

Testimony of C. Ray Nagin

Mayor of New Orleans, Louisiana

**Presented before the House Transportation and Infrastructure Subcommittee
on
Economic Development, Public Buildings and Emergency Management**

**“FEMA’s Response to the 2008 Hurricane Season
and
the National Disaster Housing Strategy”**

**September 23, 2008
2167 Rayburn House Office Building**

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To Chairwoman Eleanor Holmes Norton and Ranking Member Sam Graves of the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management, and to all distinguished members of the committee, panels and guests:

I am C. Ray Nagin, Mayor of the City of New Orleans. New Orleans is one of America’s most beloved and culturally distinctive cities, but as you are all aware, it is facing the challenge of rebuilding after 2005’s Hurricane Katrina, the worst natural and man-made disaster to occur in the United States of America. It is also a city that was threatened and touched by the two devastating storms that recently hit the Gulf Region – Hurricanes Gustav and Ike. Gustav posed a serious threat to New Orleans as it approached the coast of Louisiana. We are fortunate that although parts of our city had damage and our electric power infrastructure received a temporarily crippling blow, the partially completed 100-year levee protection system in the city held and we were spared the widespread destruction that other areas of our state experienced.

Hurricane Ike also left its mark on New Orleans. In the Venetian Isles community, which is outside the flood protection system, residents were again forced to evacuate due to tidal surge and were not able to gain access to their homes for several days. Because the area was flooded by both storms, those residents remain under a precautionary boil water advisory to assure that they do not consume contaminated water. Governor Jindal has requested that New Orleans be declared eligible under the Hurricane Ike federal disaster declaration which we need for Category A and B Emergency Work.

My prayers go out to the people in other parts of Louisiana, and our neighboring state of Texas, who felt the brunt of these two devastating storms. I have personally visited Terrebonne Parish and we have offered our assistance there. I also have spoken to the leadership in Houston and have committed to doing anything that my city can to help in their response and recovery. It is

my hope and prayer that they will not encounter the difficulties that we have experienced during the past three years in accessing assistance from federal agencies charged with supporting response and recovery. However, based on my preliminary conversations with leaders in these areas, many of the same difficulties are already beginning to emerge.

Thank you for providing me with the opportunity to share New Orleans' unique perspective on the ongoing hurricane season of 2008. Our experience gives us great insight that we offer to inform future law and policy on preparing for and recovering from all disasters, particularly catastrophic ones. We appreciate all that Congress has done to support us, and we urge you to continue your work to implement changes that would be valuable to us and all communities preparing for emergencies and rebuilding their homes and lives.

After a year with little hurricane activity, New Orleans has faced a busy season during 2008. Hurricane Gustav struck on September 1, just three days after the third anniversary of Hurricane Katrina, and Hurricane Ike made landfall on September 13. Compared to Hurricane Katrina, there were many significant improvements in the coordination among federal, state and local government to prepare for and respond to the disasters, but there are still many issues that will need work to resolve.

We demonstrated during Hurricane Gustav that we can successfully implement a multi-phased evacuation of our entire city. In 2005, though the vast majority of citizens evacuated New Orleans as Hurricane Katrina approached, approximately 50,000 of the city's 455,000 residents failed to leave. Many of them had major medical problems, limited resources or no means of transportation. To address the need of our most vulnerable citizens, we developed the City Assisted Evacuation Plan (CAEP), a comprehensive plan for evacuating citizens who cannot leave on their own because of financial, medical or other reasons.

The CAEP begins 72 hours before a Category 3 or larger storm is projected to make landfall. The program uses city buses to shuttle residents from 17 designated pick-up points and transports them to a central transportation point, the Union Passenger Terminal (UPT), which is our train and bus station. In the years since Hurricane Katrina, we have conducted extensive outreach to ask residents needing assistance to register in advance using the City's 311 non-emergency hotline. Some of our strategies have included making presentations to churches, neighborhood groups and at retirement facilities. We also met one-on-one with the leaders of many large facilities that provide housing to members of this population.

Pre-registration was intended to give our emergency planners a clear idea of the resources needed, and to facilitate keeping track of our citizens as they moved to other parts of the state and the country. But those who did not pre-register could simply show up at a pick-up point and board a bus. Over 5,000 had pre-registered before Hurricane Gustav began to look like it would hit the city. By the time we had to stop registration and just move people to safety, that number had quadrupled to more than 20,000 people.

In addition to taking residents from the designated locations, the city also arranged for para-transit vehicles and ambulances to retrieve residents with serious medical issues or mobility constraints from their homes. From the UPT, residents were transported by buses contracted by

the State of Louisiana, Amtrak trains and airplanes contracted through the Department of Defense to shelters in northern Louisiana and throughout the southeastern United States.

Using the CAEP, we were able to evacuate approximately 18,000 of our most vulnerable citizens to safety. Combined with those who used their own means of transportation, every resident who heeded our warning was able to leave. The New Orleans Police Department estimates that only 10,000 people remained in the city. Our citizens were part of a larger regional plan that involved the evacuation of an estimated 1.9 million people in Louisiana.

Hurricane Gustav was downgraded to a Category 2 storm by the time it reached New Orleans and it spared the city the obvious physical damage that followed Katrina. But 140,000 customers were left without electricity, the health care system was not immediately functioning, and other services were lacking. By September 4, when New Orleans was again open to all of its citizens, most electricity had been restored and other services were fully functioning. We had effectively evacuated an entire city, responded to a hurricane and brought our citizens back home within a four-day period.

Even with the success of this evacuation, our city government and our citizens are left with deep scars. Our current estimates indicate that the evacuation, local response and other factors related to Hurricane Gustav have cost the city approximately \$40 million. This cost has forced the city to impose an across-the-board hiring freeze and to halt all new expenditures until these disaster related costs are reimbursed. Since current law and regulation make it hard for communities to get access to funds quickly after a disaster hits, this time lag has the potential to slow down our recovery from Hurricane Katrina as well.

Our citizens also bear the emotional scars of this storm, which was a major reminder of the vulnerability of our city and region. I signed the State of Emergency in relation to Hurricane Gustav on the anniversary of Hurricane Katrina, which was the day that we buried the last of the bodies of unidentified victims of the storm and flooding three years ago. Yet, New Orleanians continue to demonstrate their commitment to our city and the will to persevere. We have made important strides in our recovery from Hurricane Katrina. We have begun recovery projects that will total more than \$1 billion for city government and more than \$3 billion for the Sewerage and Water Board. The Recovery School District is investing in new schools. Businesses are making critical investments and homeowners are rebuilding.

As we move forward, we look to our federal partners to help reform FEMA's emergency preparation and response. Effectively addressing these concerns will generate greater confidence among our citizens and will empower local government when asking citizens to evacuate. It also will create better confidence for those businesses still trying to decide whether to locate in New Orleans and the region as well as other in coastal communities throughout the country. Finally, implementing these changes will help assure that every community has an effective plan for evacuation and shelter in the event of a disaster.

Develop a National Transportation Plan for Regional Evacuations that uses assets such as Amtrak and airplanes. The City of New Orleans benefited tremendously from the availability of Amtrak and contracted Department of Defense airplanes during the evacuation for Hurricane

Gustav. These methods are faster, more efficient and take pressure off already crowded roadways than the use of buses. For example, Amtrak was able to transport approximately 1,000 citizens on each trip, about 20 times as many people as a bus could hold. Greater access to trains would greatly speed the evacuation process and provide superior alternatives for transporting those who are frail or medically needy. But we must negotiate annually to have this asset available, and other jurisdictions that have not had the lessons learned from Katrina have not been able to set these types of plans at all. We fear that communities across the Gulf and in other parts of the country will face tragic human losses if regionally planned and executed evacuations are not available to the nation.

Develop a National Sheltering Plan. We were able to remove all of our citizens from the path of Hurricane Gustav, but there were major concerns in regard to some of the shelters provided to our citizens. Because of the manner in which shelters are chosen by the State of Louisiana, the City of New Orleans was unable to receive information about where our citizens were housed. That meant that we could not provide critical information to them about what was happening in New Orleans and when they could anticipate re-entry. It also meant that we could not gain access to information about conditions in the shelters and assure that they had basic amenities such as showers, adequate restroom facilities and sufficient food.

Cities and states can easily be overwhelmed by the need to house large numbers of evacuated citizens during catastrophic events. Currently the State of Louisiana's plans call for the evacuation of citizens from the area in jeopardy to numerous undefined temporary shelters in non-affected areas of the state. Louisiana relies on these non-affected areas to offer the use of churches, civic centers, schools/gymnasiums, and other buildings as shelters; most are not designated for the public ahead of time. Since hurricanes can be very unpredictable and all the coastal parishes are vulnerable to them, the "non-affected area" for hurricane evacuation excludes all areas in the southern portion of the state. This means that during an evacuation of the southeast region, approximately 1/3 of the state's population will be required to evacuate to much lesser populated areas within the state. This places a tremendous burden on the facilities, infrastructure, and population of north Louisiana. Other Gulf Coast states likely have similar restrictions in their sheltering plans.

Most of the currently identified shelters are intended to have a small number of people for only a minimal amount of time. However, Hurricane Katrina demonstrated the need for a broader plan that would include capacity for large numbers of evacuees. It also made clear the need to be able to house people for longer periods.

The federal government should develop a National Sheltering Plan that would cover all hazards, have the capacity to be implemented rapidly and provide the needed facilities for thousands of individuals. FEMA could work within its existing regional structure and in conjunction with other federal agencies to accomplish this objective. Its charge would be to develop pre-established, coordinated, and secure plans for facilities to provide reassurance and prevent panic in the event of a catastrophic natural or terrorist related disaster. These plans would involve:

- Designing regional facilities to immediately serve thousands of evacuees, with the ability to absorb a larger population as needed;

- Examining the use of federally owned property such as BRAC bases, under-utilized state and federal hospitals or hotels and motels in recreation areas that could be converted for year round accommodation as suitable sites;
- Maintaining and provisioning facilities at a minimal “caretaker” level with minimal permanent staff;
- Securing space for tents, trailers etc. that could be used in place of or in addition to structures at these sites;
- Having USNORTHCOM provide security, administration, and logistical support for these facilities during time of operation through use of a dedicated workforce.
- Educating citizens prior to an event about what to do and where to go for disasters that can occur without warning, such as terrorism events, industrial accidents or earthquakes.
- Developing a resettlement plan for bringing citizens back to their community.

By having better prepared and better equipped regional sheltering, people who evacuate their homes will be more comfortably settled for the short term while longer term temporary and transitional housing is put in place. They would also be more likely to respond to repeated requests to evacuate if needed to ensure their safety.

Coordinate more closely with local communities to provide supplies such as ice, MREs, and tarps immediately following disasters. In the aftermath of Hurricane Gustav, supplies needed in New Orleans were late to arrive. MREs were not available at the time they were needed for returning citizens and ice for the region was stationed in northern Louisiana and did not make it to the city during the emergency. Even when supplies arrived, they quickly ran out. In the future, FEMA should pre-position adequate supplies in the disaster area or just outside and transport them immediately when needed. In this case, the City of New Orleans did not even receive a response to the request for tarps for seven days.

Ongoing Struggles in the Recovery from Hurricane Katrina

Even as we address the 2008 hurricane season, New Orleans continues to face many impediments to our recovery from Hurricanes Katrina. Specifically, these challenges relate to flood protection and housing, both for citizens who have returned and those who are waiting to do so. The City of New Orleans is also still negotiating with FEMA regarding the value of project worksheets for outstanding Katrina related projects. Finally, we are concerned that FEMA still does not have enough experienced staff available to handle multiple and large-scale disasters.

Flood Protection and Comprehensive Coastal Restoration. The greatest challenge to the recovery of New Orleans and the entire coastal region of Louisiana is the security of our communities. After Hurricane Katrina, President Bush promised to do what was needed to rebuild our communities and our lives. Now even more communities in this region, which is the country’s Energy Coast and the source of a quarter the country’s seafood catch in the lower 48 states, need flood protection and comprehensive coastal restoration to survive and thrive. For my city, New Orleans, which is a strategic transportation and trade hub as well as cultural treasure to the nation, the fulfillment of that promise means creating the level of storm protection we

thought we had before Katrina and the levee failure. It also means planning for and supporting the level of protection that the Louisiana Coastal Protection and Restoration study will call for. I ask you to ensure that the U.S. Army Corps of Engineers has both the funding and the mandate to provide 100-year flood protection to our region by 2010, rather than by 2011 as they have projected. This protection will provide the underpinnings of our recovery and make it less necessary for us to evacuate as storms approach.

Housing Rehabilitation and Availability. Hurricane Katrina damaged 134,000 housing units in New Orleans – over 105,000 severely. More than 60,000 of our residents who are home owners applied for Road Home assistance from the state-run program that was to compensate homeowners for damages after the storm. Three years after Hurricane Katrina and the subsequent levee breaches damaged the vast majority of the housing stock in our city, about 2/3 of the applicants have received awards from the State. For those who have received their awards, the amount was often not sufficient to repair their homes due to the drastic increase in building costs in post-Katrina New Orleans. This has led to neighborhoods that still have unrenovated properties and empty lots even as many residents work to rebuild.

The extensive damage caused by the storm and flooding led to the demolition of more than 10,000 properties in New Orleans. As a result, there are thousands of slabs scattered throughout our city that must be cleared before the properties can be redeveloped in compliance with the national flood insurance program. Although demolition that ensures the economic recovery of the affected community and which benefits the community at large is allowed by the Stafford Act, FEMA has refused to pay for the demolition and removal of slabs that could jumpstart the redevelopment of many neighborhoods and commercial corridors in New Orleans and throughout the region.

FEMA also has yet to develop a comprehensive Disaster Housing Policy that adequately addresses the needs of our residents and those of other affected areas. The toxic trailers that were provided for our citizens after Katrina are not an acceptable solution, and the long term health effects of their exposure to the high levels of formaldehyde found in these trailers won't be known for years. The City proposed a disaster housing pilot program to FEMA using panelized and modular construction that would have provided for the quick redevelopment of vacant lots and damaged properties, but FEMA has not supported this approach. Due to the slow process of the Road Home program, the lack of affordable housing, and the refusal of FEMA to spur the redevelopment housing stock through slab removal and a pilot disaster housing program for panelized construction, many of our citizens have felt compelled to remain in their travel trailers or have not yet been able to return at all to New Orleans.

There are also many citizens still utilizing the Disaster Housing Assistance Program scheduled to expire March 1, 2009. With the ongoing lack of affordable housing in New Orleans from the effects of Katrina, the destruction of more housing in much of Louisiana caused by the recent storms, and the challenges that the national financial crisis is bringing to the development of new affordable housing, we ask that the DHAP be extended at least to the end of 2009.

Appropriate action regarding the exposure of many of our citizens to formaldehyde.

I remain very concerned about the effects that exposure to formaldehyde in travel trailers will have on our citizens. FEMA and the Department of Health and Human Services (DHHS) must do better than their current commitment to move people out of trailers three years after the event, and provide only public health information to affected trailer residents. Each current and former trailer resident must receive immediate free medical check-ups, and free treatment for any medical condition generated or exacerbated as a result of exposure to formaldehyde. They must also receive guaranteed access to comprehensive, state-of-the-art medical care for any future formaldehyde-related medical conditions.

It is also important that there be support to adequately and objectively evaluate the effects of formaldehyde and embark upon a widespread public educational effort. The CDC should conduct a full survey of affected residents. We ask that you support our efforts to engage FEMA and DHHS to ensure that the best medical care is given to those whose health was put at risk in travel trailers issued by the federal government.

Catastrophic disaster designation in the Stafford Act to speed up funding availability and recovery

– No community that has been through a catastrophic disaster should have to experience the difficulty New Orleans has faced in accessing federal funds for rebuilding. The Stafford Act should incorporate a magnitude of disaster formula for the designation of a “catastrophic disaster” to delineate those disasters of more devastating impact (e.g., over 50% of structures damaged within a political jurisdiction and/or over 50% of population of a jurisdiction displaced for a set period of time) from the existing category of “major disasters” currently addressed in the act. Such a designation should trigger actions that include, but are not limited to, mandating the rapid implementation of Immediate Needs Funding; allowing for Immediate Needs Funding for Critical Infrastructure Repair to include public safety facilities and equipment; and changing the Community Disaster Loan (CDL) program by automatically removing the \$5 million cap and allowing loan funds to match revenue loss.

In New Orleans, the inability to access adequate funding caused a two year delay in beginning many major recovery projects. That work is proceeding more smoothly now because the State of Louisiana approved a revolving loan fund that provides money to begin projects that will later be reimbursed by FEMA. Also in the last year, our bond rating which plummeted following the storm, has improved allowing us to sell bonds approved by voters prior to Hurricane Katrina. However, the City of New Orleans has had to find ways to provide funding upfront for projects. In addition, during the first two years after the storm, the city borrowed more than \$45 million from various projects to begin repairs to critical buildings, such as the New Orleans Police Department Headquarters, the Criminal District Court building and other public safety facilities.

Development of a third party dispute resolution process on project worksheet

disagreements with FEMA – It has often been difficult for the City to obtain, on a timely basis, either the latest versions and appeals resolutions on many projects or a final determination as to whether or not a building or infrastructure system is more than 50% damaged and thus eligible for replacement. The first issue has made it difficult for the City to obtain sufficient architectural and engineering advances to initiate projects and to rebuild smarter and stronger. (Advances are calculated as a percent of the total project cost – low versions lead to low percentages, often too

low to even get started on a project.) The second failure leaves the City unable to make certain critical redevelopment decisions, such as where to make investments to create consolidated and upgraded facilities and where the City can only renovate what was there before the storm. Many complex and interdependent financing and project planning decisions rest on FEMA's determinations, and projects cannot move forward until those are made, understood, and mutually agreed upon.

The Stafford Act should provide for a Dispute Resolution process utilizing a neutral third party for reviewing both versions and appeals thereto when damage assessments, cost estimates, scopes of projects or other issues cannot be mutually agreed upon. It should be the right of the applicant to request the use of such a process. One suggestion is to create a form of arbitration or mediation with rules for participation, mutual openness to calculations, control of documents, and transparency in operation. While this critical issue could be greatly improved by administrative action, we ask that Congress consider legislation to solve this problem.

Assurance of experienced and adequate staffing for FEMA – One of the greatest challenges in dealing with the public assistance program has been the lack of experienced staff and the frequent turnover among FEMA personnel. Overall, each turnover means that we face months of setbacks as new staff work to become acquainted with our projects and issues. These new staff members often reverse the decisions that were made by their predecessors, which further complicates our efforts. With more stable and experienced staffing, we will be able to depend on the decisions that are made and move more quickly with our recovery.

In addition to the changes we have asked for regarding emergency preparedness, response and recovery, we have two specific requests that we ask for federal support on.

The New Orleans Sewerage and Water Board (S&WB) maintains drainage to protect the city from floods, provides drinking water and wastewater treatment, and provides some primary power and all backup power for the operation of these systems. These functions are essential to the public health, economic recovery, and sustainability of the City of New Orleans, and are more fragile as a result of severe damage from Hurricane Katrina. There is a immediate capital needs gap of over \$400 million that will not be covered by FEMA but that is critical to maintaining the functioning of these basic services.

I ask for your support for federal funding to return these systems to a level of functionality necessary for our human and economic health.

Finally, I ask for your continued support for locating a Veteran Affairs Hospital in downtown New Orleans. This hospital would provide needed medical care to thousands of veterans throughout the region. It also would form a critical part of our new biomedical district. It would be co-located with a new Louisiana State University Hospital to reduce some costs and share research and medical expertise.

The biomedical corridor is a key component of our efforts to expand our economy and to prepare our city for the future. We will be comparable to other cities that boast major medical research

complexes. Thank you for all that you have done to make this a reality and we look forward to continuing to work with you.

Conclusion

Ladies and gentlemen, thank you for allowing me to speak on the FEMA's response to the 2008 hurricane season and the status of New Orleans' recovery from the disasters of 2005. New Orleans and our region are critically important to this country. We are significant in terms of our contribution to the country's energy supply, international trade, fisheries industry and culture.

Hurricanes, as forces of nature, will continue to occur. What must be resolved is how we work collaboratively to ensure that New Orleans and this Gulf Coast region can be adequately prepared for these events, protected appropriately and can access the necessary resources to respond following the storms.

Our goal is to create communities where citizens and businesses are safe, investments are made with confidence and people are eager to visit and live. Thank your for your continued support of this goal. We especially thank you, Chairwoman Norton, and the House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management, for your leadership as we rebuild. Though our country must address the urgent immediate needs in Texas and parts of Louisiana and the continuing recovery challenges of the New Orleans region, we are certain that with your assistance and the support of the American people, we will succeed.