

GENE TAYLOR
4TH DISTRICT, MISSISSIPPI

COMMITTEE ON ARMED SERVICES

COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

<http://www.house.gov/genetaylor>

Congress of the United States
House of Representatives
Washington, DC 20515-2404

2311 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2404
(202) 225-5772

DISTRICT OFFICES:
2424 14TH STREET
GULFPORT, MS 39501
(228) 864-7670

701 MAIN STREET
SUITE 215
HATTIESBURG, MS 39401
(601) 582-3246

1314 GOVERNMENT STREET
OCEAN SPRINGS, MS 39564
(228) 872-7950

527 CENTRAL AVENUE
LAUREL, MS 39440
(601) 425-3905

February 7, 2006

Honorable Michael Chertoff
Secretary
Department of Homeland Security
Washington, DC 20528

Dear Secretary Chertoff,

Mr. Secretary

I am writing to request specific data regarding the performance of FEMA and its contractors providing temporary housing in Mississippi.

While I understand that Hurricane Katrina presented all of us with unprecedented challenges, I am very bothered by the inefficiency and bureaucracy that continues to delay the delivery of trailers. We are in the sixth month after the hurricane and the installation of trailers is no faster or more efficient in February than it was in November. I urge you to request a full accounting of the costs and contracts so that FEMA can implement better procedures before the next major hurricane or other disaster.

The lack of urgency to provide temporary housing for people who have lost their homes is particularly disturbing. Temporary housing within the disaster area is the essential bridge in the transition from the relief phase to the recovery phase. The slow delivery of trailers and other temporary housing prolongs the period when residents, local governments, and businesses must depend on federal assistance.

Mississippi residents have suffered long delays awaiting approval of their trailer applications, more long delays awaiting trailer delivery to their homesites, and still more long delays before their trailers are ready for occupancy. The answers to the following questions will prove valuable in identifying the bottlenecks in the current process.

Please provide both the average and the range (high and low) for the cost, period of time, or other value requested for each question.

- How much does FEMA pay for travel trailers and mobile homes?
- How much does FEMA pay to deliver trailers to the staging areas in Arkansas?

- How long are the trailers kept in Arkansas, and what actions and inspections are conducted there?
- How much does FEMA pay to deliver trailers from Arkansas to the Purvis, MS staging area?
- How long are trailers kept at Purvis, and what actions and inspections are conducted there?
- How much does FEMA pay to deliver trailers from Purvis to county staging areas?
- How much does FEMA pay to deliver trailers from the county staging areas to homeowners' properties?
- How many days or weeks pass after trailers are delivered to the homesites before they are ready for occupancy?
- How much does FEMA pay contractors for each service required to make trailers ready for occupancy, and how many work crews are tasked per installation?
- How much does FEMA pay for repairs on new trailers and are the manufacturers required to bear any of the cost?

Thank you for your attention to this request. This data will enable Congress and FEMA to be much better prepared for future disasters.

Sincerely,



GENE TAYLOR
Member of Congress

GT:jbm

CC: FEMA Director David Paulison
Comptroller General David M. Walker

GENE TAYLOR
4TH DISTRICT, MISSISSIPPI

COMMITTEE ON ARMED SERVICES
COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

<http://www.house.gov/genetaylor>

2311 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2404
(202) 225-5772

DISTRICT OFFICES:
2424 14TH STREET
GULFPORT, MS 39501
(228) 864-7670

701 MAIN STREET
SUITE 215
HATTIESBURG, MS 39401
(601) 582-3246

1314 GOVERNMENT STREET
OCEAN SPRINGS, MS 39564
(228) 872-7950

527 CENTRAL AVENUE
LAUREL, MS 39440
(601) 425-3905

Congress of the United States
House of Representatives
Washington, DC 20515-2404

April 21, 2006

Honorable Michael Chertoff
Secretary
Department of Homeland Security
Washington, DC 20528

Dear Secretary Chertoff,

I sent the attached letter to you more than two months ago and have not received a response to my request for a breakdown of the costs that FEMA is paying to purchase, deliver, and install trailers.

Newspapers in Mississippi and Louisiana recently have published an estimate that FEMA spends an average of \$75,000 per trailer. Is this figure accurate? How much of that cost is eaten up by the multiple layers of contractors involved in the delivery, installation, and maintenance?

The questions that I posed in my February letter are of immediate importance to Congress as we consider the supplemental appropriations bill to fund continued hurricane relief. The Senate Appropriations Committee version of the bill includes \$1.2 billion to purchase and build permanent cottages instead of providing more temporary trailers. The estimated cost of \$75,000 per trailer is the main evidence in favor of the change in policy. Congress needs a detailed breakdown of FEMA's trailer costs, the layers of contractors involved, and the bottlenecks in the process in order to make an informed decision.

Please provide a detailed response to my February 7 letter as soon as possible.

Sincerely,



GENE TAYLOR
Member of Congress

GT:jbm

CC: David Paulison



FEMA

May 16, 2006

The Honorable Gene Taylor
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Taylor:

This is in response to your February 7, 2006 letter to the Department of Homeland Security (DHS), requesting specific data regarding the performance of the Federal Emergency Management Agency (FEMA) and its contractors providing mobile homes and travel trailers in Mississippi. The Department forwarded your letter to FEMA because it coordinates disaster assistance programs for DHS. I apologize for the delayed response while we gathered the data to address your questions. Regarding your April 21, 2006 follow-up letter, FEMA does not spend an average of \$75,000 per trailer as alleged in published estimates.

FEMA has provided the following information to answer the ten bulleted questions in your February 7 letter and to elaborate on trailer costs.

1.) How much does FEMA pay for travel trailers and mobile homes?

The unit cost of a travel trailer from a manufacturer is approximately \$10,000 to \$12,000. Off-the-lot, local purchases average \$15,000 to \$19,000.

The average cost of a park model trailer is \$23,500 and a mobile home is approximately \$33,550.

2.) How much does FEMA pay to deliver trailers to the staging areas in Arkansas?

As of today, there are no "travel trailers" in the Federal staging areas in Hope or Marmaduke, Arkansas, there are only mobile homes. To clarify, a travel trailer is a home on wheels, whereas, a mobile home, once delivered is not on wheels; it is larger than a travel trailer and requires a more permanent installation. It costs \$4.32 per mile to move these mobile homes, regardless of destination.

3.) How long are the trailers kept in Arkansas, and what actions and inspections are conducted there?

The Hope, Arkansas site has been operational since late October, 2005. As there are no travel trailers in Arkansas, inspections are only conducted on mobile homes. Mobile homes are inspected three times prior to being occupied. First, the units are inspected prior to FEMA accepting them from the manufacturer. Then, they are inspected prior to being released from an Emergency Housing site to the contractor for installation. The final inspection takes place once the unit has been installed and made ready for occupancy. The mobile home inventory at that site has been declining since the middle of February. Mobile homes damaged in shipping are repaired in Hope, and jacks are being installed to help maintain the oversized models.

4.) How much does FEMA pay to deliver trailers from Arkansas to the Purvis, Mississippi staging area?

FEMA has not moved any travel trailers (per answer to question 2) or mobile homes from Hope, Arkansas to Purvis, Mississippi; however it has moved mobile homes from Hope, Arkansas to Baton Rouge, Louisiana (approximately 400, in February) at a cost of \$2,410 each.

5.) How long are the trailers kept at Purvis, and what actions and inspections are conducted there?

The Purvis site has been operational since early October 2005. Travel trailers and mobile homes are inspected three times prior to being occupied. First, the units are inspected prior to FEMA accepting them from the manufacturer. Then, they are inspected prior to being released from an Emergency Housing site to the contractor for installation. The final inspection takes place once the unit has been installed and made ready for occupancy. If a travel trailer or mobile home is returned to the site after use a.k.a "deactivated," it is then refurbished, maintained, and stored prior to re-issuance.

6.) How much does FEMA pay to deliver trailers from Purvis to county staging areas?

The hauling of travel trailers and mobile homes from FEMA Logistic Staging Areas, such as Purvis, is being performed by FEMA's Individual Assistance Technical Assistance Contracts (IA-TAC) contractors. The IA-TAC contractors are, in turn, subcontracting with mostly small firms to haul the units closer to the disaster area, either directly to the final destination or to an interim staging area (termed "county staging area" in your correspondence).

Most of these subcontractors are paid on a fixed price-per-mile basis. The IA-TAC contractor has reviewed a number of these subcontracts and determined that the average cost-per-mile is approximately \$4.32 for mobile homes and \$1.60 for travel trailers. This cost is only paid one way. This cost includes, but is not limited to, the expenses

The Honorable Gene Taylor
Page 3 of 4

associated with driving to the Logistic Staging Area: gas, tolls, cost of the hauling vehicle, maintenance of the hauling vehicle, the salary and benefits for the driver, the subcontractor's profit, and insurance costs.

7.) How much does FEMA pay to deliver trailers from the county staging areas to homeowners' properties?

The average cost of delivery and installation for a travel trailer is \$10,000, and \$13,000 for a mobile home. Please see the response to Question 9 for more details.

8.) How many days or weeks pass after trailers are delivered to the home sites before they are ready for occupancy?

In most disasters, the same contractors haul mobile homes and travel trailers from FEMA's staging areas directly to the home site and install them at that time. Due to the magnitude of the Hurricane Katrina temporary housing mission, the IA-TAC contractor hired separate subcontractors to haul mobile homes and travel trailers to their destination sites and other subcontractors to perform the actual installation. This allowed the limited number of installation subcontractors to focus on installing trailers.

The IA-TAC contract calls for travel trailers to be made ready to occupy within two days and mobile homes within five days of being placed on the site. In most cases, this requirement was met. In a limited number of situations, there were instances where trailers were hauled to their destination, but not installed within the contract-specified two-day period. There were several causes for this delay. In the initial phases of the disaster response, there were occasional communication breakdowns between the IA-TAC contractors and their subcontractors that delayed the installation of trailers. FEMA resolved this issue during the early stages of mobile home deployments. In some other cases, there were more subcontractors hauling trailers than there were available subcontractors to perform the installation. This sometimes resulted in a backlog of installation that normally lasted only a couple of days. Also, there were some instances where the installation subcontractors found that there was a problem installing the trailer, usually involving nonworking utilities. This delayed installation until the matter was addressed.

9.) (a.) How much does FEMA pay contractors for each service required to make trailers ready for occupancy, and (b.) how many work crews are tasked per installation?

(a.) Specific cost items associated with hauling and installing mobile homes and travel trailers are not captured in FEMA's tracking system. FEMA's contractors track and manage to an "all-in" value for the total cost associated with hauling, installing, and readying a unit for occupancy.

The work associated with these activities can be as simple as delivery and set-up of a travel trailer at a commercial park or group site where services are readily available and

The Honorable Gene Taylor
Page 4 of 4

connections are easily done by the hauler/installer. Installation can also be very time-consuming for a mobile home that is located far from available services where power poles and extended sewer and water lines need to be installed, certain equipment and appliances need to be assembled, or ramps constructed for wheelchair access.

In addition, the infrastructure, logistics, management, administration, safety, and quality control/assurance necessary to facilitate the execution of this work in accordance with contract requirements and FEMA's expectations add to the unit costs.

With this in mind, based on FEMA contractor's estimated actual costs through February 2006, the average "all-in" unit cost for a completed (i.e., ready for occupancy) mobile home is approximately \$13,000 and a travel trailer is \$10,000.

(b.) For a simple installation there could be as few as 3 separate crews:

1. Initial assessment
2. Haul and install
3. Ready-for-occupancy inspection

A complex installation could include as many as 7 crews:

1. Initial assessment
2. Pre-installation (to install power poles, access buried utilities and provide tie-in points)
3. Haul and install
4. Set-up (particularly for mobile homes that have systems and appliances to be assembled after delivery)
5. Ramp or stair construction
6. Ready-for-occupancy inspection
7. Independent quality control inspection

10.) How much does FEMA pay for repairs on new trailers, and are the manufacturers required to bear any of the cost?

Repairs for new travel trailers and mobile homes are under warranty and are paid for and repaired by the manufacturers/vendors.

I hope this information is helpful to you. If I may be of further assistance, please contact the Office of Legislative and Intergovernmental Affairs at (202) 205-4412.

Sincerely,



R. David Paulison
Acting Director