

Opening Statement
Congresswoman Julia Carson
Financial Services Committee
February 6, 2007

Chairman Frank, Ranking Member Bacchus, thank you for holding this important hearing today. It is important that we examine the government's role in responding to the needs of the people after a catastrophic event like Hurricane Katrina to better prepare the country should another disaster of this magnitude occur again.

A lot has happened since the Hurricanes devastated the Gulf Coast in 2005. However, the Gulf Coast and the people that lived there are still in the same situation a year and half ago. According to Ms. Crowley's testimony, no less than 150,000 low-income evacuees are still displaced. Many are still waiting on money from insurance settlements, money from FEMA or money to be released from the states. It is not to say that the efforts of many, such as Catholic Charities and Volunteers of America, have gone unnoticed. These organizations have helped many clean their homes and also navigate the complicated bureaucratic system for assistance.

This hearing is designed to examine how the Federal government responded to this disaster. I believe the governments' mismanagement of the situation compounded the situation, making things worse than we could have imagined. FEMA would deny or terminate applications for assistance while there were no clear eligibility guidelines were implemented that would possibly explain some of the denied applications. Recently, a judge ordered FEMA to reinstate 18% of the households whose assistance had been terminated. However, many people did not reapply for FEMA assistance due to lack of confidence in the department's ability to handle their application. The FEMA hotel/motel program had to be extended twice and once by court order. This

clearly demonstrates that the department had almost no concern for those who had lost their homes and staying in the hotel or motels was their only shelter. It should be noted that FEMA has 33,000 people still living on assistance and approximately another 100,000 are living in FEMA trailers.

As most members of this committee are aware, we have had this hearing before. Not only have we held hearings, we have passed legislation that would have jump started the rebuilding process, but it was stopped by the Administration. Last year, we passed the GSE bill which included \$500 million to be used for affordable homeownership and rental housing properties. Congress has appropriated close to \$17 billion in CDBG funds to the various states affected by the hurricanes. This Congress has taken action to help the people that have had their lives uprooted, but progress is slow.

As plans continue to develop, we must stay focused on who they affect. HUD has developed a plan that would destroy 4,534 apartments in five public housing developments in New Orleans. Currently there are over 4,000 families that lived in public housing units that have been unable to return. If HUD's plan is carried out, the city of New Orleans would have lost close to 85 percent of its public housing in the past decade. Rebuilding the Gulf means rebuilding so that everyone who wants to go back can afford to return.

Once again, I thank the Chairman and Ranking Member for holding this important hearing and look forward to the testimony of the witnesses.