

TESTIMONY OF
GIL JAMIESON
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FEDERAL EMERGENCY MANAGEMENT AGENCY
DEPARTMENT OF HOMELAND SECURITY
BEFORE THE
SENATE COMMITTEE ON
HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS
UNITED STATES SENATE
NEW ORLEANS, LOUISIANA
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Introduction

Good morning, Senator Lieberman, Senator Collins, Senator Landrieu and other members of the Committee. My name is Gil Jamieson, and I am the Deputy Director for Gulf Coast Recovery in the Federal Emergency Management Agency (FEMA), within the Department of Homeland Security (DHS). It is my pleasure to be here with you today to update you on our recovery efforts from Hurricanes Katrina and Rita along the Gulf Coast, and particularly in Louisiana.

Background

On January 26, 2006, I was appointed FEMA's Deputy Director for Gulf Coast Recovery under Director R. David Paulison. Reporting directly to Director Paulison, I lead and coordinate FEMA's Gulf Coast recovery efforts and serve as the principal point of contact between FEMA and Donald Powell, the President's Coordinator for the Recovery and Rebuilding of the Gulf Coast Region. My position was established in order to ensure that FEMA's programs are consistently and effectively administered throughout the Gulf Coast Region. Prior to this appointment, I served under Admiral Thad Allen as his Deputy Principal Federal Official (PFO) during the response to Hurricanes Katrina and Rita. I am a long-time FEMA civil servant, having worked in the Agency since its inception.

Overview of Recovery

To administer FEMA's recovery and mitigation programs, I established Transitional Recovery Offices (TRO) in Alabama, Mississippi, Louisiana, and Texas. The TROs were established to ensure that FEMA's recovery and mitigation programs are administered correctly and delivered consistently and aggressively across the Gulf. Each TRO is led by a Director, who reports to me. James Stark, retired from the US Coast Guard and a New Orleans' resident, is the Director of the Louisiana TRO. Since the four TROs were established in April 2006, we have hired over 1800 additional staff to support FEMA's recovery and mitigation efforts. A significant number of staff are from the local areas, and many were disaster victims themselves. The Louisiana TRO is headquartered in New Orleans, with field offices in Baton Rouge and Lake Charles.

Nearly 18 months after Hurricane Katrina and Rita, the Gulf Coast States continue to press forward and make progress toward recovery. The recovery is not without its challenges, as the magnitude of these storms presented an unprecedented level of destruction. FEMA continues to be an integral part of the recovery. Through our TROs in Alabama, Mississippi, Louisiana, and Texas, we have worked diligently to balance expediency and accountability, and support the efforts of our State and local counterparts. This collaboration has resulted in significant progress.

Our focus in Louisiana, as well as the other States, is in three programmatic areas: Individual Assistance, Public Assistance, and Mitigation. Each area represents a primary section within the TROs, and we see successes and challenges in each. There have been a number of positive signs of recovery, especially since the one-year anniversaries of the storms in August and September. I will take this opportunity to highlight our progress in each area.

Overview of Recovery in Louisiana

Individual Assistance:

For the past 18 months, Individual Assistance programs have worked hand in hand with hundreds of thousands of individuals. Individual Assistance programs are at the forefront of FEMA's recovery activities. The success of recovery will be made up of the individual stories of Katrina and Rita survivors.

- FEMA has provided more than \$5.4 billion to individuals and families in Louisiana under the Individuals and Household Program, with more than \$122 million distributed since the one year anniversary of Katrina.
- More than 857,000 households from Louisiana have been approved for Housing Assistance totaling more than \$3.8 billion. Housing Assistance includes temporary housing, and repair and replacement activities. This figure also includes rental assistance and expedited housing assistance, which accounts for 80 percent of the \$3.8 billion.
- 314,000 Louisianans have received more than \$1.6 billion in Other Needs Assistance, which includes personal property replacement, transportation assistance, medical and dental expenses, funeral expenses and assistance with other expenses such as moving and storage.

Direct Housing

FEMA's Direct Housing Operations provide temporary housing to tens of thousands of Louisiana residents throughout the State.

- There were 96,000 eligible households for direct housing in Louisiana.
- FEMA has housed over 87,000 households in temporary housing units (travel trailers and mobile homes) since the disasters. In a sign of progress, the total number of households currently living in temporary housing has decreased to 62,000, and 96 percent of the housing requests have been resolved.
- 80 percent of temporary housing units are on private sites where individuals are rebuilding their homes.
- For pre-disaster renters or those without a private site, FEMA has constructed over 115 group sites in order to house individuals in Louisiana.

Individual Assistance Challenges

The primary challenge for the Individual Assistance Program going forward is to work with the remaining 62,000 individuals who are still being housed by FEMA. Travel trailers and mobile homes are intended only as short term solutions to fill the need for emergency housing and, as we progress from the response phase to recovery, FEMA and the State face a challenge in transitioning individuals into permanent solutions. While flood insurance, Small Business Administration loans, and the Road Home Program help address the needs of homeowners, renters are experiencing difficulties in finding solutions to their long term housing requirements. This population is significant, as the

proportion of renters in pre-Katrina New Orleans was reported to be 53 percent of residents. However, FEMA has explored other alternatives, including:

- creating a Rental Resource team that assists households by researching available rental resources in the affected areas. Lists of properties are made available to households and the Disaster Recovery Center staff so that as properties become available, households have more alternatives in reaching their permanent housing solution. In the last month alone, the team identified more than 3,000 available houses, apartments, and condos in Orleans, Jefferson and St. Tammany parishes.
- Recertification teams are visiting the families who are living in the travel trailers and mobile homes to discuss their permanent housing plans, provide information about available rental resources, and to identify mobile homes and travel trailers that may no longer be needed.
- Opening a Welcome Home Center for individuals in the New Orleans area. In addition to providing FEMA, Small Business Administration, and case management services through the City of New Orleans, the center serves as a resource for mitigation specialists, crisis counselors, and voluntary agencies working to help households recover.

Extension to FEMA's Housing Program

President Bush has directed FEMA to provide an extension of direct housing and financial assistance programs supporting victims of Hurricanes Katrina and Rita. The new extensions will allow the Administration to continue to provide housing assistance through August 31, 2007. Ordinarily, FEMA's financial and direct housing assistance may be provided for 18 months following a disaster declaration. An extension to this period may be provided if, due to extraordinary circumstances, it is deemed to be in the public interest. This extension will give us additional time to work with disaster victims, Federal, State and local partners, and volunteer organizations, to transition victims to more permanent housing solutions.

Public Assistance:

FEMA's Public Assistance program is a vital and visible part of the recovery. FEMA has been extremely active in working with the State and local governments to restore, rebuild, or rethink public services and facilities. Though funded by FEMA, the Public Assistance program is administered by the State; and local governments and other eligible applicants receive their funding through the State.

Project Worksheets

All of the damage to eligible projects in Louisiana from Hurricanes Katrina and Rita will eventually be described by an estimated 23,000 Project Worksheets (PW). Project Worksheets are jointly developed by FEMA, State and public/private applicants. I would like to briefly provide an overview of the progress we have made in this area.

- FEMA has obligated over \$4.5 billion to the State of Louisiana under the Public Assistance program for specific Project Worksheets. This represents 72 percent of the estimated total expenditures from Katrina and Rita. Of that amount, over \$1 billion has been obligated since the one-year anniversary.
- More than 21,000 project worksheets have been written for Katrina and Rita applicants, over 90 percent of the expected total.
- Of the \$4.5 billion FEMA has obligated to the State of Louisiana, the Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) has disbursed \$2.025 billion of these funds and has the remaining \$2.475B immediately available for disbursement to their Parishes.
- FEMA has also recently developed a status report that shows total and weekly progress of the entire Public Assistance program, which will be distributed to the media and local stakeholders on a weekly basis.

While we believe that this is extraordinary progress given the scope of the devastation, we realize that this storm forces us to rethink our business process here in the Gulf. In addition to obligating funds as quickly as possible, FEMA has modified its approach to Public Assistance activities in Louisiana to improve accountability and streamline our processes.

- In addition to re-training staff, establishing mentor programs for newer Public Assistance staff, and changes in the management team, FEMA has also retained the use of experts in various fields to refine the needs and cost estimates of projects requested by the State and its sub-grantees.
- As we move closer to the completion of projects, FEMA will continue to work with the State and other applicants to ensure accurate and timely completion of projects.
- FEMA is working with the parishes to identify high priority projects that are crucial to recovery and giving those projects priority status for review and approval.
- FEMA is also working closely with the local governments to identify opportunities to leverage other funding streams to bridge any FEMA Public Assistance funding gaps that may arise.
- For the PWs that have not yet been written, FEMA is ready to engage as soon as the applicants are ready. We have the right skill sets and the right people to focus on the applicant's highest priorities. Public Assistance teams meet with applicants weekly to discuss problems and engage in the Parishes' top concerns.

There are many keys to the recovery of the Gulf region, especially safety. FEMA TRO representatives are working with Louisiana law enforcement officials to support the rebuilding of the criminal justice system and assist local law enforcement with their crime fighting efforts.

- FEMA is augmenting security at group sites with reportedly high criminal activity, and we are reassessing our options for security at commercial sites.
- FEMA is expediting projects related to the criminal justice system, which was identified as one of New Orleans' top recovery projects.
- FEMA has streamlined the process for requests for information from law enforcement to improve the flow of information.

- FEMA has met with law enforcement officials to explain these streamlined procedures for sharing information on residents at FEMA trailer sites.
- Additional staff will also provide a greater FEMA presence in group and commercial parks, distribute flyers and expand the call center to take calls from applicants reporting security concerns. The number that the community can call is 1-888-294-2822.
- Volunteer Agency (VOLAG) staff will coordinate and enlist community volunteers to organize neighborhood watches.
- All law enforcement jurisdictions are asked to treat commercial and FEMA trailer sites as part of their communities and provide patrols to these neighborhoods just as they would patrol other neighborhoods in their jurisdictions.

FEMA has worked closely with law enforcement at our commercial sites for drug sweeps and sting operations and recently assisted with an amber alert at one of the group sites. To date, there have been more than 200 evictions for criminal activity in FEMA group sites. FEMA has increased the number of FEMA park managers from 25 to 77. FEMA park security reports criminal activity to park managers and provides detailed incident reports to local law enforcement when criminal activity occurs at the sites.

To date, more than \$194.1 million has been obligated to Orleans Parish for damages to its criminal justice system. Specifically, \$120.3 million has been obligated to the New Orleans Police Department (NOPD) for such costs as the replacement of law enforcement vehicles, the preservation of case documents and records, and repairs to permanent facilities including the Recruitment and Applicant Investigation Division and the Headquarters building on Broad Street. Funds were used to provide emergency equipment and supplies for the 911 Call Center in New Orleans. Recipients of FEMA monies obligated for the Orleans Parish criminal justice system include the District Attorney's Office, the Orleans Parish Criminal Courts and others. Included within the Orleans Parish total funding was \$7.1 million that was used to construct temporary jail facilities on Gravier Drive and South White Streets.

Debris Removal and Demolitions

Of course reconstruction cannot fully begin until debris resulting from the storm has been removed and sites cleared for construction. Debris removal and demolitions continue to be significant projects for the Public Assistance program. Without these services, construction and recovery activities are impeded, slowing the return of the local population to their homes and businesses.

- To date, The U.S. Army Corps of Engineers (USACE), through mission assignment from FEMA, has removed over 50 million cubic yards of debris, an amount of debris that would fill the Superdome more than 10 times.
- 4 million of the total 50 million cubic yards of debris has been removed since the Katrina one-year anniversary.
- FEMA has completed more than 10,500 home demolitions in Louisiana. Over 90 percent of the remaining demolitions are in two parishes, Orleans and St. Bernard. An estimated 12,000 demolitions are still expected in Orleans Parish alone. FEMA

has deployed significant resources and is actively assisting Orleans and St. Bernard parishes to address delays with demolitions.

- In Orleans Parish:
 - Nine FEMA teams are working in the City of New Orleans to process demolition cases;
 - Seven FEMA field assessment teams are working to determine properties eligible for demolition;
 - Six USACE teams are providing structural analysis of buildings;
 - We are working with the City of New Orleans to establish an ordinance for quicker demolition of condemned or abandoned properties in less than the current 120 day period; and
 - We are working with Mayor Nagin to allow our contractors to “cap” utilities instead of city inspectors to expedite the demolition process.
- There are six FEMA teams working the demolition issues in St. Bernard Parish.
- FEMA is also removing trees killed by salt water saturation, as well as debris on private property and in rights of way. Over 97 percent of this mission is complete. Of the estimated 44,000 private properties where eligible debris has been identified, 35,940 of those properties have been cleared.
- In coordination with the Environmental Protection Agency (EPA), nearly 39 million pounds of hazardous waste (including household hazardous waste) have been cleaned up and 387 thousand “white good” units removed.

Public Assistance Challenges

While progress has been made in streamlining and expediting funds to the State and local governments, a number of unique and significant hurdles remain facing the State and local governments. FEMA anticipates working closely with them to resolve these issues.

- Many city and parish departments are facing severe staffing problems and are operating with reduced staff. While FEMA cannot provide operating expenses for these offices, we have co-located FEMA staff with State and local counterparts whenever possible. In addition, FEMA has a number of liaisons and experts working throughout the impacted areas to assist subgrantees in developing their PW packages.
- Cost plus percentage of cost contracts are prevalent throughout the State and are illegal to use for Federally-funded projects. In many instances, extensive cost reasonableness tests must be performed on these contracts by FEMA Public Assistance staff. The reasonableness tests typically lead to significant reductions in eligible funding. Subgrantees are then forced to find alternate sources of funding to make up the shortfalls between FEMA eligible costs and the costs incurred under cost plus percentage of cost contracts. FEMA maintains that costs incurred through this contracting mechanism are not acceptable because they do not meet Federal procurement standards. Therefore, these costs are scrutinized to determine whether they are indeed reasonable. FEMA has offered its acquisition staff to provide technical assistance and training to local governments to assist them in ensuring their procurement methods meet Federal standards.

- By law, FEMA is required to reduce any award of its grant funds if a flood damaged facility is located in the 100-year floodplain and was uninsured for floods. The result is a reduction in an applicant's ability to rebuild or repair facilities and begin large scale construction projects. The total mandatory flood reductions for Hurricane Katrina are over \$243 million due to applicants not insuring their flood damaged facilities located in the 100-year floodplain.
- Local governments must clear a number of hurdles to condemn properties, which is a necessary first step before a property can be demolished. This is fundamentally an issue of due process, and a local responsibility. To ensure that people's property rights are protected, FEMA will adhere to State and local laws in addressing individual properties.

Mitigation:

FEMA's Hazard Mitigation funding is available for individuals and public entities to prevent future losses of lives and property due to disasters; to implement State or local hazard mitigation plans; to enable mitigation measures to be implemented during immediate recovery from a disaster; and to provide funding for previously identified mitigation measures to benefit the disaster area. Grants are administered through the State and may be used for both pre- and post-incident mitigation activities.

Building Back Better

FEMA's primary mitigation efforts over the last year have focused on working with local communities to rebuild better and safer communities.

- FEMA is re-evaluating its floodplain maps, which have not been updated since 1985. While those flood maps are being modernized, FEMA provided local communities with the Advisory Base Flood Elevations (ABFE) as interim guides on rebuilding. The ABFEs are guidance for minimum elevation levels. The Louisiana Recovery Authority is requiring individuals that are rebuilding under the Road Home program to rebuild to these minimum elevation levels.
- To date, 35 Louisiana communities have accepted the elevations while 5 are still in progress. FEMA has also worked with the State to ensure that all future home construction meets international building standards, which works in conjunction with the ABFEs to provide a better level of protection against future storms.

Hazard Mitigation Grant Program (HMGP)

Authorized under the Stafford Act, HMGP funding is available to States following a disaster to fund cost-effective mitigation projects. Funds available under HMGP may be used to flood-proof existing properties; acquire and relocate homes from hazard-prone areas; and develop State and local standards to protect new and substantially improved structures from disaster damage. Potential projects submitted by applicants must conform to the State Hazard Mitigation Plan and meet environmental/historic preservation requirements. FEMA may contribute up to 75 percent of the costs of the projects. This program is not designed for immediate response, but as a long term solution to flooding

and other hazards. Louisiana has until March 2008 to submit its proposals. The amount of HMGP funds made available to the State is formula driven, based on the total amount of disaster grants provided. For Louisiana, over \$1.47 billion will be available under the HMGP for Hurricanes Katrina and Rita.

- To date, FEMA has formally received four HMGP project applications. FEMA is still evaluating two of the projects, but we have already determined that two of the projects are eligible for FEMA funding.
- The State has also provided an additional 150 project applications to FEMA for a preliminary, informal review and we have returned 27 back to the State.
- Due to the extraordinary circumstances resulting from Katrina and Rita, FEMA worked with the State Emergency Management agencies affected by the Hurricanes in Louisiana and Mississippi to develop the Katrina/Rita Reconstruction Pilot. This Pilot policy will provide a 75 percent Federal cost share of up to \$150,000 to eligible homeowners to demolish and rebuild their homes, provided the new construction does not exceed 10 percent of the structure's original footprint.

Flood Insurance

FEMA is actively involved in two areas regarding flood insurance: disbursement of the National Flood Insurance funds and flood insurance rate maps (FIRMS). The National Flood Insurance program has paid out over \$13 billion on over 187,000 claims in Louisiana alone. To date, 99 percent of all claims filed have been closed. We see that as a significant step towards recovery as individuals are able to make choices about long term housing plans.

FEMA's work with the FIRMS will also provide more accurate estimates of risk and potential flood hazard areas. FEMA provides the maps to communities that participate in the National Flood Insurance Program, and FEMA plans to release the maps this year. The first step in this process was the release of the ABFEs and this will be followed by the preliminary maps, which will be released this year.

While FEMA's recovery and mitigation efforts are primarily focused on the programs I have described above, I would also like to take this opportunity to provide you with an update on FEMA's acquisition efforts that support our response and recovery programs.

Individual Assistance – Technical Assistance Contracts (IA-TACs) Awarded for the 2005 Hurricane Season

Background and Status

Prior to Hurricane Katrina in 2005, FEMA had started the procurement to award a five-year contract to one or more firms who would provide technical assistance support for disaster response and recovery efforts. That contract award was initially planned for completion by late September or early October but was not complete when Hurricane Katrina struck.

Anticipating the need for contractual support as Hurricane Katrina was heading toward the Gulf Coast, FEMA moved forward with the award of Individual Assistance-Technical Assistance Contracts (IA-TACs) to four large firms to assist with Katrina tasks; these firms are Fluor, CH2M Hill, Bechtel and the Shaw Group.

Accordingly, there were four IA-TACs awarded in September. A contract was signed on September 3, 2005 to Fluor Enterprises, and on September 30, 2005, CH2M Hill, Bechtel National, and Shaw Environmental & Infrastructure were each awarded contracts. These four contracts were awarded each with an initial ceiling of \$500 million. However, in order to support the Katrina effort, the ceilings were adjusted upwardly as referenced below.

- The ceiling for Fluor was raised to \$1.364 billion
- The ceiling on the Shaw contract was raised to \$950 million
- The ceiling for Bechtel was raised to \$575 million
- The ceiling for CH2M-Hill was raised to \$525 million.

FEMA has partnered with the Defense Contract Audit Agency (DCAA) and the Defense Contract Management Agency (DCMA) to administer the four FY 2005 IA-TAC contracts. This includes negotiating task orders and providing audit support. This has significantly improved the overall administration and management of the IA-TAC contracts, representing a combined value of \$3.67 Billion.

All field activities relative to the four FY 2005 IA-TAC contracts ceased on November 30, 2006, leaving only a small number of tasks that were extended and close-out activities to be done after that date. The current estimate-to-complete for all work under the four FY 2005 IA-TAC contracts remains at approximately \$3.2 billion, leaving a management reserve of \$470 million (13 percent). As of December 1, 2006, 88 out of the 104 task orders (85 percent) have been finalized. This equates to \$2.9 billion of the total \$3.2 billion (91 percent) estimate-to-complete for all work.

Work Completed by the Four FY 2005 IA-TAC:

- **Fluor** predominately supported the State of LA.
 - As of September 30, 2006, Fluor installed 53,000 units in individual, group, and commercial sites.
 - Fluor installed 49,000 temporary housing units.
 - There are approximately 100 group sites in LA, of which Fluor has installed approximately 50 percent.
- **CH2MHill** supported TX, LA, AL, and MS.
 - As of September 30, 2006, CH2MHill installed 28,000 units in individual, group, and commercial sites.
 - CH2MHill installed 23,000 temporary housing units and is the only contractor that is supporting all four States.

- **Bechtel** supported MS.
 - Bechtel has installed 36,000 temporary housing units, and they continue to support the design and construction of group sites in the State of MS.

- **Shaw Group** predominately supported LA and assisted with TX.
 - Shaw has installed 34,500 temporary housing units.
 - As of September 30, 2006, Shaw will have installed 35,700 units in individual, group, and commercial sites.

- **Close outs:** Remaining task orders should be completed by March 31, 2007.
- **Funding:** The below charts reflect contractual commitments, obligations, and invoices paid through January 18, 2007 on each of the contracts.

	Fluor	CH2MHill	Bechtel	Shaw Group
Funds Obligated	1,331,549,357.57	465,011,653.86	518,934,984.50	844,103,671.51
Invoices Paid	1,179,371,586.80	417,154,837.90	488,580,991.60	705,722,499.49

	Total
Funds Obligated	3,159,599,667.44
Invoices Paid	2,790,829,915.79

As of 30 November, 2006, no additional efforts were supported by IA-TAC I. Management and Administration Task Orders are still open to support closeout functions of the IA-TAC I contracts.

All orders are in the process of being closed out in a period of 18 to 24 months by DCMA.

Major Contracts Awarded for the 2006 Hurricane Season

Individual Assistance – Technical Assistance Contracts (IA-TAC IIs)

On August 9, 2006, FEMA awarded six IA-TAC II contracts using full and open competitive procurement procedures. The indefinite delivery/indefinite quantity (ID/IQ) contracts will be in effect over a two-year period which began in August 2006; each has a contract ceiling of \$250 million.

These contracts are intended to support FEMA’s implementation of the Agency’s Individual Assistance programs. Task orders issued in response to a disaster under these contracts will require the contractors to utilize local firms to the maximum extent practical for additional subcontracting opportunities.

Work in Progress for IA-TAC II:

- **Fluor** has been given one task order to retrofit four group sites to meet UFAS standards.
- **CH2M Hill** has not been awarded any additional task orders.
- **Bechtel** has not been awarded any additional task orders.
- **Shaw Group** has been awarded two tasks.
 - Shaw has provided evaluation planning for the 2006 and 2007 hurricane seasons for LA facility management of shelter support (The State was divided into two regions; the other region was awarded to PaTH).
 - Shaw has also been tasked to retrofit five group sites in LA to meet UFAS standards.
- **PaTH** has been given the task of providing evaluation planning for the 2006 and 2007 hurricane seasons for LA facility management of shelter support.
- **Post BS &J/DSA** has been awarded the task of developing group sites in New Mexico.
 - Post BS &J/DSA has installed 75 travel trailers.
- **Funding:** The charts below reflect obligations and invoices paid through January 18, 2007 on each of the contracts.

	Fluor	CH2MHil I	Bechtel	Shaw Group	PaTH	Post BS&J/DSA
Funds Obligated	2,812,915	1,214,616	1,598,771	1,896,233	1,225,457	5,610,961
Invoices Paid	377,159.44	487,578	799,287.81	85,228	181,906.27	882,392.57

	Total
Funds Obligated	14,358,953
Invoices Paid	2,813,552.09

- **Task Orders Awarded To-Date:**
 - Group Site Modifications: Uniform Federal Accessibility Standards (UFAS) Group Site Modification
 - Group Site A—UFAS retrofit to four group sites in Louisiana—Fluor, \$1,650,050
 - Park East Port authority/Crying Eagle
 - Riverside Mobile Estates

- Alvin Perret Mobile Home Park
- Lionel Bailey
- Group Site B—UFAS retrofit to five group sites in Louisiana—Shaw, \$1,128,949
 - Algiers Vacant School Lot
 - KW Esplanade
 - Lemann I
 - Lemann II
 - Jefferson Flea Market

Maintenance and Deactivation Contracts (MDCs)

There were 36 Maintenance and Deactivation contracts awarded in April and May of 2006 for the Gulf Region. Each contract has a ceiling of \$100,000,000 over a five-year period. The bidding process was limited to 8(a) firms and Small Business firms residing or primarily doing business in the affected region.

- Fifteen of these contracts were awarded to Louisiana businesses, of which eight were 8(a) Small Disadvantaged Businesses and seven were Small Business Concerns. Among this group, five were HUBZone Small Business Concerns, nine were Woman-Owned Business Concerns, and two were Veteran-Owned Business Concerns.
- Ten maintenance and deactivation contracts were awarded in Mississippi—five to 8(a) Small Disadvantaged Businesses and five to Small Businesses. Of these businesses, three were HUBZone Small Business Concerns, three were Woman-Owned Business Concerns, and one was a Veteran-Owned Business Concern.
- In Texas, two contracts were awarded to 8(a) Small Disadvantaged Businesses and three were awarded to Small Businesses. Among these were two Woman-Owned Business Concerns, one Veteran-Owned Business Concern, and one Service-Disabled Veteran-Owned Business Concern.
- In Alabama, three contracts were awarded to 8(a) Small Disadvantaged Businesses and three were awarded to Small Businesses, including one HUBZone Small Business Concern.

In November 2006, the remaining haul & install requirements for LA and MS were transferred from the IA-TAC contractors to the MDCs using the relocation provisions of those contracts. The LA and MS MDCs were invited to compete for the associated task orders.

Ground Maintenance Contracts

Grounds Maintenance contracts were awarded to 14 firms in Louisiana and 5 companies in Mississippi in September of 2006. The bidding process was limited to Service-Disabled Veteran-Owned Small Business (SDVSB) firms residing or primarily doing business in Louisiana and Mississippi, respectively.

Mississippi Blocking, Leveling, and Anchoring Contracts

The Mississippi Blocking, Leveling, and Anchoring contracts were awarded in September to six companies. Bidders were required to be HUBZone-certified with the Small Business Administration and to be residing or primarily doing business in Mississippi.

Security Contracts

The Security contracts were awarded to three companies for requirements in Mississippi and Louisiana. One contract was awarded in January, one in February, and one in September.

Other Contracts

- **Base Camps:** FEMA negotiated blanket purchase orders (BPAs) which support future base camp requirement agreements in the Gulf Coast region. These BPAs include provisions for all necessary supervision, professional staff, labor support, material, supplies and equipment as necessary to establish a base camp within 72 hours within disaster-impacted areas and support the operation of maintaining a base camp with staff and support for a minimum of 300 occupants and a maximum of 2000. These contracts, awarded in October 2006, and expired at the end of 2006. Future base camp requirements will be supported through a national contingency contract, and the agency intends to have this contract in effect before the hurricane season begins in 2007.
- **Group Sites:** On January 10, 2007, FEMA announced a pending procurement for the design-build of new Group Sites in Louisiana and Mississippi. This procurement is restricted to and set-aside for small business residing or primarily doing business in the States of Louisiana and Mississippi and is intended to support the program's current requirements to build sites in the New Orleans area as well as any emerging requirements in both Louisiana and Mississippi over the next three years.
- **UFAS Hauling and Installation:** FEMA awarded five Indefinite Delivery Indefinite Quantity (IDIQ) contracts to Louisiana small businesses in September 2005 for the hauling and installing of UFAS compliant trailers and buildings and the installation of UFAS compliant ramps. Currently, all five contractors continue to provide services to FEMA to ensure that FEMA applicants with disabilities are provided temporary housing that meets their needs and that FEMA is in compliance with the timelines set forth in the Settlement agreement from the Federal class action lawsuit, *Brou v. FEMA*. The contractors' performance is continually monitored for timeliness and quality assurance.
- **Group Site UFAS Modifications:** FEMA has been in negotiations with a Louisiana 8(a) Tribally-owned firm to support the retrofit of approximately 40 group and exclusive sue sites to meet Uniform Federal Accessibility Standards. This procurement, expected to be awarded by the end of January 2007, represents a significant step forward in FEMA's ability to support the disabled community, as well as local small business concerns.

Alternative Housing Pilot Program

Finally, I would like to provide you with an overview and update of the Alternative Housing Pilot Program.

Background

In the 2006 Emergency Supplemental, Congress appropriated \$400 million to FEMA for a pilot program that could identify and evaluate new alternatives for housing disaster victims in the aftermath of a disaster. The appropriations language requires that areas hardest hit by the hurricanes of 2005 be eligible grantees; therefore AL, FL, LA, MS, and TX were invited to submit applications for what they considered to be the most innovative disaster housing solutions. FEMA used a competitive grant process to ensure projects that maximize the selection criteria receive first consideration in the awards. The Alternative Housing Pilot Program (AHPP) Grant Guidance was released September 15, 2006, and applications from the Gulf Coast States were due October 20, 2006. Each of the five eligible States submitted an application, which collectively contained 29 projects. The States' proposals totaled almost \$1.2 billion in requested grant money. However, \$388 million has been made available for award, with three percent (\$12 million) to go toward administrative costs, management costs, the pilot evaluations, and amendments, as needed. The Department of Housing and Urban Development (HUD) will lead a formal evaluation of the pilot projects.

Selection Process

A Technical Review Panel comprised of FEMA experts assessed the soundness of projects from a building science, engineering, historic preservation, logistics, and mitigation perspective. A National Evaluation Panel comprised of experts from the Office of the Federal Coordinator for Gulf Coast Rebuilding, HUD, American Institute for Architects, FEMA, DHS Preparedness, the National Emergency Management Association, and a private sector construction/engineering firm met in seclusion for one week to review proposals and assessments of the Technical Review Panel. After the National Evaluation Panel discussed the merits of each project, each panelist individually scored the merits of the submission based on the AHPP grant guidance criteria. Panelists were prohibited from sharing these final scores with each other. Panelists were also invited to provide written comments on each project. Based on this information, the Primary Selecting Official determined that the most meritorious construction projects from each State should be awarded an AHPP grant, which maximizes the number of competitive States receiving funding.

Results

The following five projects were selected for AHPP grants:

State	Project	Requested Funds	Partial Funding	Recommended Award	Ranking by National Evaluation Panel
Mississippi	Green Mobile	\$6,930,450	85%	\$ 5,890,882	1
Mississippi	Park Model and Mississippi Cottage	\$400,000,000	69%	\$ 275,427,730	2
Louisiana	Cypress Cottage Partners	\$87,696,906	85%	\$ 74,542,370	3
Texas	Heston Group	\$19,378,500	85%	\$ 16,471,725	4
Alabama	City of Bayou La Batre	\$18,432,1100	85%	\$ 15,667,293	6

Current Status and Next Steps

Projects selected for possible funding under AHPP were announced on December 22, 2006. The FEMA Grants Office and Gulf Coast Recovery Office are contacting the States for any clarifications needed in order to ensure a project is viable. Some of the issues may include: site/location of projects, compliance with local zoning and permit regulations, blue prints, architectural and engineering drawings, budget and cost information, and UFAS compliant housing units. This is part of the pre-award negotiation procedure. Upon completion of all pre-award procedures, the grantee may access 50 percent of its grant funds. In order to access the remainder of the grant funds, all pre-construction activities must be successfully accomplished. This includes compliance with all Federal requirements that apply to a particular project (i.e. NEPA, NHPA). States will be requested to provide additional information for the appropriate FEMA review before additional awards can be made. FEMA is establishing an Inter-Agency Agreement (IAA) with HUD. HUD will manage the evaluation of the pilot projects. FEMA personnel in each of the TROs will assist with the day-to-day monitoring of the AHPP projects.

Conclusion

The President is committed to the recovery and rebuilding of the Gulf Coast, and FEMA will remain here on the ground until the job is finished. In our TROs, we have piloted many new initiatives that have contributed not only to the recovery of the Gulf Coast but have also contributed to the re-tooling and improvement of FEMA. These initiatives and our lessons learned will help to improve the effectiveness of FEMA's programs in future disasters. I look forward to discussing FEMA's efforts with the committee.