We hope to have another version of it done by July.

And what we've done is listened very carefully to our constituents and used this thing called common sense. The (inaudible) is like a telephone book. It's highly impenetrable and difficult to understand by people who speak regular English. And so what we have heard from every angle is, "Can you make this thing in a shorter compass -- in a more focused and disciplined way, speak to the core requirements of the National Response Plan."

So we're going through one iteration here and trying to get it in that sort of form where it's a useful tool that has all the strength and robustness of the existing tool. If we had a hurricane or an incident of national significance today -- we've made changes last year to the National Response Plan. They've been promulgated for a year. They are understood by all.

We have the road map for how to behave and now we're trying to get it just a little bit more sensible and written in a way that people can use it and train to it and understand it at governor's level, at a mayor's level, at the level of congressman that needs to understand their role in this process, and at all the points and processes of emergency management around the government.

(UNKNOWN)

Is that hierarchal -- from governor to mayor to Congress? Is that the...

JACKSON:

I would have said it differently, sir. Yes.

(UNKNOWN)

(inaudible)

JACKSON:

It's consistent with what the National Response Plan invokes, which is to say that all disasters are local. And state and local leadership are usually the first on the scene.

LIEBERMAN:

That's good news. I appreciate what you've said. It takes me back, if I may, to my own previous life as attorney general in Connecticut, when I used to do a series called "The Law in Plain Language," so that, actually, the people could understand it. This sounds like you're aiming for a National Response Plan in plain language.

I don't have any more questions. Do you have any final statements you'd like to make?

JACKSON:

Sir, I'd just say thank you for the support this committee gives to our work at the department. And we rely upon you and we're grateful for the chance to talk further about what we're doing.

LIEBERMAN:

Glad to do it.

I will say again that, bottom line -- to quote you, Secretary Jackson, "We're not trying to put a smiley face on anything." There are still things to do that we haven't done as well as we want to. But I would say that this has been a very reassuring report. It's certainly reassuring to me, and I think if the American people heard it, it would be reassuring to them.

It's not my business to give you free consulting advice, but I think this is so good a story that you ought to ask your communications people to see if they could interest some people in the media, including television, as we get to this hurricane season in early June to come in the do a story about how much better DHS and FEMA are prepared for this hurricane season than DHS and FEMA were prepared before Katrina, because it's a reassuring story.

I thank you very much. We're going to leave the record open for two weeks so that you will have the time to answer Senator Stevens' questions and those of others, if you wish to submit them.

For now, the hearing is adjourned.