

**GAO**

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**HOMELAND SECURITY**

**Preparing for and  
Responding to Disasters**

Statement of William O. Jenkins, Jr.  
Director, Homeland Security and Justice Issues





Highlights of [GAO-07-395T](#), a testimony before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

The Post-Katrina Emergency Management Reform Act of 2006 stipulates major changes to the Federal Emergency Management Agency (FEMA) within the Department of Homeland Security (DHS) to improve the agency's preparedness for and response to catastrophic disasters. For example, the act establishes a new mission for and new leadership positions within FEMA

As GAO has reported, DHS faces continued challenges, including clearly defining leadership roles and responsibilities, developing necessary disaster response capabilities, and establishing accountability systems to provide effective response while also protecting against waste, fraud, and abuse. This testimony discusses the extent to which DHS has taken steps to overcome these challenges

This testimony summarizes earlier GAO work on: (1) leadership, response capabilities, and accountability controls; (2) organizational changes provided for in the Post-Katrina Reform Act; and (3) disaster management issues for continued Congressional attention.

## What GAO Recommends

This testimony contains no new recommendations but does identify issues that Congress and DHS may wish to give continued attention to so that FEMA may more effectively fulfill the requirements of the Post-Katrina Reform Act.

[www.gao.gov/cgi-bin/getrpt?GAO-07-395T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-395T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact William O. Jenkins, Jr. at (202) 512-8757 or [jenkinsWO@gao.gov](mailto:jenkinsWO@gao.gov).

# HOMELAND SECURITY

## Preparing for and Responding to Disasters

### What GAO Found

GAO reported in the aftermath of Hurricane Katrina that DHS needs to more effectively coordinate disaster preparedness, response, and recovery efforts. GAO analysis showed improvements were needed in leadership roles and responsibilities, development of necessary disaster capabilities, and accountability systems that balance the need for fast, flexible response with the need to prevent waste, fraud, and abuse. To facilitate rapid and effective decision making, legal authorities, roles and responsibilities, and lines of authority at all government levels must be clearly defined, effectively communicated, and well understood. Improved capabilities were needed for catastrophic disasters—particularly in the areas of (1) situational assessment and awareness; (2) emergency communications; (3) evacuations; (4) search and rescue; (5) logistics; and (6) mass care and sheltering. Effectively implementing the provisions of the Post-Katrina Reform Act will address many of these issues, and FEMA has initiated reviews and some actions in each of these areas. But their operational impact in a major disaster has not yet been tested.

As a result of its body of work, GAO's recommendations included that DHS (1) rigorously re-test, train, and exercise its recent clarification of the roles, responsibilities, and lines of authority for all levels of leadership; (2) direct that more robust and detailed operational implementation plans support the National Response Plan (NRP); (3) provide guidance and direction for all planning, training, and exercises to ensure such activities fully support preparedness, response, and recovery responsibilities at a jurisdictional and regional basis; (4) take a lead in monitoring federal agencies' efforts to prepare to meet their responsibilities under the NRP and the interim National Preparedness Goal; and (5) use a risk management approach in making its investment decisions. We also recommended that Congress give federal agencies explicit authority to take action to prepare for all types of catastrophic disasters when there is warning.

In his oversight letter to Congress, the Comptroller General suggested that one area needing fundamental reform and oversight is ensuring a strategic and integrated approach to prepare for, respond to, recover, and rebuild from catastrophic events. Congress may wish to consider several specific areas for immediate oversight. These include (1) evaluating development and implementation of the National Preparedness System, including preparedness for an influenza pandemic; (2) assessing state and local capabilities and the use of federal grants to enhance those capabilities; (3) examining regional and multi-state planning and preparation; (4) determining the status of preparedness exercises; and (5) examining DHS polices regarding oversight assistance.

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Mr. Chairman and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on disaster preparation and response. The goal of disaster preparedness and response is easy to state but difficult to achieve and can be stated as follows:

To prevent where possible, prepare for, mitigate, and respond to disasters of any size or cause with well-planned, well-coordinated, and effective actions that minimize the loss of life and property and set the stage for a quick recovery.

Achieving this goal for major disasters, and catastrophic disasters in particular, is difficult because success requires effective pre- and post-disaster coordination and cooperation among different levels of government, nongovernmental organizations, and the private sector. Individuals can also contribute to success through such things as knowing evacuation routes, complying with evacuation orders, and having a family and individual disaster preparation plan and supplies.

GAO has identified disaster preparedness and response as a major challenge for the 21st century. In 2005, GAO issued a special report examining the federal government's long-term fiscal outlook, the nation's ability to respond to emerging forces reshaping American society, and the future role of the federal government. Among the issues discussed was homeland security.<sup>1</sup> In our report we identified the following illustrative challenges and questions for examining emergency preparedness and response:

- What is an acceptable, achievable (within budget constraints) level of risk? The nation can never be completely safe; total security is an unachievable goal. Therefore, the issue becomes what is an acceptable level of risk to guide homeland security strategies and investments, particularly federal funding. What criteria should be used to target federal and state funding for homeland security in order to maximize results and mitigate risk within available resource levels?
- What should be the role of federal, state, and local governments in identifying risks—from nature or man—in individual states and

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<sup>1</sup>GAO, *21st Century Challenges: Reexamining the Base of the Federal Government*, [GAO-05-325SP](#) (Washington, D.C.: February 2005).

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localities and establishing standards for the equipment, skills, and capacities that first responders need?

- Are existing incentives sufficient to support private sector protection of critical infrastructure the private sector owns, and what changes might be necessary?
- What is the most viable way to approach homeland security results management and accountability? What are the appropriate goals and who is accountable for the many components of homeland security when many partners and functions and disciplines are involved? How can these actors be held accountable and by whom? What costs should be borne by federal, state, and local governments or the private sector in preparing for, responding to, and recovering from disasters large and small—whether the acts of nature or the deliberate or accidental acts of man?
- To what extent and how should the federal government encourage and foster a role for regional or multistate entities in emergency planning and response?

These issues are enormously complex and challenging for all levels of government. It is important to view preparedness for and response to major disasters as a national system with linked responsibilities and capabilities. This is because effective preparedness for and response to major disasters requires the coordinated planning and actions of multiple actors from multiple first responder disciplines, jurisdictions, and levels of government as well as nongovernmental entities. Parochialism must be put aside and cooperation must prevail before and after an emergency event. The experience of Hurricane Katrina illustrated why it is important to tackle these difficult issues.

The Post-Katrina Emergency Management Reform Act of 2006<sup>2</sup> (Post-Katrina Reform Act) requires major changes designed to increase the effectiveness of preparedness and response. The act has established new leadership positions and position requirements within the Federal Emergency Management Agency (FEMA), establishes new missions for FEMA, requires the transfer of preparedness functions to it, and requires the FEMA Administrator to undertake a broad range of activities before and after disasters occur. However, as the Comptroller General testified

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<sup>2</sup>Pub. L. 109-295.

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last month on DHS's high-risk status and specifically disaster preparedness and response, DHS must overcome continued challenges, including those related to clearly defining leadership roles and responsibilities, developing necessary disaster response capabilities, and establishing accountability systems to provide effective services while protecting against waste, fraud, and abuse.

My testimony today (1) summarizes our key findings regarding leadership, response capabilities, and accountability controls; (2) discusses the organizational changes provided for in the Post-Katrina Reform Act; and (3) highlights several disaster management issues for continued congressional attention. My comments today are based on our Hurricane Katrina work on disaster and emergency management and our review of recent emergency management reform legislative changes. We conducted our audit work in accordance with generally accepted government auditing standards. Appendix I contains a selected list of GAO reports related to my statement.

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## Summary

Developing the capabilities needed for large-scale disasters is part of an overall national preparedness effort that should integrate and define what needs to be done and where, how it should be done, and how well it should be done—that is, according to what standards. The principal national documents designed to address each of these are, respectively, the National Response Plan, the National Incident Management System, and the National Preparedness Goal.

In the aftermath of Hurricane Katrina, we reported that DHS needs to coordinate disaster preparedness, response, and recovery efforts more effectively.<sup>3</sup> FEMA officials have acknowledged that FEMA was unprepared for a disaster of Katrina's geographic scope and destruction, including an unprecedented number of displaced households. Our analysis showed improvements were needed in leadership roles and responsibilities, development of the necessary disaster capabilities, and accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. Legal authorities, roles and responsibilities, and lines of authority at all

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<sup>3</sup>GAO, *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System*, [GAO-06-618](#) (Washington, D.C.: Sept. 6, 2006).

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levels of government must be clearly defined, effectively communicated, and well understood to facilitate rapid and effective decision making. We found improved capabilities for catastrophic disasters were needed — particularly in the areas of (1) situational assessment and awareness; (2) emergency communications; (3) evacuations; (4) search and rescue; (5) logistics; and (6) mass care and sheltering. Implementing controls and accountability mechanisms help to ensure that resources are used appropriately. FEMA has initiated reviews and some actions in each of these areas, but their operational impact in a major disaster has not yet been tested.

In line with a similar recommendation following Hurricane Andrew, the nation's most destructive hurricane prior to Katrina, we recommended that Congress give federal agencies explicit authority to take actions to prepare for all types of catastrophic disasters when there is warning. We also recommended that DHS (1) rigorously retest, train, and exercise its recent clarification of the roles, responsibilities, and lines of authority for all levels of leadership, implementing changes needed to remedy identified coordination problems; (2) direct that the NRP base plan and its supporting Catastrophic Incident Annex be supported by more robust and detailed operational implementation plans; (3) provide guidance and direction for federal, state, and local planning, training, and exercises to ensure such activities fully support preparedness, response, and recovery responsibilities at a jurisdictional and regional basis; (4) take a lead in monitoring federal agencies' efforts to prepare to meet their responsibilities under the NRP and the interim National Preparedness Goal; and (5) use a risk management approach in deciding whether and how to invest finite resources in specific capabilities for a catastrophic disaster. The Post-Katrina Reform Act requires major changes within DHS, and at FEMA particularly, designed to increase the effectiveness of preparedness and response. Effective implementation of the Post-Katrina Reform Act's organizational changes, related roles and responsibilities and capabilities should address many of our emergency management observations and recommendations.

In his November 2006 letter to Congress on oversight issues, the Comptroller General suggested that one area for fundamental reform and oversight is ensuring a strategic and integrated approach to prepare for, respond to, recover from, and rebuild after catastrophic events. Congress may wish to consider several specific areas for immediate oversight. These include (1) evaluating development and implementation of the National Preparedness System, including preparedness for an influenza pandemic; (2) assessing state and local capabilities and the use of federal grants to

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enhance those capabilities; (3) examining regional and multistate planning and preparation; (4) determining the status of preparedness exercises; and (5) examining DHS policies regarding oversight assistance.

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## Background

Several federal legislative and executive provisions support preparation for and response to emergency situations. The Robert T. Stafford Disaster Relief and Emergency Assistance Act (the Stafford Act)<sup>4</sup> primarily establishes the programs and processes for the federal government to provide major disaster and emergency assistance to state, local, and tribal governments, individuals, and qualified private nonprofit organizations. FEMA, within DHS, has responsibility for administering the provisions of the Stafford Act.

Besides using these federal resources, states affected by a catastrophic disaster can also turn to other states for assistance in obtaining surge capacity—the ability to draw on additional resources, such as personnel and equipment, needed to respond to and recover from the incident. One way of sharing personnel and equipment across state lines is through the use of the Emergency Management Assistance Compact, an interstate compact that provides a legal and administrative framework for managing such emergency requests. The compact includes all 50 states and the District of Columbia. We have ongoing work examining how the Emergency Management Assistance Compact has been used in disasters and how its effectiveness could be enhanced and expect to report within a few months.

The Homeland Security Act of 2002<sup>5</sup> required the newly established DHS to develop a comprehensive National Incident Management System (NIMS). NIMS is intended to provide a consistent framework for incident management at all jurisdictional levels regardless of the cause, size, or complexity of the situation and to define the roles and responsibilities of federal, state, and local governments, and various first responder disciplines at each level during an emergency event. It also prescribes interoperable communications systems and preparedness before an incident happens, including planning, training, and exercises. The act required DHS to consolidate existing federal government emergency

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<sup>4</sup>Pub. L. No. 93-288, 88 Stat. 143 (1974) (codified as amended at 42 U.S.C. §5121 et seq.).

<sup>5</sup>Pub. L. No. 107-296, §502, 116 Stat. 2135, 2212 (2002) (codified as amended at 6 U.S.C. §314).

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response plans into a single, integrated and coordinated national response plan. DHS issued the National Response Plan (NRP), intended to be an all-discipline, all-hazards plan establishing a single, comprehensive framework for the management of domestic incidents where federal involvement is necessary. The NRP, operating within the framework of NIMS, provides the structure and mechanisms for national-level policy and operational direction for domestic incident management. The NRP also includes a Catastrophic Incident Annex, which describes an accelerated, proactive national response to catastrophic incidents.

Developing the capabilities needed for large-scale disasters is part of an overall national preparedness effort that should integrate and define what needs to be done and where, how it should be done, and how well it should be done—that is, according to what standards. The principal national documents designed to address each of these are, respectively, the National Response Plan, the National Incident Management System, and the National Preparedness Goal. The interim National Preparedness Goal, required by Homeland Security Presidential Directive 8, is particularly important for determining what capabilities are needed, especially for a catastrophic disaster. All states and urban areas are to align existing preparedness strategies within the National Preparedness Goal's eight national priorities.<sup>6</sup> The December 2005 draft National Preparedness Goal defines both the 37 major capabilities that first responders should possess to prevent, protect from, respond to, and recover from a wide range of incidents and the most critical tasks associated with these capabilities. An inability to effectively perform these critical tasks would, by definition, have a detrimental affect on effective protection, prevention, response, and recovery capabilities. A final National Preparedness Goal is expected to be released soon.

As the subcommittee is aware, beginning in February 2006, reports by the House Select Bipartisan Committee to Investigate the Preparation for and

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<sup>6</sup>Those priorities are (1) implement the National Incident Management System and National Response Plan; (2) expand regional collaboration; (3) implement the interim National Infrastructure Protection Plan; (4) strengthen information-sharing and collaboration capabilities; (5) strengthen interoperable communications capabilities; (6) strengthen chemical, biological, radiological/nuclear, and explosive detection, response, and decontamination capabilities; (7) strengthen medical surge and mass prophylaxis capabilities; and (8) review emergency operations plans and the status of catastrophic planning.

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Response to Hurricane Katrina,<sup>7</sup> the Senate Homeland Security and Governmental Affairs Committee,<sup>8</sup> the White House Homeland Security Council,<sup>9</sup> the DHS Inspector General,<sup>10</sup> and DHS and FEMA<sup>11</sup> all identified a variety of failures and some strengths in the preparations for, response to, and initial recovery from Hurricane Katrina. Collectively, these reports, along with GAO's various reports and testimonies, offered a number of specific recommendations for improving the nation's ability to effectively prepare for and respond to catastrophic disasters. Table 1 contains the resulting reports and a brief description of their findings.

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<sup>7</sup>House of Representatives, House Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina. *A Failure of Initiative: Final Report of the House Select Bipartisan Committee to Investigate the Preparation for And Response to Hurricane Katrina* (Washington, D.C.: Feb. 15, 2006).

<sup>8</sup>U.S. Senate Committee on Homeland Security and Governmental Affairs. *Hurricane Katrina: A Nation Still Unprepared* (Washington, D.C.: May 2006).

<sup>9</sup>White House Homeland Security Council. *The Federal Response to Hurricane Katrina: Lessons Learned* (Washington, D.C.: Feb. 23, 2006).

<sup>10</sup>Department of Homeland Security's Office of Inspector General. *A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina*, OIG-06-32 (Washington, D.C.: Mar. 31, 2006).

<sup>11</sup>Federal Emergency Management Agency. *DHS/FEMA Initial Response Hotwash: Hurricane Katrina in Louisiana*, DR-1603-LA (Baton Rouge, Louisiana. Feb. 13, 2006).

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**Table 1: Findings in Reports by Congress and the Administration**

| Title and author   | Major findings  |
|--|---|
| DHS/FEMA Initial Response Hotwash: Hurricane Katrina in Louisiana (February 13, 2006)<br>Source: FEMA  | Found improvements needed in areas of communications and interoperability; FEMA staffing, unified command, logistics and staging, and operating procedures. Recommendations for FEMA included: work to strengthen emergency management capability at state and local levels; review emergency management architecture for response and recovery operations; train, equip, and staff response teams; improve the financial management of disasters; improve leadership and management; establish command authority in the Joint Field Office (JFO); and continue catastrophic planning with federal, state, and local governments.   |
| A Failure of Initiative: Final Report of the House Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina (February 15, 2006)<br>Source: House of Representatives<br>House Select Bipartisan Committee | Identified 14 major findings including the following: critical elements of the NRP were executed late, ineffectively, or not at all; there was massive communications damage; command and control was impaired at all levels, delaying relief; and the military played an invaluable role but coordination was lacking, among others. No recommendations provided.  |
| The Federal Response to Hurricane Katrina: Lessons Learned (February 23, 2006)<br>Source: White House Homeland Security Council  | Identified 17 critical challenges including national preparedness, integrated use of military capabilities, communications, logistics and evacuation, search and rescue, public safety and security, public health and medical support, human services, mass care and housing, public communications, critical infrastructure and impact assessment, environmental hazards and debris removal, foreign assistance, non-governmental aid, training, exercises, and lessons learned, professional development and education, citizen and community preparedness. Identified 125 recommendations for DHS, Department of Defense, and other federal departments and agencies, including 44 that were to be implemented by June 1, 2006. |
| A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina (March 31, 2006)<br>Source: Department of Homeland Security's Office of Inspector General   | Found FEMA adapted to new response plans with difficulty; FEMA provided record levels of support but needs to improve delivery structure; and FEMA needs to improve readiness. Identified 38 recommendations.   |
| Hurricane Katrina: A Nation Still Unprepared: Report of the Committee on Homeland Security and Governmental Affairs (May 2006)<br>Source: U.S. Senate Committee on Homeland Security and Governmental Affairs                                    | Found differing roles at different levels of government affected the response; long-term and short-term warnings went unheeded; preparation proved insufficient; response at all levels of government was unacceptable; long-term factors contributed to poor response; and waste, fraud, and abuses were identified. Report identified seven foundational recommendations based on identified systematic weaknesses and challenges.  |

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Source: GAO analysis of executive branch and congressional reports.

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## Enhanced Leadership, Capabilities, and Accountability Controls Will Improve Emergency Management

After FEMA became part of DHS in March 2003, its responsibilities were over time dispersed and redefined. FEMA continues to evolve within DHS as it implements the changes required by the Post-Katrina Reform Act, whose details are discussed later. Hurricane Katrina severely tested disaster management at the federal, state, and local levels and revealed weaknesses in the basic elements of preparing for, responding to, and recovering from any catastrophic disaster. Based on work done during the aftermath of Hurricane Katrina, we previously reported that DHS needs to more effectively coordinate disaster preparedness, response, and recovery efforts, particularly for catastrophic disasters in which the response capabilities of state and local governments are almost immediately overwhelmed.<sup>12</sup> Our analysis showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) the development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse.

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## Leadership Is Critical to Prepare for, Respond to, and Recover from Catastrophic Disasters

In preparing for, responding to, and recovering from any catastrophic disaster, the legal authorities, roles and responsibilities, and lines of authority at all levels of government must be clearly defined, effectively communicated, and well understood to facilitate rapid and effective decision making. Hurricane Katrina showed the need to improve leadership at all levels of government to better respond to a catastrophic disaster. For example, there were problems with roles and responsibilities under the NRP and ambiguities about both what constituted an incident of national significance to trigger the NRP and what constituted a catastrophic incident to trigger the proactive response of the NRP's Catastrophic Incident Annex. On May 25, 2006, DHS released changes to the NRP regarding leadership issues, such as which situations require secretarial leadership; the process for declaring incidents of national significance; and the scope of the NRP and its Catastrophic Incident Annex. The revised NRP clearly states that the Secretary of Homeland Security, who reports directly to the President, is responsible for declaring and managing incidents of national significance, including catastrophic ones. At the time of Katrina, the supplement to the catastrophic incident annex, which provides more detail on implementing the annex, was still in

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<sup>12</sup>GAO, *Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System*, [GAO-06-618](#) (Washington, D.C.: Sept. 6, 2006).

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draft. Subsequent to Katrina, DHS published the final supplement to the Catastrophic Incident Annex, dated August 2006.

The White House Homeland Security Council report included 44 recommendations that were intended for quick implementation, of which 18 were focused on improving and clarifying the legal authorities, roles and responsibilities, and lines of authority. DHS has provided limited information on the status of its implementation of the White House recommendations, although it has reported actions taken on some issues raised in the White House Homeland Security Council report and in other reports. For example, DHS has pre-designated Principal Federal Officials and Federal Coordinating Officers for regions and states at risk of hurricanes and described their respective roles in coordinating disaster response—which was a source of some confusion in the federal response to Hurricane Katrina. However, the changes may not have fully resolved the leadership issues regarding the roles of the principal federal officer and federal coordinating officer. While the Secretary of Homeland Security may avoid conflicts by appointing a single individual to serve in both positions in nonterrorist incidents, confusion may persist if the Secretary of Homeland Security does not exercise this discretion to do so. Furthermore, this discretion does not exist for terrorist incidents, and the revised NRP does not specifically provide a rationale for this limitation.

Congress also raised concerns in 2006 that FEMA's performance problems during the response to Hurricane Katrina may have stemmed from its organizational placement and its budgetary relationship within DHS. In May 2006, we noted that organizational changes alone, while potentially important, were not likely to adequately address the underlying systemic conditions that resulted in FEMA's performance problems.<sup>13</sup> We noted that a number of factors other than organizational placement may be more important to FEMA's success in responding to and recovering from future disasters, including catastrophic ones. Conditions underlying FEMA's performance during Hurricane Katrina involved the experience and training of DHS or FEMA leadership; the clarity of FEMA's mission and related responsibilities and authorities to achieve mission performance expectations; the adequacy of its human, financial, and technological resources; and the effectiveness of planning, exercises, and related

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<sup>13</sup>GAO, *Federal Emergency Management Agency: Factors for Future Success and Issue to Consider for Organizational Placement*, [GAO-06-746T](#) (Washington, D.C.: May 9, 2006)

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partnerships. The Post-Katrina Reform Act includes provisions that address each of these issues.

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## Enhanced Capabilities for Catastrophic Response and Recovery Are Needed

Numerous reports and our own work suggest that the substantial resources and capabilities marshaled by state, local, and federal governments and nongovernmental organizations were insufficient to meet the immediate challenges posed by the unprecedented degree of damage and the number of victims caused by Hurricanes Katrina and Rita. Developing the capabilities needed for catastrophic disasters should be part of an overall national preparedness effort that is designed to integrate and define what needs to be done and where, how it should be done, and how well it should be done—that is, according to what standards. The principal national documents designed to address each of these are, respectively, the National Response Plan, the National Incident Management System, and the National Preparedness Goal. The nation's experience with Hurricanes Katrina and Rita reinforces some of the questions surrounding the adequacy of capabilities in the context of a catastrophic disaster—particularly in the areas of (1) situational assessment and awareness, (2) emergency communications, (3) evacuations, (4) search and rescue, (5) logistics, and (6) mass care and sheltering.

Capabilities are built upon the appropriate combination of people, skills, processes, and assets. Ensuring that needed capabilities are available requires effective planning and coordination in conjunction with training and exercises in which the capabilities are realistically tested and problems identified and subsequently addressed in partnership with other federal, state, and local stakeholders. In recent work on FEMA management of day-to-day operations, we found that although shifting resources caused by its transition to DHS created challenges for FEMA, the agency's management of existing resources compounded these problems.<sup>14</sup> FEMA lacks some of the basic management tools that help an agency respond to changing circumstances. Most notably, FEMA lacks a strategic workforce plan and related human capital strategies—such as succession planning or a coordinated training effort. Such tools are integral to managing resources, as they enable an agency to define staffing

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<sup>14</sup>GAO, *Budget Issues: FEMA Needs Adequate Data, Plans, and Systems to Effectively Manage Resources for Day-to-Day Operations*, GAO-07-139 (Washington, D.C.: Jan. 19, 2007).

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levels, identify the critical skills needed to achieve its mission, and eliminate or mitigate gaps between current and future skills and competencies. FEMA officials have said they are beginning to address these and other basic organizational management issues. To this end, FEMA has commissioned studies of 18 areas, whose final reports and recommendations are due later this spring.<sup>15</sup>

In identifying available capabilities, FEMA needs to identify and assess the capabilities that exist across the federal government and outside the federal government. For example, in a recent report on housing assistance, we found that the National Response Plan's annex covering temporary shelter and housing (Emergency Support Function-6) clearly described the overall responsibilities of the two primary responsible agencies—FEMA and the Red Cross.<sup>16</sup> However, the responsibilities described for the support agencies—the Departments of Agriculture, Defense, Housing and Urban Development (HUD), and Veterans Affairs—did not, and still do not, fully reflect their capabilities. Further, these support agencies had not, at the time of our work, developed fact sheets describing their roles and responsibilities, notification and activation procedures, and agency-specific authorities, as called for by ESF-6 operating procedures. We recommended that the support agencies propose revisions to the NRP that fully reflect each respective support agency's capabilities for providing temporary housing under ESF-6, develop the needed fact sheets, and develop operational plans that provide details on how their respective agencies will meet their temporary housing responsibilities. The Departments of Defense, HUD, Treasury, and the Veterans Administration, and Agriculture, concurred with our recommendations. The Red Cross did not comment on our report or recommendations. As part of a housing task force, FEMA is currently exploring ways of incorporating housing assistance offered by private sector organizations.

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<sup>15</sup>The areas are (1) individual assistance technical assistance contract, (2) contractor management program, (3) facilities; (4) payment process for contractors, (5) finance center operations, (6) capital planning and investment control, (7) security, (8) human resources, (9) logistics, (10) acquisition, (11) disaster emergency communications, (12) decision support systems (data resource management), (13) disaster workforce, (14) information technology, (15) federal coordinating officer cadre, (16) financial systems, (17) budget process, and (18) disaster relief fund.

<sup>16</sup>GAO, *Disaster Assistance: Better Planning Needed for Housing Victims of Catastrophic Disasters*, GAO-07-88 (Washington, D.C.: Feb. 28, 2007).

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Further, recent GAO work found that actions are needed to clarify the responsibilities and increase preparedness for evacuations, especially for those transportation-disadvantaged populations. We found that state and local governments are generally not well prepared to evacuate transportation-disadvantaged populations (ie. planning, training, and conducting exercises), but some states and localities have begun to address challenges and barriers. For example, in June 2006 DHS reported that only about 10 percent of the state and about 12 percent of the urban area emergency plans it reviewed adequately addressed evacuating these populations. Steps being taken by some such governments include collaboration with social service and transportation providers and transportation planning organizations—some of which are Department of Transportation (DOT) grantees and stakeholders—to determine transportation needs and develop agreements for emergency use of drivers and vehicles. The federal government provides evacuation assistance to state and local governments, but gaps in this assistance have hindered many of these governments’ ability to sufficiently prepare for evacuations. This includes the lack of any specific requirement to plan, train, and conduct exercises for the evacuation of transportation-disadvantaged populations as well as gaps in the usefulness of DHS’s guidance. We recommended that DHS should clarify federal agencies’ roles and responsibilities for providing evacuation assistance when state and local governments are overwhelmed. DHS should require state and local evacuation preparedness for transportation-disadvantaged populations and improve information to assist these governments. DOT should encourage its grant recipients to share information to assist in evacuation preparedness for these populations. DOT and DHS agreed to consider our recommendations, and DHS stated it has partly implemented some of them.

Finally, the use of a risk management methodology—integrating systematic concern for risk into the normal cycle of agency decision making and implementation—should be central to assessing the risk for catastrophic disasters, guiding the development of national capabilities and the expertise that can be used to respond effectively to catastrophic disasters. As I stated in my testimony to this subcommittee on applying risk management principles to guide federal investments, risk management should be viewed strategically, that is, with a view that goes

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beyond assessing what the risks are, to the integration of risk into annual budget and program review cycles.<sup>17</sup>

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## Balance Needed between Quick Provision of Assistance and Ensuring Accountability to Protect against Waste, Fraud, and Abuse

Controls and accountability mechanisms help to ensure that resources are used appropriately. Nevertheless, during a catastrophic disaster, decision makers struggle with the tension between implementing controls and accountability mechanisms and the demand for rapid response and recovery assistance. On one hand, our work uncovered many examples where quick action could not occur due to procedures that required extensive, time-consuming processes, delaying the delivery of vital supplies and other assistance. On the other hand, we also found examples where FEMA's processes assisting disaster victims left the federal government vulnerable to fraud and the abuse of expedited assistance payments.

We estimated that through February 2006, FEMA made about \$600 million to \$1.4 billion in improper and potentially fraudulent payments to applicants who used invalid information to apply for expedited cash assistance. DHS and FEMA have reported a number of actions that are to be in effect for the 2007 hurricane season so that federal recovery programs will have more capacity to rapidly handle a catastrophic incident but also provide accountability. Examples include significantly increasing the quantity of prepositioned supplies, such as food, ice, and water; placing global positioning systems on supply trucks to track their location and better manage the delivery of supplies; creating an enhanced phone system for victim assistance applications that can handle up to 200,000 calls per day; and improving computer systems and processes for verifying the eligibility of those applying for assistance. Effective implementation of these and other planned improvements will be critical to achieving their intended outcomes.

Finally, catastrophic disasters not only require a different magnitude of capabilities and resources for effective response, they may also require more flexible policies and operating procedures. In a catastrophe, streamlining, simplifying, and expediting decision making should quickly replace "business as usual" and unquestioned adherence to long-standing policies and operating procedures used in normal situations for providing relief to disaster victims. At the same time, controls and accountability

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<sup>17</sup>GAO, *Homeland Security: Applying Risk Management Principles to Guide Federal Investments*, [GAO-07-386T](#) (Washington, D.C.: Feb. 7, 2007).

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mechanisms must be sufficient to provide the documentation needed for expense reimbursement and reasonable assurance that resources have been used legally and for the purposes intended. The federal government also will be a major partner in the longer-term recovery and rebuilding of communities along the Gulf Coast. Among the areas requiring federal attention are (1) assessing the environmental hazards created by the storms; (2) rebuilding and strengthening the levees; (3) providing assistance to school districts that have enrolled large numbers of evacuee children; and (4) building the capacity to address demand in multiple victims assistance programs such as financial assistance or loans for repair and replacement of housing and the rebuilding of businesses.

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## GAO Recommendations Stress Changes in Leadership, Capabilities, and Accountability

In line with a recommendation we made following Hurricane Andrew, the nation's most destructive hurricane prior to Katrina, we recommended that Congress give federal agencies explicit authority to take actions to prepare for all types of catastrophic disasters when there is warning. We also recommended that DHS (1) rigorously retest, train, and exercise its recent clarification of the roles, responsibilities, and lines of authority for all levels of leadership, implementing changes needed to remedy identified coordination problems; (2) direct that the NRP base plan and its supporting Catastrophic Incident Annex be supported by more robust and detailed operational implementation plans; (3) provide guidance and direction for federal, state, and local planning, training, and exercises to ensure such activities fully support preparedness, response, and recovery responsibilities at a jurisdictional and regional basis; (4) take a lead in monitoring federal agencies' efforts to prepare to meet their responsibilities under the NRP and the interim National Preparedness Goal; and (5) use a risk management approach in deciding whether and how to invest finite resources in specific capabilities for a catastrophic disaster.

As I mentioned earlier, DHS has made revisions to the NRP and released the final Supplement to the Catastrophic Incident Annex—both designed to further clarify federal roles and responsibilities and relationships among federal, state and local governments and responders. However, these revisions have not been tested in a major disaster. FEMA and DHS have also announced a number of actions intended to improve readiness and response based on our work and the work of congressional committees and the Administration. DHS is also currently reorganizing FEMA as required by the Post-Katrina Reform Act. However, there is little information available on the extent to which these changes are operational and they also have not yet been tested in a major disaster.

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Originally, in its desire to provide assistance quickly following Hurricane Katrina, DHS was unable to keep up with the magnitude of needs to confirm the eligibility of victims for disaster assistance, or ensure that there were provisions in contracts for response and recovery services to ensure fair and reasonable prices in all cases. We recommended that DHS create accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. We also recommended that DHS provide guidance on advance procurement practices (precontracting) and procedures for those federal agencies with roles and responsibilities under the NRP. These federal agencies could then better manage disaster-related procurement and establish an assessment process to monitor agencies' continuous planning efforts for their disaster-related procurement needs and the maintenance of capabilities. For example, we identified a number of emergency response practices in the public and private sectors that provide insight into how the federal government can better manage its disaster-related procurements. These practices include developing knowledge of contractor capabilities and prices, and establishing vendor relationships prior to the disaster and establishing a scalable operations plan to adjust the level of capacity to match the response with the need.<sup>18</sup>

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## Post-Katrina Reform Act Changes

The Post-Katrina Reform Act responded to the findings and recommendations in the various reports examining the preparation for and response to Hurricane Katrina. Most of the Act's provisions become effective as of March 31, 2007, while others became effective upon the Act's enactment on October 4, 2006. While keeping FEMA within DHS, the act enhances FEMA's responsibilities and its autonomy within DHS. Under the act, for example, FEMA's mission is to reduce the loss of life and property and protect the nation from all hazards, including natural disasters, acts of terrorism, and other man-made disasters. To accomplish this mission, FEMA is to lead and support the nation in a risk-based, comprehensive emergency management system of preparedness, protection, response, recovery, and mitigation. Under the Act, the FEMA Administrator reports directly to the Secretary of DHS; FEMA is now a distinct entity within DHS; and the Secretary of DHS can no longer substantially or significantly reduce the authorities, responsibilities, or functions of FEMA or the capability to perform them unless authorized by

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<sup>18</sup>GAO, *Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security*, [GAO-07-452T](#) (Washington, D.C.: Feb. 7, 2007).

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subsequent legislation. FEMA will absorb the functions of DHS's Preparedness Directorate (with some exceptions). The statute establishes 10 regional offices with specified responsibilities. The statute also establishes a National Integration Center responsible for the ongoing management and maintenance of the NIMS and NRP. The Post-Katrina Reform Act also includes provisions for other areas, such as evacuation plans and exercises and addressing the needs of individuals with disabilities. In addition, the act includes several provisions to strengthen the management and capability of FEMA's workforce. For example, the statute calls for a strategic human capital plan to shape and improve FEMA's workforce, authorizes recruitment and retention bonuses, and establishes a Surge Capacity Force. Most of the organizational changes become effective as of March 31, 2007. Others, such as the increase in organizational autonomy for FEMA and establishment of the National Integration Center, became effective upon enactment of the Post-Katrina Reform Act on October 4, 2006.

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## DHS Reports Planned Changes Consistent with the Legislation

On January 18, 2007, DHS provided Congress a notice of implementation of the Post-Katrina Reform Act reorganization requirements and additional organizational changes made under the Homeland Security Act of 2002. All of the changes, according to DHS, will become effective on March 31, 2007. According to DHS, the department completed a thorough assessment of FEMA's internal structure to incorporate lessons learned from Hurricane Katrina and integrate systematically new and existing assets and responsibilities within FEMA. The department's core structural conclusions are described in the letter.

DHS will transfer the following DHS offices and divisions to FEMA:

- United States Fire Administration,
- Office of Grants and Training,
- Chemical Stockpile Emergency Preparedness Division,
- Radiological Emergency Preparedness Program,
- Office of National Capital Region Coordination, and,
- Office of State and Local Government Coordination.

DHS officials say that they will carefully manage all financial, organizational, and personnel actions necessary to transfer these organizations by March 31, 2007. They also said they will establish several other organizational elements, such as a logistics management division, a disaster assistance division, and a disaster operations division. In addition, FEMA will expand its regional office structure with each region in part by

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establishing a Regional Advisory Council and at least one Regional Strike Team. With the recent appointment of the director for region III, FEMA officials noted that for the first time in recent memory there will be no acting regional directors and all 10 FEMA regional offices will be headed by experienced professionals, according to FEMA officials.

Further, FEMA will include a new national preparedness directorate intended to consolidate FEMA's strategic preparedness assets from existing FEMA programs and certain legacy Preparedness Directorate programs. The National Preparedness Directorate will contain functions related to preparedness doctrine, policy, and contingency planning. It also will include DHS's exercise coordination and evaluation program, emergency management training, and hazard mitigation associated with the chemical stockpile and radiological emergency preparedness programs.

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## Effective Implementation of the Post-Katrina Reform Act's Provisions Should Respond to Many Concerns

Effective implementation of the Post-Katrina Reform Act's organizational changes and related roles and responsibilities, in addition to those changes already undertaken by DHS, should address many of our emergency management observations and recommendations. As noted earlier, our analysis in the aftermath of Hurricane Katrina showed the need for (1) clearly defined and understood leadership roles and responsibilities; (2) the development of the necessary disaster capabilities; and (3) accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse.

The statute appears to strengthen leadership roles and responsibilities. For example, the statute clarifies that the FEMA Administrator is to act as the principal emergency management adviser to the President, the Homeland Security Council, and the Secretary of DHS and to provide recommendations directly to Congress after informing the Secretary of DHS. The incident management responsibilities and roles of the National Integration Center are now clear. The Secretary of DHS must ensure that the NRP provides for a clear chain of command to lead and coordinate the federal response to any natural disaster, act of terrorism, or other man-made disaster. The law also establishes qualifications that appointees must meet. For example, the FEMA Administrator must have a demonstrated ability in and knowledge of emergency management and homeland security and 5 years of executive leadership and management experience.

Many provisions are designed to enhance preparedness and response. For example, the statute requires the President to establish a national

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preparedness goal and national preparedness system. The national preparedness system includes a broad range of preparedness activities, including utilizing target capabilities and preparedness priorities, training and exercises, comprehensive assessment systems, and reporting requirements. To illustrate, the FEMA Administrator is to carry out a national training program to implement, and a national exercise program to test and evaluate the National Preparedness Goal, NIMS, NRP, and other related plans and strategies.

In addition, FEMA is to partner with nonfederal entities to build a national emergency management system. States must develop plans that include catastrophic incident annexes modeled after the NRP annex in order to be eligible for FEMA emergency preparedness grants. The state annexes must be developed in consultation with local officials, including regional commissions. FEMA regional administrators are to foster the development of mutual aid agreements between states. FEMA must enter into a memorandum of understanding with certain non-federal entities to collaborate on developing standards for deployment capabilities, including credentialing of personnel and typing of resources, must be developed. In addition, FEMA must implement several other capabilities, such as (1) developing a logistics system providing real-time visibility of items at each point throughout the logistics system, (2) establishing a prepositioned equipment program, and (3) establishing emergency support and response teams.

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## FEMA Taking Steps to Address Logistics Problems

In the wake of Hurricane Katrina, FEMA's performance in the logistics area came under harsh criticism; within days, FEMA became overwhelmed and essentially asked the military to take over much of the logistics mission.<sup>19</sup> In the Post-Katrina Reform Act, Congress required FEMA to make its logistics system more flexible and responsive. Since the legislation, FEMA has been working to address its provisions, but it is too early to evaluate these efforts. We recently examined FEMA logistics issues, taking a broad approach, identifying five areas necessary for an effective logistics system. Below, we describe these five areas along with FEMA's ongoing actions to address each.

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<sup>19</sup>GAO, *Hurricane Katrina: Better Plans and Exercises Needed to Guide the Military's Response to Catastrophic Natural Disasters*. [GAO-06-643](#) (Washington, D.C.: May 15, 2006).

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- *Requirements:* FEMA does not yet have operational plans in place to address disaster scenarios, nor does it have detailed information on states' capabilities and resources. As a result, FEMA does not have information from these sources to define what and how much it needs to stock. However, FEMA is developing a concept of operations to underpin its logistics program and told us that it is working to develop detailed plans and the associated stockage requirements. However, until FEMA has solid requirements based on detailed plans, the agency will be unable to assess its true preparedness.
  - *Inventory management:* FEMA's system accounts for the location, quantity, and types of supplies, but the ability to track supplies in-transit is limited. FEMA has several efforts under way to improve transportation and tracking of supplies and equipment, such as expanding its new system for in-transit visibility from the two test regions to all FEMA regions.
  - *Facilities:* FEMA maintains nine logistics centers and dozens of smaller storage facilities across the country. However, it has little assurance that these are the right number of facilities located in the right places. FEMA officials told us they are in the process of determining the number of storage facilities it needs and where they should be located.
  - *Distribution:* Problems persist with FEMA's distribution system, including poor transportation planning, unreliable contractors, and lack of distribution sites. FEMA officials described initiatives under way that should mitigate some of the problems with contractors, and has been working with Department of Defense and Department of Transportation to improve the access to transportation when needed.
  - *People:* Human capital issues are pervasive in FEMA, including the logistics area. The agency has a small core of permanent staff, supplemented with contract and temporary disaster assistance staff. However, FEMA's recent retirements and losses of staff, and its difficulty in hiring permanent staff and contractors, have created staffing shortfalls and a lack of capability. According to a January 2007 study commissioned by FEMA, there are significant shortfalls in staffing and skill sets of full-time employees, particularly in the planning, advanced contracting, and relationship management skills needed to fulfill the disaster logistics mission. FEMA has recently

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hired a logistics coordinator and is making a concerted effort to hire qualified staff for the entire agency, including logistics.

In short, FEMA is taking many actions to transition its logistics program to be more proactive, flexible, and responsive. While these and other initiatives hold promise for improving FEMA's logistics capabilities, it will be years before they are fully implemented and operational.

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### Post-Katrina Reform Act Provisions Also Respond to Accountability Issues

Statutory changes establish more controls and accountability mechanisms. For example, the Post-Katrina Reform Act requires FEMA to develop and implement a contracting system that maximizes the use of advance contracting to the extent practical and cost-effective. The Secretary of DHS is required to promulgate regulations designed to limit the excessive use of subcontractors and subcontracting tiers. The Secretary of DHS is also required to promulgate regulations that limit certain noncompetitive contracts to 150 days, unless exceptional circumstances apply. Oversight funding is specified. FEMA may dedicate up to one percent of funding for agency mission assignments as oversight funds. The FEMA Administrator must develop and maintain internal management controls of FEMA disaster assistance programs and develop and implement a training program to prevent fraud, waste, and abuse of federal funds in response to or recovery from a disaster. Verification measures must be developed to identify eligible recipients of disaster relief assistance.

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### Several Disaster Management Issues Should Have Continued Congressional Attention

In November 2006, the Comptroller General wrote to the congressional leadership suggesting areas for congressional oversight.<sup>20</sup> He suggested that one area needing fundamental reform and oversight was preparing for, responding to, recovering from, and rebuilding after catastrophic events. Recent events—notably Hurricane Katrina and the threat of an influenza pandemic—have illustrated the importance of ensuring a strategic and integrated approach to catastrophic disaster management. Disaster preparation and response that is well planned and coordinated can save lives and mitigate damage, and an effectively functioning insurance market can substantially reduce the government's exposure to post-catastrophe payouts. Lessons learned from past national emergencies provide an opportunity for Congress to look at actions that could mitigate

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<sup>20</sup>GAO, *Suggested Areas for Oversight for the 110th Congress*. [GAO-07-235R](#) (Washington, D.C.: Nov. 17, 2006).

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the effects of potential catastrophic events. Similarly, the Comptroller General suggested that Congress could also consider how the federal government can work with other nations, other levels of government, and nonprofit and private sector organizations, such as the Red Cross and private insurers, to help ensure the nation is well prepared and recovers effectively. Given the billions of dollars dedicated to preparing for, responding to, recovering from, and rebuilding after catastrophic disasters, congressional oversight is critical.

A comprehensive and in-depth oversight agenda would require long-term efforts. Congress might consider starting with several specific areas for immediate oversight, such as (1) evaluating development and implementation of the National Preparedness System, including preparedness for an influenza pandemic, (2) assessing state and local capabilities and the use of federal grants in building and sustaining those capabilities, (3) examining regional and multi-state planning and preparation, (4) determining the status of preparedness exercises, and (5) examining DHS polices regarding oversight assistance.

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## The National Preparedness System Is Key to Developing Disaster Capabilities

More immediate congressional attention might focus on evaluating the construction and effectiveness of the National Preparedness System, which is mandated under the Post-Katrina Reform Act. Under Homeland Security Presidential Directive-8, issued in December 2003, DHS was to coordinate the development of a national domestic all-hazards preparedness goal “to establish measurable readiness priorities and targets that appropriately balance the potential threat and magnitude of terrorist attacks and large scale natural or accidental disasters with the resources required to prevent, respond to, and recover from them.” The goal was also to include readiness metrics and standards for preparedness assessments and strategies and a system for assessing the nation’s overall preparedness to respond to major events.

To implement the directive, DHS developed the National Preparedness Goal using 15 emergency event scenarios, 12 of which were terrorist related, with the remaining 3 addressing a major hurricane, major earthquake, and an influenza pandemic. According to DHS’s National Preparedness Guidance, the planning scenarios are intended to illustrate the scope and magnitude of large-scale, catastrophic emergency events for which the nation needs to be prepared and to form the basis for identifying the capabilities needed to respond to a wide range of large scale emergency events. The scenarios focused on the consequences that first responders would have to address. Some state and local officials and experts have questioned whether the scenarios were appropriate inputs

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for preparedness planning, particularly in terms of their plausibility and the emphasis on terrorist scenarios.

Using the scenarios, and in consultation with federal, state, and local emergency response stakeholders, DHS developed a list of over 1,600 discrete tasks, of which 300 were identified as critical. DHS then identified 36 target capabilities to provide guidance to federal, state, and local first responders on the capabilities they need to develop and maintain. That list has since been refined, and DHS released a revised draft list of 37 capabilities in December 2005. Because no single jurisdiction or agency would be expected to perform every task, possession of a target capability could involve enhancing and maintaining local resources, ensuring access to regional and federal resources, or some combination of the two. However, DHS is still in the process of developing goals, requirements, and metrics for these capabilities and the National Preparedness Goal in light of the Hurricane Katrina experience.

Several key components of the National Preparedness System defined in the Post-Katrina Reform Act—the National Preparedness Goal, target capabilities and preparedness priorities, and comprehensive assessment systems—should be closely examined. Prior to Hurricane Katrina, DHS had established seven priorities for enhancing national first responder preparedness, including, for example, implementing the NRP and NIMS; strengthening capabilities in information sharing and collaboration; and strengthening capabilities in medical surge and mass prophylaxis. Those seven priorities were incorporated into DHS's fiscal year 2006 homeland security grant program (HSGP) guidance, which added an eighth priority that emphasized emergency operations and catastrophic planning.

In the fiscal year 2007 HSGP program guidance, DHS set two overarching priorities. DHS has focused the bulk of its available grant dollars on risk-based investment. In addition, the department has prioritized regional coordination and investment strategies that institutionalize regional security strategy integration. In addition to the two overarching priorities, the guidance also identified several others. These include (1) measuring progress in achieving the National Preparedness Goal, (2) integrating and synchronizing preparedness programs and activities, (3) developing and sustaining a statewide critical infrastructure/key resource protection program, (4) enabling information/intelligence fusion, (5) enhancing statewide communications interoperability, (6) strengthening preventative radiological/nuclear detection capabilities, and (7) enhancing catastrophic planning to address nationwide plan review results. Under the guidance, all fiscal year 2007 HSGP applicants will be required to submit an

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investment justification that provides background information, strategic objectives and priorities addressed, their funding/implementation plan, and the impact that each proposed investment (project) is anticipated to have.

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### The Particular Challenge of Preparing for an Influenza Pandemic

The possibility of an influenza pandemic is a real and significant threat to the nation. There is widespread agreement that it is not a question of if but when such a pandemic will occur. The issues associated with the preparation for and response to a pandemic flu are similar to those for any other type of disaster: clear leadership roles and responsibilities, authority, and coordination; risk management; realistic planning, training, and exercises; assessing and building the capacity needed to effectively respond and recover; effective information sharing and communication; and accountability for the effective use of resources.

However, a pandemic poses some unique challenges. Hurricanes, earthquakes, explosions, or bioterrorist incidents occur within a short period of time, perhaps a period of minutes, although such events can have long-term effects, as we have seen in the Gulf region following Hurricane Katrina. The immediate effects of such disasters are likely to affect specific locations or areas within the nation; the immediate damage is not nationwide. In contrast, an influenza pandemic is likely to continue in waves of 6 to 8 weeks for a number of weeks or months and affect wide areas of the nation, perhaps the entire nation. Depending upon the severity of the pandemic, the number of deaths could be from 200,000 to 2 million. Seasonal influenza in the United States results in about 36,000 deaths annually. Successfully addressing the pandemic is also likely to require international coordination of detection and response.

The Department of Health and Human Services estimates that during a severe pandemic, absenteeism may reach as much as 40 percent in an affected community because individuals are ill, caring for family members, or fear infection. Such absenteeism could affect our nation's economy, as businesses and governments face the challenge of continuing to provide essential services with reduced numbers of healthy workers. In addition, our nation's ability to respond effectively to hurricanes or other major disasters during a pandemic may also be diminished as first responders, health care workers, and others are infected or otherwise unable to perform their normal duties. Thus, the consequences of a pandemic are potentially widespread and effective planning and response for such a disaster will require particularly close cooperation among all levels of

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government, the private sector, individuals within the United States, as well as international cooperation.

We have engagements under way examining such issues as barriers to implementing the Department of Health and Human Services' National Pandemic Influenza Plan, the national strategy and framework for pandemic influenza, the Department of Defense and Department of Agriculture's preparedness efforts and plans, public health and hospital preparedness, and U.S. efforts to improve global disease surveillance. We expect most of these reports to be issued by late summer 2007.

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### Our Knowledge of State and Local Efforts to Improve Their Capabilities Is Limited

Possible congressional oversight in the short term also might focus on state and local capabilities. As I testified before this subcommittee last month on applying risk management principles to guide federal investments, over the past 4 years DHS has provided about \$14 billion in federal funding to states, localities, and territories through its HSGP grants. Remarkably, however, we know little about how states and localities finance their efforts in this area, have used their federal funds, and are assessing the effectiveness with which they spend those funds.

Essentially, all levels of government are still struggling to define and act on the answers to basic, but hardly simple, questions about emergency preparedness and response: What is important (that is, what are our priorities)? How do we know what is important (e.g., risk assessments, performance standards)? How do we measure, attain, and sustain success? On what basis do we make necessary trade-offs, given finite resources?

There are no simple, easy answers to these questions. The data available for answering them are incomplete and imperfect. We have better information and a better sense of what needs to be done for some types of major emergency events than for others. For some natural disasters, such as regional wildfires and flooding, there is more experience and therefore a better basis on which to assess preparation and response efforts and identify gaps that need to be addressed. California has experience with earthquakes; Florida, with hurricanes. However, no one in the nation has experience with such potential catastrophes as a dirty bomb detonated in a major city. Although both the AIDS epidemic and SARS provide some related experience, there have been no recent pandemics that rapidly spread to thousands of people across the nation.

A new feature in the fiscal year 2006 DHS homeland security grant guidance for the Urban Area Security Initiative (UASI) grants was that

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eligible recipients must provide an “investment justification” with their grant application. States were to use this justification to outline the implementation approaches for specific investments that will be used to achieve the initiatives outlined in their state Program and Capability Enhancement Plan. These plans were multiyear global program management plans for the entire state homeland security program that look beyond federal homeland security grant programs and funding. The justifications must justify all funding requested through the DHS homeland security grant program. In the guidance DHS noted that it would use a peer review process to evaluate grant applications on the basis of the effectiveness of a state’s plan to address the priorities it has outlined and thereby reduce its overall risk.

For fiscal year 2006, DHS implemented a competitive process to evaluate the anticipated effectiveness of proposed homeland security investments. For fiscal year 2007, DHS will continue to use the risk and effectiveness assessments to inform final funding decisions, although changes have been made to make the grant allocation process more transparent and more easily understood. DHS officials have said that they cannot yet assess how effective the actual investments from grant funds are in enhancing preparedness and mitigating risk because they do not yet have the metrics to do so.

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## Regional and Multistate Planning and Preparation Should Be Robust

Through its grant guidance, DHS has encouraged regional and multistate planning and preparation. Planning and assistance have largely been focused on single jurisdictions and their immediately adjacent neighbors. However, well-documented problems with the abilities of first responders from multiple jurisdictions to communicate at the site of an incident and the potential for large-scale natural and terrorist disasters have generated a debate on the extent to which first responders should be focusing their planning and preparation on a regional and multigovernmental basis.

As I mentioned earlier, an overarching national priority for the National Preparedness Goal is embracing regional approaches to building, sustaining, and sharing capabilities at all levels of government. All HSGP applications are to reflect regional coordination and show an investment strategy that institutionalizes regional security strategy integration. However, it is not known to what extent regional and multi-state planning has progressed and is effective.

Our limited regional work indicated there are challenges in planning. Our early work addressing the Office of National Capital Region Coordination

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(ONCRC) and National Capital Region (NCR) strategic planning reported that the ONCRC and the NCR faced interrelated challenges in managing federal funds in a way that maximizes the increase in first responder capacities and preparedness while minimizing inefficiency and unnecessary duplication of expenditures.<sup>21</sup> One of these challenges included a coordinated regionwide plan for establishing first responder performance goals, needs, and priorities, and assessing the benefits of expenditures in enhancing first responder capabilities. In subsequent work on National Capital Region strategic planning, we highlighted areas that needed strengthening in the Region’s planning, specifically improving the substance of the strategic plan to guide decision makers.<sup>22</sup> For example, additional information could have been provided regarding the type, nature, scope, or timing of planned goals, objectives, and initiatives; performance expectations and measures; designation of priority initiatives to meet regional risk and needed capabilities; lead organizations for initiative implementation; resources and investments; and operational commitment.

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## Exercises Must Be Carefully Planned and Deployed and Capture Lessons Learned

Our work examining the preparation for and response to Hurricane Katrina highlighted the importance of realistic exercises to test and refine assumptions, capabilities, and operational procedures; build on the strengths; and shore up the limitations revealed by objective assessments of the exercises. The Post-Katrina Reform Act mandates a national exercise program, and training and exercises are also included as a component of the National Preparedness System. With almost any skill and capability, experience and practice enhance proficiency. For first responders, exercises—especially of the type or magnitude of events for which there is little actual experience—are essential for developing skills and identifying what works well and what needs further improvement.

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<sup>21</sup>GAO, *Homeland Security: Management of First Responder Grants in the National Capital Region Reflects the Need for Coordinated Planning and Performance Goals*, [GAO-04-433](#) (Washington, D.C.: May 28, 2004); *Homeland Security: Coordinated Planning and Standards Needed to Better Manage First Responder Grants in the National Capital Region*, [GAO-04-904T](#) (Washington, D.C.: June 24, 2004); *Homeland Security: Effective Regional Coordination Can Enhance Emergency Preparedness*, [GAO-04-1009](#) (Washington, D.C.: Sept. 15, 2004); *Homeland Security: Managing First Responder Grants to Enhance Emergency Preparedness in the National Capital Region*, [GAO-05-889T](#) (Washington, D.C.: July 14, 2005); and *Homeland Security: The Status of Strategic Planning in the National Capital Region*, [GAO-06-559T](#) (Washington, D.C.: Mar. 29, 2006).

<sup>22</sup>GAO, *Homeland Security: Assessment of the National Capital Region Strategic Plan*, [GAO-06-1096T](#) (Washington, D.C.: Sept. 28, 2006).

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Major emergency incidents, particularly catastrophic ones, by definition require the coordinated actions of personnel from many first responder disciplines and all levels of government, nonprofit organizations, and the private sector. It is difficult to overemphasize the importance of effective interdisciplinary, intergovernmental planning, training, and exercises in developing the coordination and skills needed for effective response.

For exercises to be effective in identifying both strengths and areas needing attention, it is important that they be realistic, designed to test and stress the system, involve all key persons who would be involved in responding to an actual event, and be followed by honest and realistic assessments that result in action plans that are implemented. In addition to relevant first responders, exercise participants should include, depending upon the scope and nature of the exercise, mayors, governors, and state and local emergency managers who would be responsible for such things as determining if and when to declare a mandatory evacuation or ask for federal assistance.

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### DHS Has Provided Limited Transparency for Its Management or Operational Decisions

Congressional oversight in the short term might include DHS's policies regarding oversight assistance. The Comptroller General has testified that DHS has not been transparent in its efforts to strengthen its management areas and mission functions. While much of its sensitive work needs to be guarded from improper disclosure, DHS has not been receptive toward oversight. Delays in providing Congress and us with access to various documents and officials have impeded our work.

We need to be able to independently assure ourselves and Congress that DHS has implemented many of our past recommendations or has taken other corrective actions to address the challenges we identified. However, DHS has not made its management or operational decisions transparent enough so that Congress can be sure it is effectively, efficiently, and economically using the billions of dollars in funding it receives annually, and is providing the levels of security called for in numerous legislative requirements and presidential directives.

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### Concluding Observations

Since September 11, 2001, the federal government has awarded billions of dollars in grants and assistance to state and local governments to assist in strengthening emergency management capabilities. DHS has developed several key policy documents, including the NRP, NIMS, and the National Preparedness Goal to guide federal, state, and local efforts. The aftermath of the 2005 hurricane season resulted in a reassessment of the federal role

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in preparing for and responding to catastrophic events. The studies and reports of the past year—by Congress, the White House Homeland Security Council, the DHS IG, DHS and FEMA, GAO, and others—have provided a number of insights into the strengths and limitations of the nation’s capacity to respond to catastrophic disasters and resulted in a number of recommendations for strengthening that capacity. Collectively, these studies and reports paint a complex mosaic of the challenges that the nation—federal, state, local, and tribal governments; nongovernmental entities; the private sector; and individual citizens—faces in preparing for, responding to, and recovering from catastrophic disasters. The Post-Katrina Reform Act directs many organizational, mission, and policy changes to respond to these findings and challenges.

Assessing, developing, attaining, and sustaining needed emergency preparedness, response, and recovery capabilities is a difficult task that requires sustained leadership, the coordinated efforts of many stakeholders from a variety of first responder disciplines, levels of government, and nongovernmental entities. There is a no “silver bullet,” no easy formula. It is also a task that is never done, but requires continuing commitment and leadership and trade-offs because circumstances change and we will never have the funds to do everything we might like to do.

That concludes my statement, and I would be pleased to respond to any questions you and subcommittee members may have.

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## Contacts and Staff Acknowledgments

For further information about this statement, please contact William O. Jenkins Jr., Director, Homeland Security and Justice Issues, on (202) 512-8777 or [jenkinswo@gao.gov](mailto:jenkinswo@gao.gov).

In addition to the contact named above the following individuals from GAO’s Homeland Security and Justice Team also made major contributors to this testimony: Sharon Caudle, Assistant Director; John Vocino, Analyst-in-Charge; and Richard Ascarate, Communications Analyst. The following individuals from GAO’s Defense Capabilities and Management Team also made major contributors to this testimony: John Pendelton, Director; Ann Borseth, Assistant Director.

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# Appendix I: Related GAO Products

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*Disaster Assistance: Better Planning Needed for Housing Victims of Catastrophic Disasters.* [GAO-07-88](#). Washington, D.C.: February 28, 2007.

*Homeland Security: Management and Programmatic Challenges Facing the Department of Homeland Security.* [GAO-07-452T](#). Washington, D.C.: February 7, 2007.

*Hurricanes Katrina and Rita Disaster Relief: Prevention Is the Key to Minimizing Fraud, Waste, and Abuse in Recovery Efforts.* [GAO-07-418T](#). Washington, D.C.: January 29, 2007.

*Homeland Security: Applying Risk Management Principles to Guide Federal Investments.* [GAO-07-386T](#). Washington, D.C.: February 7, 2007.

*Budget Issues: FEMA Needs Adequate Data, Plans, and Systems to Effectively Manage Resources for Day-to-Day Operations.* [GAO-07-139](#). Washington, D.C.: January 19, 2007.

*Transportation-Disadvantaged Populations: Actions Needed to Clarify Responsibilities and Increase Preparedness for Evacuations.* [GAO-07-44](#). Washington, D.C.: December 22, 2006.

*Suggested Areas for Oversight for the 110th Congress.* [GAO-07-235R](#). Washington, D.C.: November 17, 2006.

*Hurricanes Katrina and Rita: Continued Findings of Fraud, Waste, and Abuse.* [GAO-07-252T](#). Washington, D.C.: December 6, 2006.

*Hurricanes Katrina and Rita: Unprecedented Challenges Exposed the Individuals and Households Program to Fraud and Abuse; Actions Needed to Reduce Such Problems in Future.* [GAO-06-1013](#). Washington, D.C.: September 27, 2006.

*Catastrophic Disasters: Enhanced Leadership, Capabilities, and Accountability Controls Will Improve the Effectiveness of the Nation's Preparedness, Response, and Recovery System.* [GAO-06-618](#). Washington, D.C.: September 6, 2006.

*Disaster Relief: Governmentwide Framework Needed to Collect and Consolidate Information to Report on Billions in Federal Funding for the 2005 Gulf Coast Hurricanes.* [GAO-06-834](#). Washington, D.C.: September 6, 2006.

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