

OPENING REMARKS AS PREPARED

Chairman Mary L. Landrieu

Subcommittee on Homeland Security Appropriations

Hurricane Isaac: Assessing Preparedness, Response, & Recovery Efforts

September 25, 2012

I'd like to begin by thanking Mayor Ronnie Harris, President John Young, and the parish council for hosting us today in historic Gretna, where less than four weeks ago on the anniversary of Katrina, Hurricane Isaac dumped over 18 inches of rain and caused a man to lose his life in a tragic fire that destroyed Leruth's Restaurant on Franklin Avenue. He was one of 6 people killed by the hurricane, which also pushed a wall of water eleven feet high onto Louisiana's shores, knocked out power to 871,000 households, and hovered over the region for 60 hours.

Last year, there were 99 disasters that were so severe they were declared eligible for federal assistance by the President. That is the most disasters ever recorded in a single year since the federal government began keeping records in 1953. It eclipses the previous record of 81 that was set in 2010, and it's more than twice the number of disasters declared one decade ago in 2002 when FEMA declared just 49. In addition to the 99 disasters last year, there were another 508 events that didn't qualify for federal assistance, but which *did* prompt emergency declarations from state and local governments who mobilized to respond. Louisiana has certainly had its share of disasters, including the most destructive natural disaster in United States history -- Hurricane Katrina -- and Hurricanes Rita, Gustav, and Ike, Deepwater Horizon, Tropical Storm Lee, and now Isaac. We know disasters will happen each and every year. We cannot prevent them, but with smart planning and responsible budgeting, we can significantly minimize loss of life and property, and prevent widespread economic or ecological damage.

This hearing is part of a comprehensive seven-year effort that I have undertaken as the Chair of this Committee and previously as Chair of the Disaster Recovery Subcommittee to evaluate and improve our Nation's ability to effectively prepare for, respond to, and recover from natural disasters and man-made events of all sizes and types. I chaired a previous hearing in October of 2011 that laid the groundwork for disaster relief financing, which was enacted into law in December of 2011. That hard-fought effort helped ensure adequate appropriations to the

FEMA Disaster Relief Fund. For the first time in over a decade, FEMA received the resources it needed through its annual budget to help families and communities recover, without needing Congress to replenish the fund through ad hoc legislation.

But the federal role in responding to disasters cannot be limited to FEMA funding alone. Today, we have two panels of officials from the federal, state, and local level to explore how government, as a whole, can better protect, prepare, and respond to these ever more frequent events. Today we will focus in particular on flood protection investments and the process of helping families and communities recover by assisting them with food, housing, transportation, debris removal, and other disaster-related needs.

We must do more to protect our communities, and we must do it as quickly as possible to reduce loss of life and property *and* reduce the burden on taxpayers who continue footing the bill for disaster costs that could have been averted. A recent study by the Multihazard Mitigation Council found that for every taxpayer dollar invested in mitigation, the federal government saves four dollars on future FEMA assistance. Up until 2000, the federal government provided assistance to repair disaster-damaged buildings without targeting any money to mitigate the damage that occurs. To correct that failed policy, Congress passed a law 7 years before Katrina in 2005, that has resulted in billions of dollars to state and local governments for mitigation measures like levee repairs, drainage improvements, wetlands restoration, and home elevations, in order to lessen the consequences of future events. If they're properly planned and executed, these projects will actually save taxpayers money in the long-term.

Mitigation grants are provided to states that have already suffered a disaster so they can rebuild smarter and safer. The amount of the mitigation grant a state receives depends on the scale of the disaster it experiences. The law creates 3 tiers of disaster and provides supplementary mitigation grants to states in an amount that equals 15%, 10%, or 7.5% of the federal government's costs. As the cost of the disaster goes up, the percentage goes down.

- So for disasters that cost the federal government less than \$2 billion, such as Hurricane Isaac or Gustav, states will receive 15% of the federal government's tab as a supplementary grant to pay for mitigation measures.

- For disasters that cost the government more than \$2 billion but less than \$10, like Hurricane Ike in Texas or Hurricane Wilma in Florida, the state's mitigation grant will shrink to 10% of the federal government's costs.
- And for disasters that cost the federal government more than \$10 billion, like Katrina in both Louisiana and Mississippi, the mitigation grant shrinks a second time down to 7.5%.

But let me be clear, we simply cannot protect southeast, southwest, or south central Louisiana by relying solely on FEMA's mitigation grants. We need a more consistent, more robust funding mechanism, we need the Corps of Engineers and the state to commit additional resources to the effort, and we need a multi-layered system of defenses that incorporates smarter planning and stronger building codes, too.

For the sake of historical context, since 1992 FEMA has spent \$131 billion through the Disaster Relief Fund. Louisiana alone has received more than \$60 billion from the federal government to recover from the hurricanes that struck our state in 2005 and 2008. We can, and we must, find a way to reduce the cost to U.S. taxpayers by reducing the loss of life and property in future events. Yet, we only spend \$1.6 billion on Corps of Engineers annual construction, a level that is 29% below what we spent in 2008, and only one one-hundredth of a percent of Gross Domestic Product. Federal funding for transportation infrastructure on the other hand, like highways and airports, has *increased* as a percentage of GDP over the past 15 years and nearly doubled since 1998 from \$29.4 billion to \$52 billion in 2012. In stark contrast however, federal funding for Corps construction over that same period of time has gone up by less than \$200 million and *declined* as a percentage of GDP. Most people in the world would probably expect that our nation's presidents and members of Congress finally realized the fatal consequences of underinvesting in flood protection after federal levee failures overwhelmed the most powerful nation in the world while the rest of the world watched. But our leaders apparently still don't get it, because the Corps of Engineers construction budget as a percentage of GDP has gone down *every single year* since Katrina struck, and people should be outraged by that fact. We owe it to taxpayers to reverse the federal government's trend of shortchanging flood protection and incurring exorbitant disaster costs as a result. In Fiscal Year 2012, the Corps only spent \$6.4m for new construction in Louisiana, which is just .38% of its annual

construction budget. That's unacceptable. Louisiana needs levees, pumps, flood control structures, and wetlands restoration, and we need it now.

We're all thankful that the federal government's \$14.5 billion investment in flood protection prevented tens of millions of dollars in damage during Hurricane Isaac and helped protect communities inside the system, but the people that live in those protection zones are not the ones who are here today. And one doesn't have to look any further than Braithwaite on the eastbank of Plaquemines Parish, the River Forest subdivision in LaPlace, Indian Village in Slidell, or Lafitte in Jefferson Parish, to realize that we still have a long way to go. The people who are here today still don't have the flood protection they need, they're rightfully upset it, and so am I.

A flood protection effort of this magnitude should have started 50 years ago, but narrow political agendas, short-sighted budgets, gridlock in Congress, and a lack of knowledge and civic will prevented that effort from beginning when it should have, so now we're playing catch-up. Our local governments, some of whom are represented here today, know where the protection gaps are within their communities, but sadly, we always seem to be working so much on recovering from previous disasters – Katrina, Rita, Gustav, Ike, and now Isaac – that we have a difficult time focusing on investing for the future. We have built up resilience at the local level through some mitigation efforts, smarter planning, and better building codes, but we still have a tremendous amount of work to do.

FEMA is only the tip of the spear when it comes to the federal government's response to disasters. It's important to remember that FEMA plays a coordinating role, but other federal agencies are equally vital to disaster recovery, including the Small Business Administration, Department of Housing and Urban Development, Department of Agriculture, Federal Highway Administration, and Corps of Engineers.

The Corps of Engineers provides engineering services to reduce the risk of flooding. The Corps' flood control mission and the entire federal government's emergency response mission have truly been tested in Louisiana, and unfortunately many of our citizens would not give them a passing grade.

Inevitably there will be more hurricanes and more flooding, but we cannot abandon or neglect this vital region of the country. We must protect it, and that will require a serious and sustained federal investment in flood protection through the Corps of Engineers and an emergency management system that better anticipates and accommodates whatever is thrown at it. That is what we will examine in today's hearing. What went right and what went wrong during Hurricane Isaac and where we go from here.

I will introduce our first panel in just a minute. But first, I want to spend a short time talking about what I observed personally during Hurricane Isaac. I was here in Louisiana when the storm hit. I waited anxiously through 60 hours of rain with my family in Broadmoor, one of the lowest-lying neighborhoods in the region, hoping the levees would hold and the pumps would work, and praying for all of those in harm's way. After the rain finally let up, I visited parish after parish and spoke with scores of citizens and local officials alike.

- I traveled by boat and airboat to survey the Braithwaite community in upper Plaquemines parish. My visit came more than 30 hours after Jesse Schaeffer, and his son Jesse Jr. heroically saved more than 120 neighbors during the worst part of the storm that saw water rising a foot every ten minutes.
- I surveyed other areas of Plaquemines Parish by helicopter and witnessed the devastation in Myrtle Grove and Ironton on my way to Grand Isle, where I walked the beaches and ravaged levees.
- I hosted the Secretary of Homeland Security, Janet Napolitano, on her first visit to Louisiana post-Isaac, where we visited a food distribution site in St. Tammany Parish, where storm survivors came for help from places like Indian Village, Lacombe, south Mandeville, and Madisonville, which I'll be visiting again this afternoon.
- I toured Lafitte in a High Water Vehicle with President John Young, Councilman Chris Roberts, and Mayor Timmy Kerner to visit the citizens of Lafitte, who just like the residents of Crown Point, Grand Isle, and Barataria, are storm weary and flat worn out after yet another flood in their communities which are so vital to this Nation's fisheries and its oil and gas infrastructure.

- I welcomed President Obama to St. John Parish, where we surveyed damage in the hardest hit areas of LaPlace, such as the New 51, River Forest, and Cambridge subdivisions. I had the opportunity to thank him for the assistance his administration has provided so far, but I also warned him of the woeful insufficiency of the Corps of Engineers' budget and was encouraged by his offer to convene a high-level meeting in Washington on the subject.

With that, I would like to introduce our first panel. Each will have five minutes for comments and then time for questions. First, Mr. Fugate, who is the Administrator of FEMA, a position he has held for almost four years now. After Mr. Fugate, we will hear from Major General Peabody who is the Commander of the Corps of Engineers' Mississippi Division, a territory that runs from Canada to the Gulf Coast along the Mississippi River.