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111th Congress }
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SENATE

{ REPORT
111-23

FEMA ACCOUNTABILITY ACT OF 2009

R E P O R T

OF THE

COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TO ACCOMPANY

S. 713

TO REQUIRE THE ADMINISTRATOR OF THE FEDERAL EMERGENCY
MANAGEMENT AGENCY TO QUICKLY AND FAIRLY ADDRESS THE
ABUNDANCE OF SURPLUS MANUFACTURED HOUSING UNITS
STORED BY THE FEDERAL GOVERNMENT AROUND THE COUN-
TRY AT TAXPAYER EXPENSE



JUNE 1, 2009.—Ordered to be printed

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JUNE 1, 2009.—Ordered to be printed

Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, submitted the following

R E P O R T

[To accompany S. 713]

The Committee on Homeland Security and Governmental Affairs, to which was referred the bill (S. 713) to require the Administrator of the Federal Emergency Management Agency to quickly and fairly address the abundance of surplus manufactured housing units stored by the Federal Government around the country at taxpayer expense, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

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I. PURPOSE AND SUMMARY

The purpose of this legislation is to require FEMA to develop a plan for the storage, disposal, transfer, or sale of excess temporary housing units in the disaster housing program in order to reduce the expense of storing excessive numbers of temporary housing units.

II. BACKGROUND AND NEED FOR THE LEGISLATION

In response to Hurricanes Katrina and Rita, FEMA purchased approximately 143,000 temporary housing units, including travel

trailers, park models, and mobile homes. Some were purchased from dealer lots and others were manufactured by contractors. FEMA paid from \$12,000 to \$36,000 for each unit, not including transportation, storage, installation, and other operational costs.¹ Hurricane victims started receiving the units in September 2005. Since that time, FEMA has stored temporary housing units for use in future disasters. In addition, many units used in response to Hurricanes Katrina and Rita have been returned to FEMA as residents have found other housing solutions.

As of April 29, 2009, FEMA was storing more than 120,500 temporary housing units at 15 staging and storage sites across the country. The vast majority—over 118,000 of them—are unusable for housing because it is not economically feasible to make necessary improvements to the units due to high formaldehyde levels or decay.² The three largest storage sites are located in Lott, Louisiana; Hope, Arkansas; and Melville, Louisiana. These sites contain approximately 25,300, 18,500, and 18,000 unusable temporary housing units, respectively.³ By FEMA's calculation, each unit costs approximately \$1,000 per year to store and maintain, resulting in an annual federal expenditure of \$130 million, \$92 million of which goes towards the maintenance of the unusable units.⁴ Given these expenses, the Committee believes it is important that FEMA develop and implement a plan for storing an appropriate number of housing units to enable FEMA to be prepared for future disasters and for transferring, selling or disposing of excess or unusable units in order to save taxpayer dollars.

III. LEGISLATIVE HISTORY

S. 713 was introduced on March 26, 2009 by Senator Mark Pryor and was referred to the Homeland Security and Governmental Affairs Committee.

On April 1, 2009, the Committee considered S. 713. The Committee adopted one amendment. This amendment was offered by Senator Landrieu and changed the wording of the last sentence of the bill from “* * * other disposal of the unused temporary housing units purchased by FEMA” to “* * * other disposal of the temporary housing units under this section” to clarify that the report was to cover the disposal of all of the temporary housing units under this section and not just the unused temporary housing units. The Committee adopted the amendment by voice vote and then, also by voice vote, ordered the bill as amended favorably reported to the full Senate. The Senators present for the voice vote were Senators Lieberman, Akaka, Carper, Pryor, Tester, Burris, Bennet, Collins, Coburn, and Voinovich.

Except for technical changes and the Landrieu amendment, S. 713 is identical to S. 2382, introduced in the 110th Congress. S. 2382 was introduced by Senator Pryor on November 16, 2007, and reported favorably by voice vote by the Senate Homeland Security and Governmental Affairs Committee on June 25, 2008 with an

¹ E-mail from Legislative Affairs, FEMA, to Majority Staff, Subcommittee on State, Local, and Private Sector Preparedness and Integration (October 19, 2007).

² E-mail from Legislative Affairs, FEMA, to Majority Staff, Subcommittee on State, Local, and Private Sector Preparedness and Integration (April 29, 2009).

³ Id.

⁴ Id.

amendment in the nature of a substitute. It passed the Senate with an amendment that added the definition of “emergency” and made some technical corrections by unanimous consent on September 11, 2008. On September 29, 2008 the House Committee of Transportation and Infrastructure discharged S. 2382 as amended and the House of Representatives considered it by unanimous consent and passed it without objection. The amendment added on other legislation not originally included in S. 2382, and unrelated to the subject of S. 2382. S. 2382, as amended by the House of Representatives did not pass the Senate.

IV. SECTION-BY-SECTION ANALYSIS

Section 1. Short title; definitions

This section of the bill defines “Administrator,” “FEMA,” “emergency,” and “major disaster.”

Section 2. Transfer, storage, sale, and disposal of housing units

Subsection (a) requires FEMA, within three months of enactment, to determine the appropriate number of temporary housing units FEMA needs to store in order to be prepared for future disasters, and to establish criteria for determining whether the stored units are in usable condition, which shall include establishing appropriate criteria for formaldehyde testing.

Subsection (b) requires FEMA, within six months of enactment, to establish a plan for: (1) storing the number of housing units the Administrator has determined are necessary for FEMA to be prepared for future disasters; (2) transferring, selling, or otherwise disposing of excess usable units; and (3) disposing of unusable units.

Subsection (c) requires FEMA to implement this plan within nine months of enactment.

Subsection (d) requires FEMA, within one year of enactment, to submit a report to the Senate Committee on Homeland Security and Governmental Affairs and to appropriate committees in the House of Representatives on the status of the distribution, transfer, sale, or other disposal temporary housing units under this section.

V. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirement of paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory impact of this bill. CBO states that the bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

VI. ESTIMATED COST OF LEGISLATION

APRIL 3, 2009.

Hon. JOSEPH I. LIEBERMAN,
Chairman, Committee on Homeland Security and Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 713, the FEMA Accountability Act of 2009.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Daniel Hoople.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

S. 713—FEMA Accountability Act of 2009

CBO estimates that implementing S. 713 would have no significant net cost over the next 10 years. Enacting this legislation would not affect direct spending or revenues.

S. 713 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

S. 713 would direct the Federal Emergency Management Agency (FEMA) to develop and implement a plan to dispose of temporary housing units (for example, mobile homes and travel trailers) that the agency determines to be unusable or in excess of current or future needs. CBO estimates that developing such a plan would cost less than \$500,000 in 2009 and 2010, assuming the availability of appropriated funds.

Under current law, FEMA disposes of excess housing units through the General Services Administration. Units are first offered for sale to current occupants. Thereafter, units may be sold to the general public or donated to state and local governments for the purposes of providing temporary housing to victims of a disaster. Proceeds may be retained by FEMA to cover sale costs or to purchase similar property. Otherwise, funds are deposited into the Treasury as miscellaneous receipts. CBO cannot predict whether any additional units would be sold or otherwise disposed of as a result of this legislation; however, we expect that the net budgetary effect of any action would likely be insignificant.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

VII. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

Because this legislation would not repeal or amend any provision of current law, it would make no changes in existing law within the meaning of clauses (a) and (b) of paragraph 12 of rule XXVI of the Standing Rules of the Senate.