

**U.S. Senate Committee on Homeland Security
and Governmental Affairs
Hearing on ‘FEMA: Prioritizing a Culture of Preparedness’**

April 11, 2018

Ranking Member Claire McCaskill

Opening Statement

Thank you, Mr. Chairman. Thank you, Mr. Long, for being here this morning. And, on behalf of this Committee, please pass along our thanks to the men and women of FEMA – and all of the other federal employees – who have worked tirelessly over the past eight months to respond to these unprecedented disasters.

When disasters strike, Americans band together to help those in need. It was truly inspiring to watch neighbors helping neighbors and to see state and local emergency responders putting their own lives in danger to conduct swift water rescues in the aftermath of the hurricanes and to fight the devastating fires that ravaged California last year. The federal workforce and National Guard have always been there to assist in the response to and recovery from all types of disasters. From my home state, we deployed members of Missouri Task Force One to Texas in August following Hurricane Harvey. And soldiers and airmen from the Missouri National Guard were some of the first people to arrive in Puerto

Rico and the U.S. Virgin Islands after Hurricane Maria struck the territories in September. I don't want to lose sight of all of the positive things FEMA and its local, state, and federal partners have done in response to these disasters.

But Mr. Long, despite these heroic efforts, we both know that there is room for improvement. The recovery in Texas, Florida, California – and especially in Puerto Rico and the Virgin Islands – has been far from perfect. That's why we're here today – to take an honest look at what went wrong and to chart a better course going forward.

I look forward to discussing your plans for addressing some of the shortcomings we've seen in the aftermath of Hurricanes Harvey, Irma, and Maria. As we sit here today, thousands of Texans are still living in hotel rooms, and thousands of Puerto Ricans don't have electricity or running water.

I have significant concerns about FEMA's contracting process in particular. Contracting issues are wonky, as you know, but mismanaged contracts delay the aid that reaches survivors, and they waste taxpayer money.

Yesterday, I released a report on contracts awarded by FEMA to provide emergency tarps and sheeting. These materials provide temporary roof covering for hurricane survivors, and allow many to return to their homes, rather than remaining in temporary shelters or emergency housing programs.

I examined the contracts awarded for these supplies during the response to the 2017 hurricanes. The results of this review are troubling. First, FEMA did not adequately use prepositioned contracts for these goods. Prepositioned contracts are awarded when FEMA is not facing an urgent need for supplies and is able to take additional steps to maximize competition, conduct market research, and thoroughly evaluate qualifications and proposals. Prepositioned contracts can also reduce the time it takes for FEMA to get necessary supplies to survivors once a disaster has occurred. Although FEMA had prepositioned contracts in place for tarps prior to last year's storms, only 3.5% of the total value of FEMA's tarp and sheeting contracts was awarded under prepositioned contracts.

My investigation revealed other serious problems as well. FEMA approved contracts without adequate vetting, awarding \$73 million to two contractors with no relevant past performance, one of which had existed for two months. FEMA did not take appropriate steps to assess the contractors' capabilities and ultimately canceled contracts with both companies due to their failure to deliver. I found that FEMA's bid process did not ensure adequate competition, providing short timeframes for the bid process – in one instance as short as two hours. Competition drives the prices down, and FEMA did not ensure maximum competition occurred. And finally, my review showed that many of FEMA's tarp and sheeting contractors failed to deliver on time. As of last week, two contractors

still had not completed delivery – in one instance, more than four months had passed from the deadline in its signed contract with FEMA.

Mr. Long, FEMA's contracting problems are not unique to emergency tarps and sheeting. I also have some serious questions about the process FEMA used to award a \$156 million contract to deliver meals to the people of Puerto Rico. FEMA contracted with a company in Atlanta with one full-time employee and a history of contract cancellations. Unsurprisingly, this contract had to be canceled as well, and the vast majority of the meals did not arrive.

It's clear to me that, despite improvements that were made in the aftermath of Hurricanes Katrina and Sandy, FEMA continues to struggle with its contracts. It is imperative that government watchdogs and the American public have the information they need to hold FEMA accountable for the taxpayer dollars you spend. Every dollar wasted is a dollar that does not reach the survivors of these disasters.

This is not a partisan exercise. It is an attempt to ensure that necessary improvements are made before the next disaster strikes. We've already had tornadoes in Southeast Missouri this year. Extensive flooding has already occurred in Michigan, Ohio, and Wisconsin. And the 2018 hurricane season begins in less

than two months. I need some assurances from you that FEMA is prepared to handle everything that's coming down the pike.

Finally, Mr. Long, I'd like you to address the 2019 budget proposal that the President put forward in February. I expect you to tell us today – as you have in the past – that we need to do a better job of building a “culture of preparedness” in this country. But I'm here to tell you: if this proposed budget is approved, it will leave us **less** prepared to deal with the threats this nation faces. Once again, the President wants to cut funding for counterterrorism grants. He wants to eliminate training and exercise programs that give state and local emergency responders the skills they need to prepare for natural disasters and mass shootings. The President's budget would slash funding for Pre-Disaster Mitigation grants and federal flood mapping – programs that help us to better prepare for future hazards. In short, this budget proposal does **not** build the “culture of preparedness” that you envision, and I hope to have a frank discussion with you today about what you need from us in order to achieve the strategic goals you've set for FEMA.

Thanks again Mr. Chairman, and I look forward to your testimony, Mr. Long.