



Homeland Security

The Honorable Jerry Lewis
Chairman
Committee on Appropriations
United States House of Representatives
Washington, DC 20515

OCT 13 2005

Dear Mr. Chairman:

Pursuant to Public Law 109-62, attached is a report, prepared by the Federal Emergency Management Agency (FEMA), which details obligations and allocations for the Disaster Relief Fund (DRF) and provides additional information on contracting, status of housing of disaster victims and claims for the National Flood Insurance Program (NFIP). FEMA is responsible for administering the Federal Government's disaster assistance programs.

The *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Stafford Act), 42 U.S.C. 5121-5206, (Public Law 93-288, as amended) authorizes the President to provide Federal assistance to supplement State and local governments' disaster response, recovery, preparedness, and mitigation efforts. FEMA is responsible for administering the Federal Government's disaster assistance programs. Through the DRF, the Department of Homeland Security (DHS) provides a significant portion of the total Federal response to victims in Presidentially-declared major disasters and emergencies.

The attached report also includes an exhibit on mission assignments to other government agencies. It should be noted that while in some areas the data may suggest obligations have not been expended; this does not reflect a status of the work performed as a result of the mission assignment. Rather, this reflects the status of the billing process between other Federal agencies and FEMA.

Contracting

The attached contracting report provides a list of contracts awarded in excess of \$1 million that were awarded on a basis other than full and open competition. This week the Department announced plans for a competitive contracting strategy for ongoing recovery work for the Gulf Coast hurricanes. The dual track competitive bidding strategy will place a priority on local and small disadvantaged businesses for Gulf Region recovery work as well as on the use of local and small businesses as subcontractors for national open competition contracts.

As four of FEMA's major emergency contracts for technical assistance reach their contractual agreement limits, those future contracting needs will be met through this strategy. These contracts were issued for technical assistance for critically needed services such as setting up Disaster Recovery Centers, the hauling and installing of temporary housing and other logistical and facilities management needs in the wake of Hurricane Katrina in early September. Future competition for these contracts will be open to small disadvantaged businesses certified by the Small Business Administration

under its 8(a) program. The evaluation by FEMA of the contract proposals will include the geographic location of both the prime contractor and subcontractors to ensure a preference for local hires from the impacted states. FEMA will also proceed with a full and open competition for multiple five-year IDIQ contracts to provide technical assistance support on a national basis for disaster response and recovery. These awards will be open to all businesses regardless of size. FEMA will require that these prime contractors meet significant small business subcontracting goals, including the preference for local businesses as provided for by the Stafford Act.

NFIP

Consistent with statute and regulations, FEMA is working to ensure flood insurance claims are handled fairly, equitably and in a timely manner. Given the catastrophic impact these events have had in the Gulf, a critical first step was to implement a simplified and streamlined claims process to help policyholders settle their claims quickly. The attached exhibit on the NFIP includes data on the number of claims, the number of claims paid and the amount paid to applicants. In addition, during the registration process, FEMA has collected information on the number of registrants who are reported to not have flood insurance.

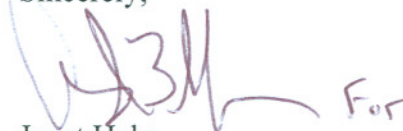
Housing

The Departments of Homeland Security and Housing and Urban Development previously announced a comprehensive Housing Assistance Program to meet the immediate needs of individuals and families displaced by Hurricane Katrina. This plan provides transitional housing assistance to evacuees. The Federal government is taking action to cut through red tape and bureaucracy and provide evacuees with flexibility, choice, and portability, so they can move from temporary shelters to more stable housing. As requested by the Committee, the attached report includes statistics on the numbers of individuals in shelters and transient housing.

The Department is aware of the additional reporting requirements set forth in Section 548 of the Conference Report on HR 2360, Department of Homeland Security Act 2006. The Department is working to gather this information at this time to ensure inclusion in the report submitted next week.

The Department appreciates your interest in DHS programs and your support of assistance for victims of Hurricane Katrina and other disasters. If I can be of assistance on this or other matters, please contact me on (202) 205-4613.

Sincerely,

A handwritten signature in purple ink, appearing to read 'J. Hale', with the word 'For' written in red ink to the right of the signature.

Janet Hale

Under Secretary for Management

Enclosure