

# Congress of the United States

Washington, DC 20515

September 15, 2005

Dear Gulf Coast Colleagues,

When Hurricane Katrina struck and its devastation became evident, so many of the images and news stories we saw and read reminded us of our experiences four years ago, after 9/11. We want you to know that you and your constituents are constantly in our thoughts and prayers, and that members of the New York delegation want to help you to recover – just as your region joined in helping us in our time of need.

While these disasters are different in nature and different in scope, they are similar in the enormity of their impact.


As New Yorkers who lived through the tragedy of 9/11 and its aftermath, we also want to share with you our experiences during the recovery process in New York, many of which are still ongoing four years later.

While a lot went right in the response to 9/11 and in the incredible support the nation gave us, there were issues that, in hindsight, could have been handled better. We want to point those out to you.

We have compiled a list of some of the most important lessons that must be learned from the federal government's response to 9/11. We hope that you will not encounter the same issues that we did, but we are concerned that they may very well arise as you recover. We hope that you find this list useful as the Gulf Coast is rebuilt.

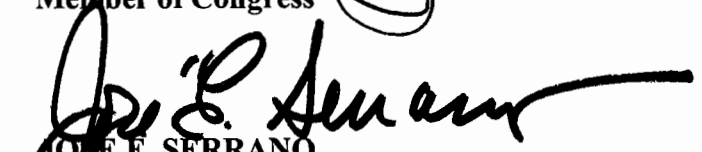
We want to assist your region in its recovery, and we stand ready to help.

Sincerely,

  
CAROLYN B. MALONEY  
Member of Congress

  
CHARLES B. RANGEL  
Member of Congress

  
JERROLD NADLER  
Member of Congress

  
JOSE E. SERRANO  
Member of Congress

  
GARY L. ACKERMAN  
Member of Congress

  
MAJOR R. OWENS  
Member of Congress



**MAURICE D. HINCHEY**  
Member of Congress



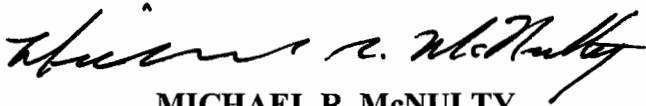
**EDOLPHUS TOWNS**  
Member of Congress



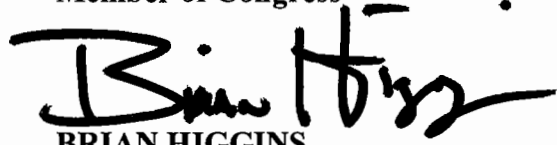
**CAROLYN McCARTHY**  
Member of Congress



**STEVE ISRAEL**  
Member of Congress



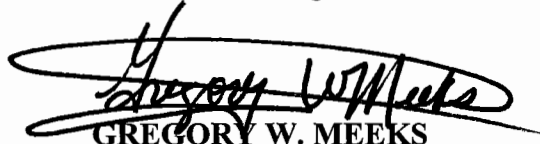
**MICHAEL R. McNULTY**  
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**BRIAN HIGGINS**  
Member of Congress



**TIMOTHY H. BISHOP**  
Member of Congress



**GREGORY W. MEEKS**  
Member of Congress



**ELIOT L. ENGEL**  
Member of Congress



**ANTHONY D. WEINER**  
Member of Congress



**NYDIA VELÁZQUEZ**  
Member of Congress

# **Lessons That Must Be Learned From the Emergency Response Following 9/11**

## **A Guide for the Areas Affected by Hurricane Katrina**

Following the terrorist attacks of September 11, 2001, the federal government, with the Federal Emergency Management Agency (FEMA) in the lead, assisted New York City with disaster relief and recovery. In many respects, the disaster relief and recovery efforts were unlike anything the agency or the federal government had been tasked with before. New York will forever be thankful for the response and assistance provided by the federal government and the nation, but there were areas in the response that needed improvement.

Now, as we commemorate the fourth anniversary of the attacks, the nation and FEMA are in the middle of another disaster relief effort for which there is little precedence – Hurricane Katrina. Below is a brief description of some of the lessons that need to be learned from the efforts in New York. It is our hope that FEMA, the federal government and the Congressional Delegations from the affected areas will learn from what happened in New York so that they can better assist the people of the Gulf Coast recover.

### **1. The need for the appointment of a cabinet-level official whose sole responsibility is the disaster recovery effort**

In the chaos following an unprecedented disaster like Hurricane Katrina, the need for leadership and open communication cannot be underestimated. It is important that local officials in the affected area have a point person within the Administration to spearhead and coordinate disaster relief operations. In New York after 9/11, the scope of the disaster was so large that other governmental agencies besides FEMA were in charge of difficult aspects of the recovery. At the same time, there was no one person in charge of pulling together all of the local, state and federal agencies to fully coordinate the response. Members of the New York Congressional Delegation repeatedly requested that the Administration appoint a cabinet-level official in charge of the relief efforts to ensure coordination. On March 7, 2002, President Bush did appoint a point person, Reuben Jeffery III, but he was not a cabinet-level official. Mr. Jeffery had very little interaction with the delegation and the much-needed coordination never materialized. The lack of coordination has had some serious long-term implications, most notably the stalled construction of the Freedom Tower and the economic revitalization of Lower Manhattan.

With Hurricane Katrina creating widespread devastation, coordination will be vital to ensure that the rescue and recovery efforts, as well as the eventual rebuilding efforts, are completed in the most efficient manner possible. Ideally, FEMA should be an independent agency whose director has cabinet-level status and who would chair a White House task force. At the very least there needs to be a person in charge of the response. This task force should be made up of all the agencies involved in the disaster relief efforts and would allow for the coordination of creative solutions. The affected areas have already experienced too much

destruction to face the additional hurdle of managing a federal response that is not fully coordinated with local efforts. This is the type of effort New York could have benefited by.

## **2. Ask for regular delegation meetings with the President**

The New York Congressional Delegation had very few direct meetings with the President following 9/11. The meetings that did take place usually occurred after decisions had been made and they were largely ceremonial announcements. This lack of communication with the President did not allow for issues regarding the disaster response and problems with FEMA to be resolved. Regular meetings with the President would have allowed issues to be raised and problems to be solved. Now, with so many questions surrounding the federal response to Hurricane Katrina and many more issues that will need to be worked out in the months to come, regular meetings with the President and the affected Congressional Delegations would facilitate an open dialogue that will allow for the best response to the needs of the victims of Katrina.

## **3. Quickly establish a robust medical monitoring program**

When the Twin Towers collapsed, toxins and debris were released into the air. This toxic mix simmered for months as thousands worked on disaster recovery and clean-up efforts. Many normal precautions to exposure were not followed following falsely reassuring reports about air quality from the EPA and because certain safety equipment was not provided to enough of the tens of thousands of responders working on the pile. After learning of the true danger of the toxins released with the collapse of the World Trade Center and with many 9/11 responders complaining of respiratory ailments, the New York Congressional Delegation fought, over the objections of the Administration, to create a medical monitoring program. Many felt that we must care for the people who were there for us in our time of need and we wanted to do everything we could to prevent additional victims of these attacks.

One of the initiatives created is the World Trade Center Worker and Volunteer Screening Program and Medical Monitoring Program, through which a consortium of occupational medicine providers and experts across the country are medically screening and monitoring the health of over 14,000 rescue workers and volunteers. To date, the program has found that approximately 50% are still sick from 9/11 and there are real concerns that other serious illnesses are still yet to occur. Separate programs exist for New York City firefighters and for New York State employees (this program is no longer performing screenings). There is no active program that screens federal employees (the program established to screen the approximately 10,000 federal workers who assisted in the response to 9/11 shut down after 400 examinations because the program was actually finding sick people <http://www.nytimes.com/2005/09/10/nyregion/10responders.html>). A privately funded program funds medical treatment for WTC responders because the federal government has not provided the resources. No federal resources have been provided to screen, monitor or treat affected area residents or office re-occupant employees.

With New Orleans flooded in a toxic soup and rescue workers, volunteers, area workers and residents being exposed, it would be prudent for a medical monitoring program to be established. Currently there is no one in charge of the federal government's response to the

health needs of 9/11. Any monitoring program must not be a hodgepodge of programs, with no coordination, or screening and monitoring of all affected individuals.

We must also ensure that the rescue workers have the safety equipment that they need to protect themselves from the toxins, molds and bacteria that they are working in. An emergency should not be an excuse to let established health and safety rules slide. The Environmental Protection Agency (EPA) must also be allowed to follow its legally mandated procedures, without interference (a report by the Inspector General's office at the EPA indicated that the White House pressured the EPA to rewrite environmental hazard warnings in the days following 9/11). Additionally, precautions must be taken to protect area residents from these elements. Proper precautions and a medical monitoring program will allow local, state and federal officials to best protect the health of all individuals exposed to these toxins.

Any established program must also provide for treatment. Unfortunately, despite repeated efforts by the New York Congressional Delegation, none of the medical monitoring programs receive federal funding to provide medical treatment to the thousands who are still sick as a result of 9/11. A significant portion of these individuals do not have health insurance (many have lost health insurance losing their job due to their ailments). The World Trade Center Medical Monitoring Program has had to rely on charitable contributions to fund treatment programs.

#### **4. Provide a robust response to the disaster's environmental impacts**

The EPA improperly issued assurances of air quality safety after 9/11. Medical evidence now shows widespread respiratory illnesses among 9/11 responders, residents who lived around Ground Zero, and others who worked or returned to work in Lower Manhattan soon after the disaster. In addition, the health impacts from 9/11 environmental conditions have not been properly tracked or treated in many instances, as a result of delayed implementation of federal programs and incomplete federal responses.

The EPA must be allowed to follow its legally mandated procedures, without White House interference, to comprehensively test and remediate the affected area for all hazardous substances known to be present. The EPA must also be honest with the public about the extent of the contamination and health risks. At a minimum, a disaster or emergency should not be an excuse to abandon established safety protocols.

In the clean up efforts for Hurricane Katrina, the EPA must continue to monitor all environmental hazards and accurately detail the risks to the public. Any rescue workers and/or residents should have the appropriate equipment to protect themselves against environmental hazards.

#### **5. Provide medical treatment for sick rescue workers, volunteers and residents**

While there are thousands who are still sick as a direct result of 9/11 and medical monitoring programs exist to diagnose their ailments, the federal government does not provide any funding for treatment. This is a major problem because there are a number of rescue and recovery workers who have lost their health care insurance after not being able to return to work after developing these ailments.

Should rescue workers, volunteers and/or residents develop illnesses as a result of Hurricane Katrina, a program should be developed to treat these illnesses.

## **6. Provide mental health treatment**

One of the most lasting affects of a disaster are mental health impacts. In the aftermath of 9/11, there are many individuals who continue to suffer from post-traumatic stress disorder, especially among rescue workers and Ground Zero volunteers. Additionally, there are great concerns about the mental health of New York City school children. Although the mental health programs established after 9/11 were the largest in FEMA's history, the general mental health response is still inadequate. Funding for Project Liberty, a program created to provide counseling, has run out of federal funds. Counseling continues with city and state funding. It is important to note that this is a counseling and not a treatment program. If a participant required actual mental health treatment, none was provided.

## **7. Make sure local schools receive help**

Prior to 1994, the U.S. Department of Education was tasked with ensuring the well being of school-aged children following major disasters. This ensured that lost school days were made up and local school districts were reimbursed for expenses incurred as a result of a disaster (one example of this is the earthquake in Northridge, California). 9/11 caused the entire New York City school system to close for one week and parts of the system were shut down for a longer period. These days were never made up and the City, unlike in previous disasters, was never reimbursed for the lost instructional time. Communities affected by Hurricane Katrina will face much longer periods of lost instructional time. The U.S. Department of Education needs to be authorized to assist in disaster relief efforts to ensure that the needs of local school districts are not overlooked as other disaster relief efforts continue. Any assistance should include assistance to school districts who are now absorbing schoolchildren from evacuated areas.

## **8. Make sure children receive mental health treatment**

The mental health of New York City schoolchildren following the terrorist attacks of 9/11 was a concern for many in the New York Congressional Delegation. We wanted to make sure that schoolchildren who were affected by these attacks had access to appropriate mental health services. Following a long battle with FEMA we were able to secure \$33 million for mental health services in the New York City school system. Even after securing this funding, getting the money to the school system has faced many hurdles. Right now the State of New York and FEMA are in a dispute regarding documentation and FEMA has frozen the funds for this program.

Mental health services for school children will be necessary following Hurricane Katrina. This funding should be distributed in a timely manner and should be tracked to ensure that all deserving populations are served.

## **9. Require detailed reports on disaster relief expenditures**

When Congress approved \$20 billion for New York recovery efforts, it specifically required the Office of Management and Budget (OMB) to collect information from each federal agency involved in the disaster relief efforts and report to Congress quarterly on expenditures. Despite this requirement, there has never been a full accounting of exactly how or how much of the \$20 billion was spent. In addition, the New York Congressional Delegation has had to fight for funding that was specifically earmarked for 9/11 relief.

With relief aid for Hurricane Katrina estimated to exceed \$100 billion, the Government Accountability Office (GAO) should be given direct statutory authority to oversee the reporting of expenditures to ensure that appropriated funding reaches its intended designation in a timely manner. GAO should be authorized to have access to the expenditures of each federal agency involved in the disaster relief efforts and each agency should be required to keep records of their expenditures responding to Hurricane Katrina. After compiling this information, GAO should report to Congress on their findings on a regular basis.

## 10. Know the true value of tax benefits

When Congress authorized the \$20 billion aid package to New York following 9/11, a large portion of this aid was set aside for tax benefits to revitalize Lower Manhattan. The original estimate for these tax benefits was \$5.5 billion dollars, despite many members of the New York Congressional Delegation arguing that they were not worth this estimated value. Several months after the passage of these tax benefits, the White House released a new estimate that placed the value at \$5 billion. A study commissioned by New York City later estimated the value of the tax benefits at \$3.8 billion. After years of the New York Congressional Delegation telling the Administration that the tax benefits were not worth what was originally estimated, the President, in his FY06 budget, finally sought to convert \$2 billion of these benefits to cash to pay for remaining needs related to 9/11. Unfortunately, this \$2 billion conversion has yet to take place.

In reality, the actual value of the tax benefits will never be known because there was no mechanism put in place to track the use of them. The IRS, unless it is specifically tasked to do so, does not individually track tax benefits. Should Congress authorize the use of tax benefits for the areas affected by Hurricane Katrina, it would be wise to require the IRS to track the use of the benefits from the moment they are authorized. This will allow the affected areas to know the true value of the benefits.

## 11. Ensure that workers' compensation reaches sick and injured workers

Realizing that the 9/11 rescue and recovery efforts would create new workers' compensation cases, \$175 million was appropriated to backstop the state's workers' compensation fund and help sick workers and volunteers who assisted in 9/11 recovery efforts. Unfortunately, these funds were authorized in a way that made them nearly impossible to use. \$125 million of the \$175 million was set aside for "administrative expenses" and the remaining \$50 million was provided to pay actual claims. Now, since much of the money has not been spent, the President has proposed taking back this money and using it for general expenses of the government. If this were to happen, money appropriated to care for sick 9/11 responders would

be spent as part of the regular expenses of the government for FY2006. This proposal is shortsighted since health and compensation needs remain extensive among 9/11 responders, with many 9/11 workers' compensation claims still pending and with many remaining needs well documented.

As much as possible, money should be authorized and appropriated with the flexibility needed to actually use it for its intended purpose. The Congressional Delegations of the affected states should be diligent to ensure that funds appropriated for Hurricane Katrina are not taken back at a future date and spent on unrelated items, like the funds that were originally appropriated for 9/11 workers that are about to be spent in the regular budget process as part of the Labor-HHS Appropriations Bill. Funds that are appropriated to aid relief efforts related to Hurricane Katrina, including those to care for the health of rescue workers, volunteers and residents, should not be used in the future to fill a budget hole.

## 12. Request federal assistance in paying unemployment benefits

The economic aftershocks of 9/11 caused job loss for approximately 100,000 people in the New York Metropolitan region. With unemployment insurance premiums based upon the number of people drawing benefits, a request was made to provide federal funding to the state's fund. This would have prevented a rise in premiums. This request was denied. It is quite imaginable that similar numbers of individuals will join the unemployment rolls and will need assistance in Katrina's aftermath. Federal assistance to alleviate the strains on the state systems would obviously help ease the burden.

## 13. Reinstate the Mortgage and Rental Assistance (MRA) program

One of the most useful FEMA programs following 9/11 was its grant program for Mortgage and Rental Assistance (MRA). After working out the extensive problems with FEMA's implementation of the program, it provided important relief to many individuals. These grants provided direct payments of rent or mortgages if the applicant was experiencing difficulties in paying his or her rent or mortgage as a result of income decreases of at least 25% after the disaster. These payments lasted up to eighteen months. This provided assistance to the many workers whose jobs were lost as a result of the attacks. Unfortunately, 9/11 was the last disaster for which these programs were available. The Disaster Mitigation Act of 2000 eliminated this program because it was considered too costly and difficult to administer. With hundreds of thousands displaced, many of whom lost their houses and/or jobs in the Gulf Coast, this program should be reinstated to prevent affected individuals from losing their houses and/or ruining their credit. It is better to stabilize the market by providing this assistance than forcing foreclosures and evictions. It is important to remember that individuals may have suffered only minor damage to their homes, but may be out of work and unable to make ends meet.

## 14. Better distribute Individual and Family Grants

One valuable resource for survivors of 9/11 was Individual and Family Grants (IFG). However, there were serious concerns with its implementation. New Yorkers experienced high rejection rates, excessive documentation requirements, delays in processing, unusually low



awards and general mismanagement. When some of the restrictions were relaxed, fraud and abuse were rampant.

It is anticipated that the IFGs will be widely used to assist victims of Hurricane Katrina. Because so many families and individuals have lost virtually everything, including vital documents that could provide proof of residence or employment and other critical information, FEMA must work to establish detailed guidelines for who is eligible for assistance, taking into account the severe lack of documentation most residents will face. Caseworkers involved in these claims must be given the flexibility to adequately assist residents who desperately need this assistance.

## 15. Remove the cap on reimbursement for lost tax revenue

An April 2005 GAO report confirmed prior reports that New York City lost between \$2.5 and \$2.9 billion in tax revenue as a result of 9/11, while the State lost \$2.9 billion, both over the two years after the disaster. These lost taxes were caused by a range of reasons including lost personal income taxes from people who lost their jobs or lives in the disaster, lost sales taxes largely from decreases in tourism, or lost property taxes from destroyed buildings. At the same time that there was a dip in revenue, expenditures increased to pay for such expenses as the rebuilding costs and overtime for the city's first responders. In New York City, to take care of this shortfall, property taxes were dramatically increased. Many New Yorkers argued that it was unfair that they alone were left to shoulder this increased cost. After all, it was not just New York City that was attacked on 9/11 – it was the entire country.

Recognizing that many communities face increased expenditures following disasters but a lower tax base to cover the increased cost, the Community Disaster Loan Program (CDLP) was established. This program provided local communities with a loan to cover lost tax revenues following major disasters. It was used most frequently for small communities, providing as much as \$200 million in loans to the U.S. Virgin Islands following Hurricanes Hugo and Marilyn. These loans were forgiven by the federal government and in essence, became grants. Due to concerns by Congress that this program was becoming too costly, a \$5 million cap was added in the Disaster Mitigation Act of 2000.

In the wake of Hurricane Katrina there will be many small towns, cities, and states who will experience major drops in tax revenues. With New Orleans completely evacuated and unable to collect any revenues, Mayor Nagin recently announced that the City of New Orleans will not be able to make payroll for municipal employees beyond next week. Congress and the President need to rethink the formula used for the CDLP to ensure that it is more fair and adequate in meeting the needs of states and cities that endure very large disasters. We must have a mechanism to help areas that will have no mechanism to raise tax revenues, but will need the tax base to pay bills to continue municipal operations and pay for disaster-related expenses.

## 16. Prevent the taxation of grants for hurricane relief

In a surprise move by the IRS, approximately \$1 billion in grant money provided to New York City businesses and individuals after 9/11 was considered taxable income. This decision by the IRS was estimated by the Joint Tax Committee to have caused grant recipients to send

back as much as \$268 million in 9/11 aid. Despite repeated requests, members of the New York delegation have been denied even the opportunity to debate this problem on the House floor and seek remedy for these businesses and individuals. It is suggested that in the authorization and appropriation of any grant money to businesses or individuals, it should be made clear that Congress does not intend for those funds to be considered taxable. No grants to help small businesses or residents in the affected areas of Hurricane Katrina should be threatened with taxation, since they are meant wholly as federal aid to help the recovery. It makes no sense to give with one hand only to take back with the other.

## 17. Restore hazard mitigation grant program to 15%

Following any major disaster declaration, funding is made available to states and communities to undertake mitigation measures that will make them more resistant to future disasters. The program, the Hazard Mitigation Grant Program (HMGP), was authorized as part of the Stafford Act in 1988 and has undergone a number of changes since then. The key concept behind hazard mitigation is that if, before, during and after a disaster, additional funds are spent to make buildings and infrastructure more resistant to the forces of nature, then the chances of having to spend in the future for another round of recovery will be diminished. Examples of mitigation include installing hurricane-resistant window, door, and roof protection on hospitals and schools, buying out or elevating homes above predicted flood levels, and strengthening city halls to resist earthquake damage.

In 1993 the Stafford Act set the formula for HMGP funding at "up to 15%" of certain federal disaster assistance expenditures made by FEMA. At the time of 9/11 this flexibility allowed the rate to be set by President Bush at 5%. The President's decision not to provide the full 15% in mitigation was unprecedented and cost New York \$840 million in aid that could have been used to fortify structures against future terrorist attacks. In the FY2003 budget process, the Administration proposed eliminating this important program and Congress compromised and set the cap at 7.5%. Many opportunities have been lost because of the decrease in funding.

Hazard mitigation is a wise use of federal tax dollars and state and local funds through the required 25% non-federal cost-share. As has been proven in communities across the country in the past 15 years, mitigation minimizes or eliminates the need for future expenditures for disaster recovery and repairs. The HMGP funding level should be returned to the 15% level and these dollars could be well spent in areas affected by Hurricane Katrina to prevent flooding and wind damage. For example, cities and parishes in the region have prepared pre-disaster mitigation plans that identify wind-retrofits for public buildings and projects to elevate homes to reduce vulnerability to future hurricanes. Similarly, communities in Mississippi and other areas affected by Hurricane Katrina, as well as those exposed to other disasters all across the nation, have been preparing mitigation plans in order to identify cost-effective ways to use mitigation funds.

## 18. Initiate an independent investigation

Following the attacks of 9/11 there were more questions than answers. Everyone wanted to know how the attack could have happened. Everyone wanted to know what we could do to

avoid the same mistakes in the future and better protect ourselves. The independent 9/11 Commission provided many of the answers that we were seeking. Because it was an independent commission, it provided answers that no other government investigation could have. An independent commission would be the only entity that would have the ability to investigate the totality of the disaster response – from the local response to the federal response.

Because of concerns that the federal response has been inadequate in response to Hurricane Katrina, an independent investigation could be a valuable tool to improve future responses and to ensure that the current response appropriately deals with all of the needs of the people in the affected areas.

## 19. Provide for Congressional oversight

Following any disaster there are lessons to be learned. Congressional hearings have been held during and following disaster relief exercises to learn from the experience and make recommendations and changes to the law to prevent past mistakes from recurring. Congressional oversight of the 9/11 disaster relief efforts has been virtually non-existent. For some time the only hearing related to the economic impact of the attacks was a hearing in the House Transportation and Infrastructure Committee regarding the impact to the airline industry in Minnesota. More recently, Congressman Christopher Shays of Connecticut has held hearings related to the health response to the attacks in his Government Reform Subcommittee on National Security, Emerging Threats and International Relations.

Apparently there will be some Congressional oversight of the federal response to Hurricane Katrina. However, there are real concerns that this oversight will be overly partisan and the proposed bicameral committee does not adequately balance oversight between Republican and Democratic Members of Congress.

## 20. Give national guardsmen retirement credit for their service

On September 11, 2001, and in the days and months following, members of the National Guard bravely responded at Ground Zero and in the counties declared federal disaster areas to aid in the recovery and security responsibilities. For almost a year after 9/11, these National Guard heroes helped rescue personnel during the critical first phases of the response and they endured the toxic air conditions of Ground Zero with thousands of responders. However, because these National Guardsmen were serving under state duty and not federal active duty, those days of service were not counted toward their federal military retirement credit. Other guardsmen who were activated to protect West Point were federalized and received credit toward their retirement. This disparity may only be corrected through Congressionally-passed legislation signed into law by the President.

Many of the National Guardsmen responding to the areas affected by Hurricane Katrina were and are serving under state duty and will not be federally activated so that they can act in a law enforcement capacity to help restore law and order. We need to make sure that these guardsmen get the retirement credit that New York guardsmen did not receive. For the guardsmen who also served in Iraq, this extra retirement credit will be beneficial. These guardsmen place their lives on hold to serve our country, the least we can do is allow all of their service to count toward their retirement.

## 21. Provide liability coverage

The immediate aftermath of major disaster requires local governments and a large number of contractors and construction equipment to assist in the rescue, recovery, clean-up and rebuilding process. Despite the care taken during these efforts, people will be injured. Injuries can range from physical to psychological. There will also be property damage. Due to the complexity and risk of the clean-up in New York, the City and contractors found it virtually impossible to obtain liability insurance for the clean up. No insurer was willing to take the risk. The result was that both the contractors who performed the clean up and New York City government were exposed to multibillion dollar lawsuits. This exposure began to affect the ability of the contractors to conduct other business as they sought loans or financial backing because creditors did not want to loan money to the defendants who were so exposed in the liability suits arising out of 9/11 and its aftermath. City officials were concerned about the liability's effect on the City budget. It took the New York Congressional Delegation years to get the Administration to agree to a plan to protect contractors. For disaster recovery following Katrina, Congress should provide liability protection to assist in the rescue, recovery, clean-up and rebuilding process. This would allow for assistance to the affected areas while at the same time properly protect the workers who are assisting in the efforts.

## 22. Provide Direct Aid to Small Businesses and Loosen SBA Loan Requirements

Following 9/11, many small businesses were either physically destroyed or saw their business drop precipitously. In the days immediately following 9/11, the perimeter around Ground Zero cut off all areas below 14th Street to the public, and even when the area reopened, the workforce that centered around the World Trade Center no longer existed. Many Lower Manhattan businesses were inadequately insured for the events of September 11th. While the Small Business Administration (SBA) operated two loan programs to assist small businesses effected by 9/11 - the Disaster Loan program and the Supplemental Terrorist Activity Relief (STAR) program - the Disaster Loan program was the primary means by which business in designated disaster areas received financial assistance from the SBA. Unfortunately, 54 percent of the businesses that applied for loans through the Disaster Loan program did not receive any assistance. As a result, these businesses in Lower Manhattan, many of which were uninsured and unable to draw on relief from other sources, were unable to meet their financial obligations and ultimately did not reopen, leaving many unemployed and creating substantial economic challenges for the devastated area. Rebuilding the World Trade Center site and the surrounding neighborhood takes time, however, and the programs that existed to help these owners has not been sufficient to fill the gap. Four years later, many of these owners have lost their businesses, hindering the return of economic vitality in this devastated area.

Hurricane Katrina has severely affected thousands of businesses along the Gulf Coast. It is probable that the recovery and rebuilding process will take several years - if not an entire decade. Most businesses may be closed or unable to return to pre-Katrina levels of profitability for years and programs need to be developed to be responsive to these needs. The SBA should suspend payments on all SBA loans for all affected borrowers, be able to assume payments for

non-SBA loans, and provide grants to these businesses to help them meet immediate emergency needs.

### **23. Provide assistance to not-for-profit medical facilities**

In anticipation of mass casualties following the collapse of the World Trade Center hospitals quickly made ready hospital bed and cancelled non-emergency medical appointments. Many of these beds went unused when it was realized that there were few who survived the collapse of the towers. Additionally, hospitals who rely on a world-wide clientele for special medical procedures saw dramatic decline in appointments. Currently, FEMA is only authorized to assist public medical facilities and is not allowed to provide assistance to non-profit medical facilities. Thankfully, the Department of Health and Human Services provided \$140 million in grants to the most affected hospitals, but it is estimated that New York hospital suffered a loss of approximately \$340 million.

With many medical facilities sitting empty in flooded areas in the aftermath of Hurricane Katrina, Congress must provide assistance to ensure that they can reopen and serve the communities that will need their assistance during the rebuilding process.

## URLs For Documentation of Issues

**1. The need for the appointment of a cabinet-level official whose sole responsibility is the disaster recovery effort**

<http://www.house.gov/maloney/issues/Sept11/index.html>

**2. Require regular delegation meetings with the President**

<http://www.house.gov/maloney/press/107th/20011023aid.html>

**3. Quickly establish a robust medical monitoring program**

<http://www.house.gov/maloney/issues/Sept11/index.html#Health>

**4. Provide a robust response to the disaster's environmental impacts**

<http://www.house.gov/maloney/issues/Sept11/index.html#Health>

<http://www.house.gov/nadler/wtc/cleanup.shtml>

**5. Provide medical treatment for sick rescue workers, volunteers and residents**

<http://www.house.gov/maloney/issues/Sept11/index.html#Health>

**6. Provide mental health treatment**

<http://www.house.gov/maloney/issues/press/108th/20030624MentalHealth.html>

**7. Make sure local schools receive help**

<http://www.house.gov/maloney/issues/Sept11/index.html#Schools>

**8. Make sure children receive mental health treatment**

<http://www.house.gov/maloney/press/108th/20030318MentalHealth.html>

**9. Require detailed reports on disaster relief expenditures**

<http://www.house.gov/maloney/issues/Sept11/chart.html>

<http://www.house.gov/maloney/issues/press/107th/20021230chart.html>

<http://www.house.gov/maloney/issues/press/108th/2yearsater.html>

<http://www.house.gov/maloney/press/109th/20050621LtrOMB.htm>

**10. Know the true value of tax benefits**

<http://www.house.gov/maloney/issues/Sept11/NYLibertyZoneGAO.pdf>

[http://www.house.gov/maloney/issues/Sept11/102202\\_NYLZ\\_Report.pdf](http://www.house.gov/maloney/issues/Sept11/102202_NYLZ_Report.pdf)

<http://www.house.gov/maloney/073002gao.pdf>

**11. Ensure that workers' compensation reaches sick and injured workers**

<http://www.house.gov/maloney/press/109th/20050721Responders.htm>

<http://www.house.gov/maloney/press/109th/20050623Amendment911Aid.htm>

<http://www.house.gov/maloney/press/109th/20050616InjuredWorkers.htm>

<http://www.house.gov/maloney/press/109th/20050602WithdrawlFunds.htm>

**12. Request federal assistance in paying unemployment benefits**

<http://www.house.gov/maloney/press/107th/20020425fedreserve.html>

**13. Reinstate the Mortgage and Rental Assistance (MRA) program**

<http://www.house.gov/maloney/issues/press/108th/20030130MRA.html>

<http://www.house.gov/maloney/issues/press/108th/20030127statement.html>

<http://www.house.gov/maloney/issues/press/108th/20030213MRA.html>

<http://www.house.gov/maloney/issues/press/108th/20030429MRA.html>

<http://www.house.gov/maloney/issues/press/107th/20020623mra.html>

<http://www.house.gov/maloney/issues/press/107th/20020912MRA.html>

**14. Better distribute Individual and Family Grants**

<http://www.house.gov/maloney/issues/press/107th/20021024IFG.html>

<http://www.house.gov/maloney/issues/press/107th/20020913ifg.html>

<http://www.house.gov/maloney/issues/press/107th/20021101IFG.html>

<http://www.house.gov/maloney/issues/press/107th/20021127IFG.html>

<http://www.house.gov/maloney/issues/press/107th/20020930IFG.html>

<http://www.house.gov/maloney/issues/press/108th/20030227IFG.html>

<http://www.house.gov/maloney/press/108th/20041101FEMA.htm>

<http://www.house.gov/maloney/issues/press/108th/20030108MRA.html>

<http://www.house.gov/maloney/issues/Sept11/110104DHSIGreport.pdf>

**15. Remove the cap on reimbursement for lost tax revenue**

<http://www.house.gov/maloney/issues/press/107th/2002100202CDL.html>

<http://www.house.gov/maloney/press/109th/20050420WhateverItTakes.htm>

**16. Prevent the taxation of grants for hurricane relief**

<http://www.house.gov/maloney/issues/Sept11/Tax.html>

**17. Restore hazard mitigation grant program to 15%**

<http://www.house.gov/maloney/issues/Sept11/chart.html>

**18. Initiate an independent investigation**

<http://www.house.gov/maloney/911caucus/index.html>

**19. Provide for Congressional oversight**

<http://www.house.gov/maloney/press/108th/20030521Hearing.html>

<http://www.house.gov/maloney/issues/Sept11/healtheffectshearing.htm>

**20. Give national guardsmen retirement credit for their service**

<http://www.house.gov/maloney/press/109th/20050526NatlGuard.htm>

<http://www.house.gov/maloney/press/108th/20040519NatlGuard911.htm>

**21. Provide liability coverage**

**22. Provide direct aid to small businesses and loosen SBA loan requirements**



**23. Provide assistance to not-for-profit medical facilities**