

**THE PUBLIC SALE OF HURRICANE KATRINA/RITA
FEMA TRAILERS: ARE THEY SAFE OR ENVIRON-
MENTAL TIME BOMBS?**

HEARING
BEFORE THE
SUBCOMMITTEE ON COMMERCE, TRADE,
AND CONSUMER PROTECTION
OF THE
COMMITTEE ON ENERGY AND
COMMERCE
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

APRIL 28, 2010

Serial No. 111-114



Printed for the use of the Committee on Energy and Commerce
energycommerce.house.gov

U.S. GOVERNMENT PRINTING OFFICE

76-569

WASHINGTON : 2013

For sale by the Superintendent of Documents, U.S. Government Printing Office
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CONTENTS

	Page
Hon. Bobby L. Rush, a Representative in Congress from the State of Illinois, opening statement	1
Hon. Ed Whitfield, a Representative in Congress from the Commonwealth of Kentucky, opening statement	2
Prepared statement	4
Hon. Henry A. Waxman, a Representative in Congress from the State of California, opening statement	6
Hon. John Barrow, a Representative in Congress from the State of Georgia, opening statement	7
Hon. Phil Gingrey, a Representative in Congress from the State of Georgia, opening statement	8
Hon. Bruce L. Braley, a Representative in Congress from the State of Iowa, opening statement	8
Hon. Steve Scalise, a Representative in Congress from the State of Louisiana, opening statement	10
Hon. John P. Sarbanes, a Representative in Congress from the State of Maryland, opening statement	11
Hon. Joe Barton, a Representative in Congress from the State of Texas, opening statement	11
Prepared statement	13
Hon. Betty Sutton, a Representative in Congress from the State of Ohio, opening statement	15
Hon. Cliff Stearns, a Representative in Congress from the State of Florida, opening statement	15
Hon. Gene Green, a Representative in Congress from the State of Texas, opening statement	16
WITNESSES	
David Garratt, Associate Administrator, FEMA Mission Support Bureau, De- partment of Homeland Security	17
Prepared statement	21
James J. Jones, Deputy Assistant Administrator, Office of Prevention, Pes- ticides, and Toxic Substances, U.S. Environmental Protection Agency	27
Prepared statement	29
Steven Kempf, Acting Commissioner, Federal Acquisition Service, General Services Administration	36
Prepared statement	38
Gabe Chasoff, Director and Producer, Renaissance Village	51
Prepared statement	53
Corey Hebert, M.D., Chief Medical Officer, Recovery School District, Lou- isiana Department of Education	58
Prepared statement	61
Curtis Howard, President, National Association of State Agencies for Surplus Property	66
Prepared statement	68

**THE PUBLIC SALE OF HURRICANE KATRINA/
RITA FEMA TRAILERS: ARE THEY SAFE OR
ENVIRONMENTAL TIME BOMBS?**

WEDNESDAY, APRIL 28, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMERCE, TRADE,
AND CONSUMER PROTECTION,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:07 a.m., in Room 2322 of the Rayburn House Office Building, Hon. Bobby Rush [Chairman of the Subcommittee] presiding.

Members present: Representatives Rush, Sarbanes, Sutton, Stupak, Green, Barrow, Braley, Waxman (ex officio), Whitfield, Stearns, Gingrey, Scalise, Latta, and Barton (ex officio).

Staff present: Michelle Ash, Chief Counsel; Robin Appleberry, Counsel; Timothy Robinson, Counsel; Felipe Mendoza, Counsel; Will Cusey, Special Assistant; Daniel Hekier, Intern; Elizabeth Letter, Special Assistant; Jerry Couri, Minority Counsel; Sam Costello, Minority Legislative Analyst; Shannon Weinberg, Minority Counsel.

OPENING STATEMENT OF HON. BOBBY L. RUSH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. RUSH. The subcommittee will now come to order. Today's subcommittee hearing is on the subject of the public sales of Hurricane Katrina/Rita FEMA trailers: are they safe or environmental time bombs? And the chairman wants to welcome all those who are participants in the hearing. And now the chair recognizes himself for 5 minutes for the purposes of an opening statement. Again, I want to welcome each one of the witnesses, and I want to thank you for appearing before the subcommittee today. At this hearing we will discuss the public sale of more than 100,000 travel trailers and homes by the General Services Administration. For these transactions, the GSA served as the sales agent of FEMA.

And, ladies and gentlemen, if you don't know more than what I just said, most of you would probably say, well, that sounds good. That is an awfully lot of trailers, and the government is selling off a lot of property. Maybe I should run down to the courthouse or hop online to take advantage of a deal like that. But these are not just any ordinary trailers. They are the very same trailers that FEMA purchased and provisioned as emergency housing for hundreds of thousands of displaced Gulf Coast residents.

Unbelievably, these are the same trailers that made thousands of people ill, some very severely, from exposure to formaldehyde gases and vapors. Young children, elderly people and those with serious respiratory conditions, ranging from asthma to bronchitis, inhaled these vapors over a continuous period of time. I don't think I am the only one that is left scratching his head at this outcome. My first reaction was to fire off a letter to FEMA and GSA asking them a range of questions from what steps they had to take before deciding to sell the trailers, how did they notify buyers that these trailers could be contaminated by excessive formaldehyde and whether some newly proposed standards may have resulted in lowering formaldehyde exposure.

And I want to take time to thank GSA and FEMA for promptly responding and explaining the courses of action they took before making their decision to go forward with the sale of the trailers. But let me state for the record that I would have liked to have seen the government commit to more testing of these trailers before bringing them to sale and to come up with some better safeguards than was present on the warning stickers and certification. We need to have many more courses of action and more firm in our actions and activities to advise the public and to protect the public. I genuinely want our discussion to shed more light on some of the other options for disposing of the surplus trailers that actually came up for discussion and what other options that would have kept down FEMA's costs and other options that may have come up out of other discussions.

Has it been so long since Hurricanes Katrina and Rita took place that we have forgotten the painful lessons that these epic disasters taught our nation? It won't be until this coming August that we will get to the fifth-year anniversary of those tragic years. It is my sincere hope that this hearing will help us to review what was learned from that experience so as not to repeat some of our failures. And I want to say to those valiant and gallant workers, government workers, who continually put themselves on the front line as it relates to our nation's disasters. I want to commend each and every one of them. And I just think we can do a better job and make sure we do finer work and we are more diligent and more proactive and open ourselves up for more discussion.

With that, I yield back the balance of my time, and I recognize the gentleman from Kentucky, the ranking member of the subcommittee, Mr. Whitfield, for 5 minutes.

OPENING STATEMENT OF HON. ED WHITFIELD, A REPRESENTATIVE IN CONGRESS FROM THE COMMONWEALTH OF KENTUCKY

Mr. WHITFIELD. Mr. Chairman, thank you very much for having this hearing today, and we are delighted that representatives of FEMA, the GSA, and EPA are with us on this first panel this morning. I read an article that the federal government spent \$2.7 billion to buy these trailers and mobile homes and spent an additional \$220 million to store them to provide some relief for those victims of Katrina. And I think this hearing can be quite helpful today because there are so many questions that might be beneficial to us to have answered as we experience disasters in the future.

For example, were there alternatives available to provide housing other than buying these trailers with formaldehyde in them?

What options were available by the Administration in trying to decide what to do with these trailers? Was it required that they be so—there was a Washington Post article that said they should have been destroyed, and just how serious was this health issue? This committee certainly has an obligation and responsibility to protect consumers, and I think even more so when the federal government takes an action and people who are the victims of Katrina really were not out purchasing a product, they were taking what was given to them because they had no other alternatives. I did also read an article where CMS released a study regarding children, I think 6 to 12, in Mississippi, some of who lived in these trailers and some who did not, and basically the conclusion was that there was not any significant difference in the health of those children. So I am hoping that this committee and this panel and the second panel can help us address a lot of these issues and have a better understanding of it, and hopefully help us to move forward in the future to maybe react in a more responsible and more efficient way that is better for the victims of these kinds of disasters. I yield back the balance of my time.

[The prepared statement of Mr. Whitfield follows:]

Statement of the Honorable Ed Whitfield
Commerce, Trade, and Consumer Protection Subcommittee Hearing on
“Public Sales of Hurricane Katrina/Rita FEMA Trailers: Are they Safe
or Environmental Time Bombs?”

April 28, 2010

- Mr. Chairman, I appreciate your calling this hearing on this important subject. This issue touches many areas that our Committee traditionally has not spent much time covering and I appreciate your interest in trying to get to the bottom of this matter.
- That said, I do wish we had the Department of Housing and Urban Development here as well to explain what it is doing on this subject to prevent problems with these or future trailers. As we heard from witnesses last month, many argue that the current formaldehyde standard established by HUD is in need of review and modernization.
- On the matter of the substance of this hearing, we all know that the one-two punch of Hurricanes Katrina and Rita devastated an entire region of the country and taxed our emergency response capacity. According to the Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, forty-four (44) states and the District of Columbia, worked to provide shelter to evacuees forced from their homes. For those who stayed behind, public and private entities in Louisiana and Mississippi provided temporary shelter. Providing longer-term shelter until damaged homes were rebuilt was another story.
- FEMA, as we all know, provided over 120,000 temporary units to folks still in the area as a longer-term solution until their homes were ready. These units were later the subject of concern about elevated amounts of formaldehyde.

- I think our job here today is not to reopen whether purchasing those trailers was a good idea. There were many options that the Federal government could have taken and some of them were better than others. I think the real focus for us today should be a few simple questions:
 - With all the attention focused on this issue over the years, why did the Obama Administration consider it a good idea to try and sell or auction these trailers to individuals who might not have the wherewithal to remediate them?
 - Other than formaldehyde, what other issues did these trailers have?
 - Was a determination made as to whether those units were safe enough for people in all kinds of climates to obtain them? If so, who made that decision and on what was it based?
 - Did the Federal government have other legal options besides auctioning those trailers? If so, what were they and why were they not taken?
 - Of the units that were not placed in service – meaning they were never unwrapped – did the potential health problems observed in other trailers show up in these and were they better or worse?
 - How much follow-up is planned with the purchasers of these units to ensure that they are not facing problems from exposures that they do not expect or understand?
 - What is the impact of this auction on private markets?
- Mr. Chairman, I hope we can focus our hearing today on the trailer auction itself and not open this forum up to other issues that we have either discussed or cannot do anything about. Americans, those who purchased these trailers or may purchase them, deserve answers. I hope we can get them.
- I yield back the balance of my time.

Mr. RUSH. Thank you. The chair now recognizes the chairman of the full committee, Mr. Waxman, for 5 minutes.

OPENING STATEMENT OF HON. HENRY A. WAXMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. WAXMAN. Thank you very much, Mr. Chairman. I appreciate you calling this hearing to examine the decision to sell the American public travel trailers that could have elevated levels of formaldehyde. Formaldehyde is a harmful substance. It is a dangerous substance. It is a carcinogen, and it can cause cancer. We should minimize the exposure by people to it but we shouldn't minimize the dangers of the exposure to it. Some of us are familiar with these trailers. When I was chairman of the Oversight and Government Reform Committee, I called a hearing that exposed that dangerous level of formaldehyde in some of these trailers, and not just that but the shameful failure of FEMA to protect the families that were living in these trailers.

Our investigation revealed that after hearing reports of high formaldehyde levels, FEMA field staff called Washington and said you have got to test these trailers so that the dangerous trailers could be identified and the families that were living in them could be protected. But FEMA headquarters ignored the dangers from the formaldehyde. Their response was that if FEMA tested the trailers and found hazards FEMA would "own the problem." That is what they said, own the problem, and therefore they did nothing.

The ultimate result was a serious health risk for families displaced by Hurricane Katrina and a costly bill for taxpayers. After our hearings exposed FEMA's conduct, the agency was finally forced to act. FEMA paid \$2 billion for trailers that have now been sold for pennies on the dollar. I fully support Chairman Rush's effort to understand the story behind the sale of these trailers to the public. I hope today's hearing will reveal that the Obama Administration has learned from the mistakes of the previous Administration. If these trailers are going to be sold, it is essential that there are ample safeguards to prevent any risk to the people who end up buying these trailers.

Today's hearing will also shine a light on the long-time deficiencies of the Toxic Substances Control Act. This is an outdated statute that is badly in need of reform, and I know this subcommittee is going to be looking at that issue later this year. As we will hear today, if EPA had the clear and comprehensive authority that it needs to access and restrict dangerous chemicals, it could have taken action on formaldehyde years ago, and if EPA had set a standard for formaldehyde emissions from plywood and composite wood products we might not have had the problem in the first place. So EPA did not act to set a standard for formaldehyde. FEMA did not act to test the trailers to see if the formaldehyde levels were high enough that they were causing a threat to public health.

The government has got to do its job, not ignore the problems for fear that we will own them because our job is to protect the American people. The victims of Hurricane Katrina had no choice. They were given these trailers in which to live. They were grateful to

have a place to live temporarily, but we should never have subjected them to this exposure and we should never minimize the harm we subjected them to. I believe that we will find that there was harm to people and that is a harm that could have been averted, and we want to make sure that it doesn't occur in the future. Thank you, Mr. Chairman.

Mr. RUSH. The chairman thanks the chairman of the full committee, Mr. Waxman. The chair now recognizes for 2 minutes, Mr. Latta, the gentleman from Ohio.

Mr. LATTA. Thank you very much, Mr. Chairman, Mr. Whitfield, I appreciate this being my first day on the subcommittee. I look forward to working with you all in the future.

Mr. RUSH. Will you yield just one second? I really want to take this opportunity to welcome you to this subcommittee. We are a good subcommittee. We work very well together, and we look forward to working very closely with you.

Mr. LATTA. Thank you very much, Mr. Chairman. I appreciate that. And not to reiterate everything that has already been said, but I look forward to the testimony today on purchase of the trailers and also the subsequent sale of these trailers. And with that, Mr. Chairman, I yield back.

Mr. RUSH. The chair thanks the gentleman. The chair now recognizes Mr. Barrow for 2 minutes.

OPENING STATEMENT OF HON. JOHN BARROW, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. BARROW. Thank you, Mr. Chairman. In the aftermath of Hurricanes Katrina and Rita, many of the victims trusted the government to provide temporary housing that was safe to live in. We have since found out that many of these citizens were exposed to extremely high levels of formaldehyde in these trailers. As a result of that exposure, hundreds of individuals continue to suffer negative health effects ranging from respiratory irritation to cancer. I have introduced legislation in this Congress, H.R. 1661, the Travel Trailer Residents Health Registry Act, that will begin the process of righting this wrong.

My bill will establish and maintain a health registry for folks who are exposed to formaldehyde in one of these government-provided trailers. It will provide health examinations, consultations, and mental health counseling free of charge to individuals facing illness from FEMA trailers and will conduct a study of the long-term health effects of exposure to formaldehyde in the trailers. The purpose of today's hearing is to look at the public sale of Hurricane Katrina and Rita FEMA trailers.

Once again, the government will be providing temporary housing to yet another generation of occupants. Knowing what we already know about the effects have had on those who already lived in them, I don't see how we can justify the risk of further government-sanctioned exposure. We have not yet accepted responsibility for the harm done to those who have been injured by substandard temporary housing. Until we do, I am afraid these sales may only add to the casualty lists. Thank you, Mr. Chairman. I yield back.

Mr. RUSH. The chair recognizes the gentleman from Georgia, Dr. Gingrey, for 2 minutes.

OPENING STATEMENT OF HON. PHIL GINGREY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA

Mr. GINGREY. Mr. Chairman, I want to thank you for calling today's hearing on the sale of the FEMA trailers used in the recovery efforts of Hurricane Katrina and Rita. With a number of concerns raised with formaldehyde exposure in the Gulf Coast region resulting from the use of these trailers, I believe it is important that this subcommittee take a closer look at the issue, and of course that is what we are doing. As required by law, the federal government is required to sell or dispose of equipment that is no longer being used. Accordingly, the GSA, General Services Administration, helped facilitate the sale of over 102,000 trailers through an auction that was conducted in January, this year, that brought in approximately \$139 million.

Overall, as the chairman said just a minute ago in his remarks, that is pennies on the dollar, I think a nickel on the dollar of what we paid for these trailers. Although this sale of government equipment follows prescribed procedures, it also comes with additional concerns as expressed by my friend from Georgia, Mr. Barrow. Mr. Chairman, I am pleased that FEMA placed a clearly visible decal on the door or window of each of these trailers that simply states not to be used for a house. And, additionally, I appreciate that the purchasers are required to sign a buyer's certificate denoting that the trailers cannot be used for housing or resold to be used as housing.

Although the buyers of these trailers are being required to sign these certificates, there will always be, and we know this, bad actors in the system that will resell these trailers for housing purposes. Based on the levels of formaldehyde that potentially exists in the trailers, we need to do our best to prevent them from being resold for permanent type housing, day in and day out kind of living. Mr. Chairman, I am glad that we are holding the hearing today. I wish we could also be hearing some testimony—I notice that HUD is not on either panel. HUD is the only federal agency that regulates the use of formaldehyde. I believe the Department of Housing and Urban Development's input and testimony on this matter would be beneficial to the subcommittee, and as we move forward on this issue, I hope that we will seek their input.

The existence of formaldehyde in FEMA trailers is something that has already been scrutinized by a number of congressional committees and now the public sale of these same trailers allows us to re-examine this important issue. I look forward to hearing the testimony from today's panels, the first set and second, and asking some pertinent questions and getting some good answers. Mr. Chairman, thank you for holding the hearing, and I yield back the balance of my time.

Mr. RUSH. The chair now recognizes the gentleman from Iowa, Mr. Braley, for 2 minutes.

OPENING STATEMENT OF HON. BRUCE L. BRALEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA

Mr. BRALEY. Thank you, Mr. Chairman. Chairman Waxman mentioned the July 19, 2007, hearing of the Oversight and Government Reform Committee, which I served on at that time, and as

a member of that committee, I hear testimony from displaced Gulf Coast hurricane victims who testified that the trailers provided by FEMA had high levels of formaldehyde, which caused them to experience nosebleeds, watery eyes, respiratory problems, and flu-like symptoms. They also testified that their adverse health effects were common for families living in FEMA-provided trailers in the Gulf Coast. At the time of that hearing, I had no idea how important that would be to residents of my district in the northeast part of Iowa because 1 year later in the spring of 2008 my district was hit by the most powerful tornado in the United States followed 10 days later by the worse flooding in our state's history.

As part of the relief effort, FEMA issued trailers to Iowa flood victims. In July of 2008, and this is a photograph of some of those remaining trailers, which are currently stored about 10 miles from where I live in the small town of Dike, Iowa. As part of that relief, it was discovered in July of 2008 that more than 100 FEMA-provided trailers in Iowa were infected with mold. It is very disturbing that the mold in those trailers was not discovered before they were delivered to disaster victims at their designated locations, and it concerned the Iowans living in those trailers for a period of time before the mold was even discovered.

In October of 2008, a Cedar Rapids, Iowa television station, KGAN, reported that tests of 20 trailers issued by FEMA to flood victims in Iowa found they all exceeded FEMA's own standards for safe levels of formaldehyde. At the time, more than 60 inhabited FEMA trailers were located in my district, and this was after we had held the hearing in Oversight and Government Reform. With such a dismal record of providing housing units with high levels of formaldehyde and mold, FEMA should be going above and beyond expectations to prove and ensure that these trailers are safe. It is disturbing to me personally and unacceptable that temporary housing provided by the agency responsible for helping people in times of emergency would make them ill.

It is equally disturbing that formaldehyde emissions from composite wood products are not currently regulated by the federal government. In November of 2007, a federal court order suspended all sales of FEMA trailers until January 2, 2010. When that court order expired, FEMA sold about 93,000 travel trailers and 9,300 mobile homes to both purchasers. And despite the warnings that my colleague from Georgia has mentioned, I remain concerned that the safety of these units will not be a subject of further scrutiny, and I am not sure the government should be selling trailers to the public that they have determined to pose risks to human health.

Last month we were supposed to mark up H.R. 4805, the Formaldehyde Standards and Composite Wood Products Act in this subcommittee, but it was pulled from the schedule at the last minute. I was disappointed because that bill would be a good step in the right direction to lower the adverse effects of formaldehyde on human health. As we continue to address the issue of formaldehyde, we should be considering not whether that legislation goes too far but rather we should consider whether it goes far enough in protecting human health because in a hearing last month the consensus among the witnesses was that the current standard for

formaldehyde emissions for manufactured homes is weak and must be updated.

It is not only important to the impact of hurricane victims in the Gulf Coast as well as the flooding victims in Iowa and other parts of the Midwest. It is important for the people of this country as we move forward. And so I thank you again, Mr. Chairman, for holding this important hearing today, and I yield back.

Mr. RUSH. The chair recognizes the gentleman from Louisiana, Mr. Scalise, for 2 minutes.

OPENING STATEMENT OF HON. STEVE SCALISE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. SCALISE. Thank you, Chairman Rush, and Mr. Whitfield for having this important hearing examining the sale of FEMA trailers. I want to acknowledge some of our panelists who are here today from Louisiana. First, Dr. Corey Hebert, a pediatrician in New Orleans who serves as an assistant professor at Tulane Medical School and is chief medical officer at the Louisiana Recovery School District. Dr. Hebert has focused much needed attention on the effects of post-traumatic stress disorder as it relates to Hurricane Katrina's effects on people in our region, as well as on the potential hazards of formaldehyde and FEMA-issued trailers. We also have Gabe Chasnoff, the director and producer of Renaissance Village. Mr. Chasnoff's documentary showed us life in a FEMA trailer camp and the issues faced by those displaced by Hurricane Katrina.

Dr. Hebert and Mr. Chasnoff, it is good to have people from Louisiana here testifying before our committee, and I thank you for the work you do and what you are also doing for our recovery. Mr. Chairman, those of us in South Louisiana are unfortunately all too familiar with FEMA trailers and the problems associated with them. As a result of Hurricanes Katrina and Rita our state saw hundreds of thousands of homes destroyed and people displaced. We also had over 200,000 mobile homes, travel trailers, and other temporary housing units shipped to our region. While these temporary units did help meet the critical needs of housing following the 2005 hurricanes and provided many residents with short-term housing options as they recovered from the storms, only later did we find out about the health issues these trailers have caused.

FEMA originally spent approximately \$2.7 billion on temporary housing units only to have some of them go unused because there was a surplus or because regulations prevented them from being installed in certain areas. In 2006, we learned that some of these trailers contained formaldehyde and had exposed people to health risks associated with this chemical. These revelations only added insult to injury for the hundreds of thousands of people who had survived the storms. At the end of 2007, the GAO found that ineffective oversight led to FEMA paying an estimated \$30 million in wasteful and improper or potentially fraudulent payments for maintenance on trailers, and now the storage of excess trailers is costing the taxpayers hundreds of millions of dollars.

Mr. Chairman, I understand the uniqueness of what we faced after Katrina. Our nation had never faced a disaster of that scope

or complex. The federal government had never been faced with providing housing for that many people, and FEMA did take steps to address these challenges. But FEMA trailers provide clear examples of the errors that were made after Hurricanes Katrina and Rita and how taxpayer dollars were wasted. It is for that reason that I have introduced and co-sponsored legislation to improve disaster recovery and promote responsible government spending for disasters.

Mr. Chairman, given the challenges we face, the issue of FEMA trailers is one that we take very seriously in South Louisiana. That is why I am pleased to see that our subcommittee is focusing on these issues. Thank you, and I yield back.

Mr. RUSH. The chair recognizes the gentleman from Maryland, Mr. Sarbanes, for 2 minutes.

OPENING STATEMENT OF HON. JOHN P. SARBANES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

Mr. SARBANES. Thank you, Mr. Chairman, for holding the hearing. My understanding is that the only agency that has standards with respect to formaldehyde emissions is HUD but that standard is itself very weak and needs to be strengthened and the overall regulation of formaldehyde has to be improved, but then even within that weak standard that HUD sets there is a giant loophole with respect to the travel trailers because they don't fit the definition that would be subject to the HUD standards with respect to manufactured housing so the travel trailers, which were used as what was anticipated to be temporary housing but became more permanent for many people had these terrible health effects.

And Mr. Braley and I and others participated in hearings on Oversight and Government Reform that at this, so I appreciate your bringing attention to this in terms of how the travel trailers that were used at that time are now being disposed of but also to get us to think going forward how we better regulate the use of those kinds of trailers, and address overall the formaldehyde emissions, so thank you for holding a hearing. I look forward to hearing from the witnesses, and I yield back.

Mr. RUSH. The chair now recognizes the ranking member of the full committee, my friend from Texas, Mr. Barton, is recognized for 5 minutes.

Mr. BARTON. Thank you, Mr. Chairman. I notice you have moved your vehicle. You have got a different parking place now, so it is in running condition.

Mr. RUSH. You can move it now. It will move.

Mr. BARTON. Have you tested it for formaldehyde, Mr. Chairman?

Mr. RUSH. Yes, it has. It has been tested for it. Thank you.

OPENING STATEMENT OF HON. JOE BARTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. BARTON. Our chairman has a sports car that is—it is not an antique but it is older than most of the vehicles and it would be a great auction item because if it is in running condition. Anyway, thank you, Mr. Chairman, for holding this hearing. We have all

heard the joke about would you buy a used car from this person. Well, the question is would you buy a used trailer from Uncle Sam? That is the purpose of today's hearing. With all good intentions, the federal government after Katrina and Rita purchased over 120,000 trailers for people to temporarily live in the aftermath of those two hurricanes. I think it is good public policy when the need passes to auction them off into the private marketplace, so I don't have a basic problem with what has been attempted to have been done.

Unfortunately, we have found out in the climate in the Gulf Coast, some of these trailers if left unoccupied and closed up, the humidity and the heat concentration inside the trailer apparently releases formaldehyde in concentrations that can be unhealthy. There is a bigger question and the chairman of the subcommittee is considering legislation on what to do about the formaldehyde in the manufactured housing, but the purpose of this hearing is to determine exactly what FEMA and other environmental agencies knew and when they knew it, and, what, if anything, can be done in terms of the sales of these trailers.

I do not represent Louisiana, obviously, or Mississippi. I do represent Texas, and part of my district was hit by Hurricane Rita, so this is something that is of more than passing interest to me. I hope we have a productive hearing, Mr. Chairman, and I hope that we all engage in it in a positive way to get real answers so that we can help determine what the appropriate solution is to this problem. With that, Mr. Chairman, I yield back.

[The prepared statement of Mr. Barton follows:]

Opening Statement of the Honorable Joe Barton
Hearing by the Subcommittee on Commerce, Trade, and
Consumer Protection
“Public Sales of Hurricane Katrina/Rita FEMA Trailers: Are
they Safe or Environmental Time Bombs?”
April 28, 2010

Mr. Chairman, thank you for recognizing me for the purposes of giving an opening statement. The topic is important, and I applaud you for holding this oversight hearing.

Hurricanes Katrina and Rita are a fading historical footnote for many, but for people along the Gulf Coast, they are a lasting affliction. Their arrival was a time of real disaster, hurt, and need. After those storms pounded the Gulf Coast, including my own home state of Texas, 12,000 evacuees moved into my congressional district to find a place to stay until they could return to their homes. And 5,000 of those people stayed in shelters throughout my congressional district.

Official reports suggest that 120,000 trailers and mobile homes were provided by FEMA as temporary housing for families and individuals who were made homeless by the storms.

I hope today's hearing is not used to rehash the well-known, broadly debated decision to purchase these trailers in the first place. I also think that in the aftermath of those historic storms, many government workers and officials just did the best they could with available resources and knowledge to improve the lot of their fellow Americans. In retrospect, it's clear that people often had to make choices from nothing but bad options.

That being said, I do think we need to pin down the facts so we can know just how much quality control was exercised, how widespread the problem was, and whether the fumes from these

units dissipated with time or not. I also agree with the Subcommittee Ranking Member, Ed Whitfield, that the really important questions that need answers today are more about the future than the past. For instance:

- With all the attention focused on this issue over the years, why did the Obama Administration think it was a good idea to sell these trailers to people who might not have the wherewithal to remediate them?
- Who is following up with the purchasers of these units to ensure that they are not facing problems from exposures that they do not expect or understand?
- Was a determination made as to whether those units were safe enough for people in all kinds of climates? If so, who made that decision and on what was it based?
- Did the Federal government have other legal options besides auctioning those trailers? If so, what were they and why were they not taken?
- Did the potential health problems show up in the units that were never used – meaning they were never unwrapped – and were they better or worse?

Mr. Chairman, the real question for us today is this -- should you buy a used trailer from Uncle Sam? That's why I hope we can put the focus of our hearing where it belongs, on the auction and its potential to extend the misery that began with the hurricanes.

We know quite a lot about the problems of the trailers, but now the Administration is trying to sell these trailers to the public, and I think the people who are buying them deserve to know what they're in for. I hope we can get the answers they need.

I yield back the balance of my time.

Mr. RUSH. The chairman thanks the gentleman. The chair now recognizes the gentle lady from Ohio, Ms. Sutton, for 2 minutes.

**OPENING STATEMENT OF HON. BETTY SUTTON, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO**

Ms. SUTTON. Thank you, Chairman Rush, for holding today's important hearing on the public sales of Hurricane Katrina and Rita FEMA trailers. Our hearts go out to the families who were displaced by Hurricane Katrina and Rita nearly 5 years ago. After losing their homes, their personal belongings, and, unfortunately, loved ones, affected citizens were moved into trailers purchased by FEMA. To add insult to injury, some people began experiencing breathing difficulties, persistent headaches, and nosebleeds caused by high levels of formaldehyde. Formaldehyde, considered to be a human carcinogen. This shocked and horrified the public, and FEMA began relocating residents. Government agencies suggested that families who live in FEMA-supplied travel trailers and mobile homes should spend as much time outdoors in the fresh air as possible.

FEMA then worked with GSA to sell large lots of the trailers, the very trailers residents were advised to stop living in or to stay out of as much as possible. This chain of events is alarming, and we must ensure that the correct lessons are learned so that this troubling piece of American history is never repeated. I am interested to hear from today's witnesses how putting a disclaimer regarding the unsafe levels of formaldehyde complies with the GSA regulations. GSA is prohibited from selling property that is dangerous to public health or safety without first rendering such property innocuous or providing for adequate safeguards as part of the exchange or sale.

In addition, I am proud to co-sponsor the formaldehyde standards for composite wood production introduced by Representative Matsui. That bill will protect the health of American families from high uses of formaldehyde and common household products like flooring and paneling regardless of where it is made. And I have introduced the Board of Manufacturers Legal Accountability Act of 2010 to protect American consumers and businesses from defective products manufactured abroad. The American people deserve and demand that the products they are sold or in this case of products purchased by their government as part of a response to a national disaster are safe for themselves and their families. Thank you.

Mr. RUSH. The chair recognizes the gentleman from Florida, Mr. Stearns, for 2 minutes.

**OPENING STATEMENT OF HON. CLIFF STEARNS, A REP-
RESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. STEARNS. Mr. Chairman, thank you for holding this important hearing. FEMA was tasked, as we all know, with providing emergency housing in the form of mobile homes and travel trailers to almost 150,000 residents of Mississippi, Alabama, and, of course, Louisiana when the region was devastated by back-to-back hurricanes, Katrina and Rita, in the summer of 2005. You know, 2006 heard claims from some of the occupants of the travel trailers about poor indoor air quality and concerned about elevated form-

aldehyde levels. But then as a result FEMA asked the Agency for Toxic Substance and Disease Registry to evaluate. They just asked them to evaluate the air quality and they took some samples of the unoccupied trailers that FEMA were still storing and subsequently asked the Center for Disease Control to study the air quality for the occupied units.

Their study did reveal high levels of formaldehyde while the CDC study revealed that the emission rates in occupied trailers were much lower. I think that is important to also bring out. Our subcommittee should note that according to the ATSDR there is a correlation between temperature and formaldehyde levels with lower temperatures and proper ventilation resulting in lower concentrations and higher temperatures and no ventilation resulting in higher levels. So it is clear to me that this is what happened.

Nonetheless, the sale of the FEMA trailers was suspended in 2007 to rightfully ensure the protection of consumers, and I think that is justified and I am glad we are doing that. However, this federal court order on the sale of FEMA travel trailers expires the 1st of January of this year. It is, therefore, prudent of us to examine today, Mr. Chairman, whether the sale of these trailers is truly safe. If they pose a real health risk to consumers or perhaps if someone buys this travel trailer, can he or she clean it up on their own. A travel trailer can be sold at a discount and possibly not create a problem. So this is a timely hearing, Mr. Chairman, and I appreciate your leadership in bringing it forward. Thank you.

Mr. RUSH. The chair now recognizes the gentleman from Texas, Mr. Green, for 2 minutes.

**OPENING STATEMENT OF HON. GENE GREEN, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. GREEN. Thank you, Mr. Chairman, for holding the hearing on the sale of the FEMA trailers that received so much public attention and scrutiny when it began appearing in the aftermath of Hurricanes Katrina and Rita. I know this hearing is about the sale of the trailers, but I also would like to raise the direct problems that the high rise of formaldehyde in trailers and mobile homes caused in our district in the area devastated by Hurricane Ike. FEMA spent nearly \$3 billion adding trailers and mobile homes to their inventory in 2005 after these two hurricanes, but less than a year later the reports of excess levels of formaldehyde began causing serious concerns and FEMA stopped distributing the trailers. One of the lasting impacts of oversight on FEMA's part that surfaced in the aftermath of Hurricane Ike, which hit the Texas upper Gulf Coast in September, 2008 and devastated the district I represent, was that FEMA was not able to provide temporary mobile housing in a timely manner after the hurricane.

It was over a month after Ike hit that trailers started arriving for Ike victims, and it took significant involvement from local officials in the states to ensure these trailers and mobile homes met safe formaldehyde levels. I would like to make this last point. While our district has significantly recovered, there are still folks living in trailers in some of the hardest hit areas like Galveston, Texas along the coast. These people need to have options to get out

of those trailers before the next hurricane season starts, June 1, and I hope that FEMA is working with them to find alternatives.

Mr. Chairman, the specific issue at hand, and I am glad we are looking at the issue of the sale of these trailers procured in 2005, the potential for high levels of formaldehyde, mold, mildew, and other health hazards is too great, and I am concerned FEMA and GSA move forward too quickly without proper assurances these trailers would not be put to uses that endanger the public. I look forward to hearing from our witnesses today on what precautions were taken and what assurances they can provide that these trailers will not be used in such ways that will jeopardize human health including human habitation. It is one thing to use a construction trailer, but it is one thing to spend a night in a trailer that has problems with formaldehyde, mold, and mildew. And again, Mr. Chairman, I thank you for holding the hearing, and I yield back my time.

Mr. RUSH. The chair thanks all the members for their opening statements. Now we will move to the regular order and here we will invite our panelists to give opening statements. But before they give their opening statements, let me introduce them and also swear them in. On my left is Mr. David Garratt. Mr. Garratt is the Associate Administrator for FEMA Mission Support Bureau, Department of Homeland Security. Seated next to Mr. Garratt is Mr. James J. Jones, the Deputy Assistant Administrator, Office of Prevention, Pesticides, and Toxic Substances for the Environmental Protection Agency. And next to Mr. Jones is Mr. Steven Kempf. Mr. Kempf is the Acting Commissioner of the Federal Acquisition Service for the General Services Administration. Again, I want to thank each and every one of your gentlemen for appearing before this subcommittee. And it is the practice of this subcommittee to swear in witnesses, so I would ask if you would please stand and raise your right hands.

[Witnesses sworn.]

Mr. RUSH. Let the record reflect that all the witnesses have responded in the affirmative. And let me recognize now for opening statement for 5 minutes Mr. Garratt, and then we will proceed in that order.

TESTIMONY OF DAVID GARRATT, ASSOCIATE ADMINISTRATOR, FEMA MISSION SUPPORT BUREAU, DEPARTMENT OF HOMELAND SECURITY; JAMES J. JONES, DEPUTY ASSISTANT ADMINISTRATOR, OFFICE OF PREVENTION, PESTICIDES, AND TOXIC SUBSTANCES, U.S. ENVIRONMENTAL PROTECTION AGENCY; STEVEN KEMPF, ACTING COMMISSIONER, FEDERAL ACQUISITION SERVICE, GENERAL SERVICES ADMINISTRATION

TESTIMONY OF DAVID GARRATT

Mr. GARRATT. Thank you, and, good morning, Chairman Rush, Ranking Member Whitfield, and other distinguished members of the subcommittee. My name is David Garratt. I am the Associate Administrator for Mission Support within the Federal Emergency Management Agency within the Department of Homeland Security.

On behalf of the agency and the department, I appreciate the opportunity to discuss how FEMA is producing, employing, and disposing of temporary housing units. First, it may be helpful to establish some common frames in terms of reference and provide a little context. Within the FEMA vernacular, a temporary housing unit is a manufactured home, recreational vehicle, or other readily fabricated dwelling. These dwellings include mobile homes, park models, travel trailers, and various types of alternative housing. While all temporary housing units are distinguished by their ability to be delivered, installed, and inhabited within a relatively short time frame, not all temporary housing units are designed to be inhabited for lengthy periods of time.

FEMA provides temporary housing units under our Individual Assistance program which such assistance has been specifically requested by a governor and authorized by the President as part of a major disaster or emergency declaration. Whenever Individual Assistance is authorized, the program is 100 percent federally funded. Generally, FEMA provides temporary housing units when sufficient fair market rental units are not available within an affected area. Temporary housing units can be provided in two types of settings, on private property or in community sites.

Installing temporary housing units on private property is preferred. It keeps disaster survivors on their own property, providing proximity to the damaged homes that they wish to repair. It also allows adults to remain near their places of employment and children near their schools. Further, it helps physically and financially stabilize traumatized neighborhoods and contributes to faster recovery. However, because most private sites are relatively small, they often cannot accommodate mobile homes, which are designed for long-term habitation. FEMA will only install smaller travel trailers on private sites if the damaged structure can be repaired to the point of re-habitation within six months.

Community sites are employed when private site installation is not available to disaster survivors, such as when large numbers of apartment renters are displaced and insufficient fair market rental resources are available. In such cases, FEMA must obtain access to land capable of supporting multiple mobile homes and/or park models or other forms of alternative temporary housing. If existing sites are not available, FEMA may build a community site from scratch, to include providing the supporting utility infrastructure. FEMA will not install travel trailers in community sites.

Prior to and during the response to Hurricane Katrina, FEMA procured temporary housing units that were manufactured to prevailing industry standards. While mobile home construction was and is regulated by the Department of Housing and Urban Development, recreational vehicles, such as park models and travel trailers, are not. On February 14, 2008, the Centers for Disease Control issued its interim report that suggested many of the Katrina-era purchased units tested possessed higher than typical indoor background formaldehyde levels. Though no federal guidelines existed for residential air quality levels, FEMA invoked construction specifications for all new forms or manufactured housing that dramatically reduced formaldehyde levels to well below standard commercially produced units. FEMA's new requirements were rigorous, so

rigorous, in fact, that manufacturers were uncertain whether these standards could be met. Through our persistence, we successfully obtained units built to these exacting and unprecedented standards.

All temporary housing units currently being purchased by FEMA must meet extremely rigorous air quality specifications. FEMA requires that every unit must test below 0.016 per million, which is lower than the residential formaldehyde emission levels established by any of the 50 states. Further, FEMA requires that any recreational vehicles that it purchases contain air ventilation systems that are comparable to a mobile home, further contributing to a sustained reduction in formaldehyde levels. These new FEMA units continue to surpass any commercially available manufactured housing unit in air quality.

Although all the temporary housing units that FEMA is now commissioning for production and providing to disaster survivors meets FEMA's stringent air quality specifications, FEMA has also been storing at multiple sites across the country and at considerable costs tens of thousands of used legacy units left over from the Katrina era. These legacy units include mobile homes, park models, and travel trailers. FEMA strives to be a fully accountable steward of government resources and ensure that taxpayer funds are used responsibly. Accordingly, following the removal of court-ordered restrictions on their disposition, FEMA began working to responsibly dispose of these units through the General Services Administration sales program.

FEMA's ability to dispose of these units is dictated by the Stafford Act, which authorizes FEMA to dispose of units in only one of two ways, either by sale to anyone, including the occupant, or by transfer, donation, or sale to a jurisdiction or voluntary organization. However, the latter disposition option can be employed only when the unit will be used to provide housing to disaster survivors. FEMA and GSA implemented rigorous measures to ensure that these units would not be used as housing. As my GSA colleague will discuss, FEMA and GSA placed restrictions on the use of the travel trailers as housing and required that all buyers fully convey those usage restrictions to subsequent buyers or recipients.

Buyers must certify that they understand that there may be formaldehyde emissions and that travel trailers are commercial recreational vehicles and are not intended to be used as housing, and that subsequent owners must continue to similarly inform subsequent buyers for the life of the unit. This certification is a binding legal document. Finally, no aspect of recovery is more critical to the timely and sustainable revitalization of a disaster-impacted community than the return of its citizens and workforce, and no aspect of recovery is more critical to supporting the return than the availability of housing, both permanent and temporary.

States have made it unequivocally clear that they want and expect travel trailers to remain a part of our inventory because in many cases a travel trailer is the only unit that will fit on suburban private property. We have heeded that call by partnering with the industry that manufactures these units, leading the design and production of travel trailers that achieve greatly improved air quality levels. We will continue to work with our partners in and out

of government to improve temporary housing capabilities. Thank you. I look forward to your questions.
[The prepared statement of Mr. Garratt follows:]

21

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY

STATEMENT OF

DAVID GARRATT
ASSOCIATE ADMINISTRATOR

On

Temporary Housing Units



FEMA

BEFORE THE

COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON COMMERCE, TRADE, AND CONSUMER PROTECTION
U.S. HOUSE OF REPRESENTATIVES

April 28, 2010
10:00 AM

Rayburn House Office Building
Room 2322

Introduction

Good morning Chairman Rush, Ranking Member Whitfield, and other distinguished Members of the Subcommittee. I am David Garratt, Associate Administrator for Mission Support within the Federal Emergency Management Agency (FEMA). I appreciate this opportunity to talk with the Subcommittee about how FEMA is producing, employing, and disposing of temporary housing units.

Within the FEMA vernacular, a temporary housing unit is a manufactured home, recreational vehicle, or other readily fabricated dwelling. These dwellings include mobile homes, park models, travel trailers, and various types of alternative housing. While all temporary housing units are distinguished by their ability to be delivered, installed, and inhabited within a relatively short timeframe, not all temporary housing units are designed to be inhabited for lengthy periods of time.

FEMA provides temporary housing units under our Individual Assistance program when such assistance has been specifically requested by a Governor and authorized by the President as part of a major disaster or emergency declaration. Whenever Individual Assistance is authorized, the program is 100 percent federally funded.

Generally, FEMA provides temporary housing units when sufficient fair market rental units are not available within the affected area. Temporary housing units can be provided in two types of settings - on private property or in community sites.

- Installing temporary housing units on private property is preferred. It keeps disaster survivors on their own property, providing proximity to the damaged home that they wish to repair. It also allows adults to remain near their places of employment and children near their schools. Further, it helps physically and

financially stabilize traumatized neighborhoods and contributes to faster recovery. However, because most private sites are relatively small, they often cannot accommodate mobile homes, which are designed for long-term habitation. FEMA will only install smaller travel trailers on private sites if the damaged structure can be repaired to the point of re-habitation within six months.

- Community sites are employed when private site installation is not available to disaster survivors, such as when large numbers of apartment renters are displaced and insufficient fair market rental resources are available. In such rare cases, FEMA must obtain access to land capable of supporting multiple mobile homes and/or park models or other forms of alternative temporary housing. If existing sites are not available, FEMA may build a community site from scratch, to include providing the supporting utility infrastructure. FEMA will not install travel trailers in community sites.

Prior to and during the response to Hurricane Katrina, FEMA procured temporary housing units that were manufactured to prevailing industry standards. While mobile home construction was and is regulated by the Department of Housing and Urban Development, recreational vehicles, such as park models and travel trailers, are not.

On February 14, 2008, the Centers for Disease Control and Prevention issued its interim report that found that many of the Katrina-era purchased units tested possessed higher than typical indoor background formaldehyde levels, and that the levels of formaldehyde in many of these units could affect health. Though no federal guidelines existed for residential air quality levels, FEMA invoked construction specifications for all new forms of manufactured housing that dramatically reduced formaldehyde levels to well below standard commercially produced units. FEMA's new requirements were rigorous—so rigorous, in fact, that manufacturers were uncertain whether these

standards could be met. Through our persistence, we successfully obtained units built to these exacting and unprecedented standards.

All temporary housing units currently being purchased by FEMA must meet extremely rigorous air quality specifications. FEMA requires that every unit must test below 16 parts per billion (“ppb” or 0.016 parts per million (“ppm”)), which is lower than the residential formaldehyde emission levels established by any of the fifty states. Further, FEMA requires that any recreational vehicles that it purchases contain air ventilation systems that are comparable to a mobile home, further contributing to a sustained reduction in formaldehyde levels. These new FEMA units continue to surpass any commercially available manufactured housing unit in air quality.

Although all the temporary housing units that FEMA is now commissioning for production and providing to disaster survivors meet FEMA’s stringent air quality specifications, FEMA has also been storing, at multiple sites across the country and at considerable cost, tens of thousands of used legacy units left over from the Katrina era. These legacy units include mobile homes, park models, and travel trailers.

FEMA strives to be a fully accountable steward of government resources and ensure that taxpayer funds are used responsibly. Accordingly, following the removal of court-ordered restrictions on their disposition, FEMA began working to responsibly dispose of these units through the General Services Administration (GSA) sales program. FEMA’s ability to dispose of these units is dictated by the Stafford Act, which authorizes FEMA to dispose of units in one of only two ways: either by sale to anyone (including the occupant), or by transfer, donation, or sale to a jurisdiction or voluntary organization. However, the latter disposition option can be employed only when the unit will be used to provide housing to disaster survivors.

GSA's Federal Management Regulation (FMR) §102-36, §102-37 and §102-38 contain the regulations regarding excess, donation, and sale for disposal of federal property. According to §102-36.35, "[p]ersonal property is excess when it is no longer needed by the activities within your agency to carry out the functions of official programs, as determined by the agency head or designee." The approximately 144,000 temporary housing units purchased and used following Katrina, which were returned to FEMA following their occupation, no longer satisfy FEMA requirements for housing disaster survivors. The cost of storing and maintaining FEMA's inventory of previously used units has approached \$130 million dollars per year.¹

Members of Congress from both chambers and sides of the aisle have sent letters and introduced bills requesting or requiring that FEMA rapidly dispose of the units and more expeditiously recoup our investment.² FEMA chose large-lot GSA auctions to both accelerate the disposition process and save additional taxpayer funds. As of April 26, we have completed sales for 81,422 units through the large-lot auctions. As of that date 22,635 units remained to be sold through large-lot auctions.³

FEMA and GSA implemented rigorous measures to ensure that these units would not be used as housing. As my GSA colleague will discuss, FEMA and GSA placed restrictions on the use of the travel trailers as housing and required that all buyers fully convey those usage restrictions to subsequent buyers or recipients. Buyers must certify that they understand that there may be formaldehyde emissions and that travel trailers

¹ Senate Report 111-23, June 1, 2009. Note: The program has been downsized since the end of FY09, as we move from 14 sites with approximately 120,000 excess units and approximately 2000 Ready for Deployment units, the cost total storage and maintenance has decreased.

²For example, S. 713 would "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." Senate Report 111-23, June 1, 2009.

³ FEMA has disposed of units through other means as well, including GSA's utilization and donation program and donation to Tribes pursuant to PKEMRA.

are "...commercial recreational vehicles and are not intended to be used as housing," and that subsequent owners must continue to similarly inform subsequent buyers for the life of the unit. This certification is a binding legal document, drafted with assistance from GSA's Office of General Counsel, and includes a statement that the certification is made in accordance with and subject to the penalties of Title 18, Section 1001 of the Crime and Criminal Procedures section of the United States Code. Prospective bidders can read the certification through a link provided in the sales description, and they must sign the certification prior to submitting a bid. On March 2, 2010, GSA notified buyers of travel trailers reminding them of the requirements of the certification. As GSA becomes aware of any possible violations, it refers them to GSA's Inspector General for investigation.

No aspect of recovery is more critical to the timely and sustainable revitalization of a disaster-impacted community than the return of its citizens and workforce; and no aspect of recovery is more critical to supporting their return than the availability of housing, both permanent and temporary. States have made it unequivocally clear that they want and expect travel trailers to remain a part of our inventory because, in many cases, a travel trailer is the only unit that will fit on suburban private property. We have heeded that call by partnering with the industry that manufactures these units, leading the design and production of travel trailers that achieve greatly improved air quality levels. We will continue to work with our partners in and out of government to improve temporary housing capabilities.

Thank you. I look forward to your questions.

Mr. RUSH. The chairman recognizes Mr. Jones for 5 minutes.

TESTIMONY OF JAMES J. JONES

Mr. JONES. Chairman Rush, Ranking Member Whitfield, and members of the subcommittee, thank you for the opportunity to speak with you today regarding EPA's efforts on formaldehyde. Formaldehyde is a widely-used chemical and may be found both indoors and outdoors. It is used in building materials and household products and can also be produced as a by-product of combustion. In homes, the most significant current sources of formaldehyde are likely to be pressed wood products using adhesives that contain urea-formaldehyde resins.

Inhalation of formaldehyde can cause irritation of the eyes, nose, throat, and skin, as well as inflammation and damage to the upper respiratory tract, depending on both the level and length of exposure. Additionally, there is some new evidence that formaldehyde exposures may impact pulmonary function and increase respiratory symptoms, asthma, and allergic sensitization in children. There is evidence that some people can develop sensitivity to formaldehyde. In 2005, the International Agency for Research on Cancer, IARC, concluded that there is sufficient evidence in humans and sufficient evidence in experimental animals for the carcinogenicity of formaldehyde.

EPA is currently engaged in a reassessment of the potential cancer and non-cancer risks of formaldehyde that will be entered into EPA's Integrated Risk Information System or IRIS program. As part of the IRIS reassessment process, EPA will be reexamining its conclusions regarding the cancer and non-cancer health effects of inhalation of formaldehyde. At this moment, EPA is conducting an interagency science consultation on the draft formaldehyde assessment. We anticipate releasing the draft formaldehyde assessment for independent external peer review and public review and comment in the near future. The independent peer review will be conducted by an expert scientific panel that has been convened by the National Academy of Sciences.

The NAS peer review report is expected to be provided to EPA in January or February of 2011. The recent focus on formaldehyde in the Office of Chemical Safety and Pollution Prevention result in part from a March 2008 petition from 25 organizations and approximately 5,000 individuals to adopt the California state regulation regarding emissions of formaldehyde from three types of composite wood products. The petitioners asked EPA to exercise its authority under TSCA section 6 to adopt and apply nationally the California formaldehyde emissions regulations for these composite wood products.

In response, EPA announced on June 24, 2008, EPA's plan to issue an Advance Notice of Proposed Rulemaking to initiate a proceeding to assist us in obtaining a better understanding of the available control technologies and approaches, industry practices, and the implementation of California's regulation. The ANPR was issued on December 3, 2008, and describes EPA's initial steps in that investigation. We currently anticipate being able to make a determination on pursuing regulatory actions in 2011. If EPS proposes new regulations at that time, a final rule could be anticipated

1 to 3 years later. Restoring confidence in our chemical management system is a top priority for EPA and an environmental priority for the Obama Administration. The Administration's principles for how TSCA should be revised and modernized call for stronger and clearer authority for EPA to collect and act upon critical data regarding chemical risks.

Under a reformed TSCA, EPA should have the necessary authority and tools, such as data call-in, to quickly and efficiently require testing or obtain other information from manufacturers that is relevant to determining the safety of chemicals. EPA should have clear authority to establish safety standards that are based on scientific risk assessment and to take risk management actions when chemicals do not meet the safety standard. The recent introduction of TSCA reform legislation in the Senate and release of a discussion draft in the House are major steps forward in this effort to reform TSCA. We look forward to working with Congress and the subcommittee to reform TSCA in the near future. Thank you for the opportunity to present EPA's views, and I am happy to answer any questions the subcommittee may have.

[The prepared statement of Mr. Jones follows:]

**Testimony of James J. Jones
Deputy Assistant Administrator
Office of Chemical Safety and Pollution Prevention
U.S. Environmental Protection Agency
before the
Subcommittee on
Commerce, Trade, and Consumer Protection
Committee on Energy and Commerce
United States House of Representatives
April 28, 2010**

Chairman Rush, Ranking Member Whitfield, and members of the Committee, thank you for the opportunity to speak with you today regarding the U.S. Environmental Protection Agency's efforts on formaldehyde and potential legislative action in Congress.

Formaldehyde is a widely-used chemical and may be found both indoors and outdoors. It is used in building materials and household products and can also be produced as a by-product of combustion. In homes, the most significant current sources of formaldehyde are likely to be pressed wood products made using adhesives that contain urea-formaldehyde (UF) resins. Pressed wood products made for indoor use include particleboard, plywood, and fiberboard.¹

Inhalation of formaldehyde can cause irritation of the eyes, nose, throat, and skin, as well as inflammation and damage to the upper-respiratory tract², depending on both the level and length of exposure. Additionally, there is some new evidence that formaldehyde exposure may impact pulmonary function, and increase respiratory symptoms, asthma, and allergic sensitization in children.³ There is evidence that some people can develop sensitivity to formaldehyde.⁴ In 1989, EPA classified formaldehyde as a probable human carcinogen. At that

¹ Formaldehyde Emissions From Pressed Wood Products, Advanced Notice of Proposed Rulemaking 73 FR 73620, at 73622 (December 3, 2008)

² ATSDR ToxFAQs, <http://www.atsdr.cdc.gov/tfacts111.html>; OSHA Safety Fact Sheet, http://www.oshasafety.org/osha_formaldehyde.asp

³ McGwinn, Gerald. Jr, Jeffrey Liener, and John I Kennedy Jr., Environmental Health Perspectives. Vol 188 (Number 3), March 2010.

⁴ Agency for Toxic Substances and Disease Registry. Toxicological Profile for Formaldehyde. 1999.

time, there was “sufficient evidence in animals and limited evidence in humans” from a set of 28 epidemiology studies.⁵

In 2005, the International Agency for Research on Cancer (IARC) concluded that there is sufficient evidence in humans and sufficient evidence in experimental animals for the carcinogenicity of formaldehyde.⁶

EPA recognizes that since 1989 there has been additional research into the health effects of formaldehyde. EPA is currently engaged in a reassessment of the potential cancer and non-cancer risks of formaldehyde that will be entered into the EPA’s Integrated Risk Information System (IRIS) program. As part of the IRIS reassessment process, EPA will be reexamining its conclusions regarding the cancer risk of formaldehyde inhalation after considering the currently available scientific information, including human data. EPA will also be evaluating the non-cancer health effects of inhalation of formaldehyde.

At this time, EPA is conducting an interagency science consultation on the draft formaldehyde assessment, as per the IRIS process.⁷ The draft assessment has been provided to other federal agencies for their review. EPA anticipates releasing the draft formaldehyde assessment for independent external peer review and public review and comment in the near future. The independent peer review will be conducted by an expert scientific panel that has been convened by the National Academy of Sciences (NAS). Because EPA is committed to providing a completed health assessment on this important chemical to the American public as quickly as possible, EPA has requested that NAS conduct their peer review and provide their final report to EPA on an expedited schedule. The first meeting of the NAS will likely focus on review of the charge to the panel and to hear presentations on the science, science issues, and

<http://www.atsdr.cdc.gov/toxprofiles/tp111.html>

⁵ IRIS File for Formaldehyde, <http://www.epa.gov/iris/subst/0419.htm>

⁶ IARC Monographs on the Evaluation of Carcinogenic Risks to Humans (see <http://monographs.iarc.fr/ENG/Monographs/vol88/index.php> and <http://monographs.iarc.fr/ENG/Meetings/88-formaldehyde.pdf>)

⁷ New Process for Development of IRIS Assessments, May 20, 2009 (see <http://www.epa.gov/iris/process/>)

preliminary conclusions included in the draft assessment. The NAS is being asked to provide advice to EPA on science issues. Per the expedited schedule, the NAS peer review report is expected to be provided to EPA in January or February of 2011.

The recent focus on formaldehyde in the Office of Chemical Safety and Pollution Prevention (formerly the Office of Pollution Prevention and Toxics) resulted in part from a March 2008 petition from 25 organizations and approximately 5,000 individuals to adopt the California state regulation concerning emissions of formaldehyde from three types of composite wood products. The 2007 California regulation requires manufacturers to meet formaldehyde emissions standards for certain pressed wood products, including hardwood plywood, particleboard, and medium density fiberboard. California also requires manufacturers to meet formaldehyde emission standards when these pressed wood products are offered for sale, sold, supplied, or manufactured for use in California. The regulation also requires that compliant products be used in finished goods but does not apply to hardwood plywood and particleboard materials installed in manufactured homes subject to U.S. Department of Housing and Urban Development regulations.

The petitioners asked EPA to assess and reduce the risks posed by formaldehyde emitted from these products by exercising its authority under TSCA section 6 to adopt and apply nationally the California formaldehyde emissions regulation for these composite wood products; and to extend the regulation to include composite wood products used in manufactured homes.

In response, EPA announced on June 24, 2008, that it was partially granting and partially denying the petition. While the Agency denied the specifics of the petition request, EPA announced plans to develop and issue an Advance Notice of Proposed Rulemaking (ANPR) to initiate a proceeding to assist us in obtaining a better understanding of the available control technologies and approaches, industry practices, and the implementation of California's regulation.

The ANPR was issued on December 3, 2008 and describes EPA's initial steps in that investigation and requested comment, information, and data relating to formaldehyde emissions from pressed wood products. The notice also announced a series of public meetings to obtain additional stakeholder input which took place in early 2009. In 2009, the Administration conducted an additional meeting in New Orleans to provide an opportunity for residents of the so-called "FEMA trailers" to offer their views.

In addition, EPA anticipates completing an exposure assessment by the Fall of 2010 which will focus on exposures in communities with environmental justice concerns. In addition, EPA has developed an industry survey to characterize the current industry practices, control technologies and the extent to which the industry has adopted the California standards. EPA anticipates completing this survey in early 2011.

The point of these efforts is to gain a greater scientific understanding of the potential health risks associated with the use of formaldehyde in pressed wood products. In turn, this vital information will inform the regulatory approach EPA will take on formaldehyde, as we consider whether it is appropriate to use our authority under TSCA to ban or restrict the use of formaldehyde in pressed wood products.

As a general matter, the challenge of regulating chemicals under our current TSCA authorities is worth noting. As we have stated in previous hearings, as a result of the legal and procedural requirements TSCA places on EPA prior to collecting data, there are large, troubling gaps in the available data and state of knowledge on many widely used chemicals in commerce. Chemical producers are not required to provide, without further action from EPA, the data necessary to fully assess a chemical's risks. In particular, current TSCA authority has made EPA's efforts to gather formaldehyde information more burdensome.

In the cases where EPA has adequate data on a chemical and wants to protect the public against well-known risks to human health and the environment, there are legal hurdles that prevent quick and effective regulatory action. Meanwhile, the public may be exposed to chemicals for which we have little understanding of the consequences.

As has been frequently cited, after years of study, EPA issued a rule in 1989 phasing out most uses of asbestos – a chemical whose health effects had been exhaustively studied and that had been demonstrated to cause lung cancer, mesothelioma and asbestosis in humans. Yet, a Federal court overturned the rule because EPA failed to clear the hurdles imposed under TSCA before existing chemical risks can be controlled. In regards to formaldehyde, the Agency noted in its 2008 ANPR that,

On the basis of the significant differences in the legal standards applicable to the California Health and Safety Code (H&SC) and TSCA section 6, and the insufficiency of the information available to EPA for purposes of conducting the TSCA section 6 analysis, EPA is not granting the specific request in the petition to commence a proceeding under TSCA section 6 to impose the CARB formaldehyde ATCM nationwide. Even if the information available to EPA were sufficient to support an evaluation of whether formaldehyde in composite wood products presents or will present an unreasonable risk, petitioners have not provided sufficient information, and EPA does not otherwise have sufficient information, to evaluate whether the CARB ATCM would likely be the least burdensome alternative necessary to protect adequately against such risk.

This finding illustrates the inherent difficulties the Agency faces in regulating chemicals under TSCA.

EPA currently anticipates being able to make a determination on pursuing regulatory action in 2011. If EPA has the information and data necessary to propose a new regulation at that time, a final rule could be anticipated one to three years later, depending on the

comments we receive and the additional analysis and consultations which may be required in order to finalize the final rule.

Restoring confidence in our chemical management system is a top priority for EPA and an environmental priority for the Obama Administration. This Administration's principles for how TSCA should be revised and modernized call for stronger and clearer authority for EPA to collect and act upon critical data regarding chemicals risks. Under a reformed TSCA, EPA should have the necessary authority and tools, such as data call in, to quickly and efficiently require testing or obtain other information from manufacturers that is relevant to determining the safety of chemicals. EPA should also have clear authority to establish safety standards that are based on scientific risk assessments and take risk management actions when chemicals do not meet the safety standard, with flexibility to take into account a range of considerations, including children's health, economic costs, social benefits, and equity concerns.

The recent introduction of the TSCA reform legislation in the Senate and release of a discussion draft in the House are major steps forward in this effort to reform TSCA. These two pieces of legislation are both major steps forward in the effort to protect American families and consumers from harmful chemicals. We look forward to working with Congress to reform TSCA.

EPA agrees with this Committee that formaldehyde is a hazardous chemical and supports the goal of legislation in reducing the risks from formaldehyde in pressed wood products. Reducing formaldehyde emissions in pressed wood products should be an important public health goal. California has made a valuable contribution to formaldehyde emissions reductions through its standards and is providing a possible model for addressing this problem. We look forward to working with this Committee as it moves forward to reduce exposure to formaldehyde from these products. It is our hope that Congress will also be able to act on TSCA reform, since the Administration believes it is important to work together to quickly modernize and strengthen the tools available in TSCA.

Thank you for the opportunity to present EPA's views, and I am happy to answer any questions the Subcommittee may have.

Mr. RUSH. Thank you very much. The chair recognizes Mr. Kempf for 5 minutes.

TESTIMONY OF STEVEN KEMPF

Mr. KEMPF. Good morning, Chairman Rush, Ranking Member Whitfield, and members of the subcommittee. Thank you for the opportunity to participate in today's hearing. My name is Steven Kempf. I am the Acting Commissioner of the Federal Acquisition Service within the General Services Administration. GSA's mission is to use expertise to provide innovative solutions for our customers in support of their missions, and by doing so fostering an effective, sustainable, and transparent government for the American people. GSA is comprised of two services, the public building service, which provides workplaces by constructing, managing, and preserving government buildings, and by leasing and managing commercial real estate. The Federal Acquisition Service or FAS offers professional services, equipment, supplies, telecommunications, fleet, travel services, purchase cards, and information technology to all government agencies.

Specific to this hearing, FAS manages the federal program for the disposal of personal property. This is operated by the Office of Personal Property Management, part of our Office of General Supplies and Services business portfolio. There is a process by which GSA manages disposal or reuse of personal property. Our first priority is to facilitate the transfer of one agency's excess property to another federal agency. Our second priority is the donation of surplus property to state and local government agencies and various other eligible non-profit organizations.

Any remaining property is then offered for sale to the general public. In support of utilization, federal transfers, and donations, GSA is a mandatory source, that is, statute and regulation require agencies to report their excess property to GSA for screening for transfer and donation. For sales services, GSA is just one of several agencies approved and authorized as sale centers. FAS' sales program is the most comprehensive as it is the only sales center approved to support any agency nationwide for any commodity and using any method of sale. Sometimes agencies own property which they have determined must be replaced. FAS facilitates this replacement under the Exchange Sale Authority.

In this case, proceeds from the sale are returned to the owning agency to help offset the cost of the purchase of replacement property. In working with FEMA, some travel trailers and other models of temporary housing units, park models, and manufactured housing were made available for transfer and donation. Others were offered for sale under the Exchange Sale Authority. At GSA most of the property we offer for competitive sales to the general public is sold through GSA auctions or internal auction sites. All GSA sales, whether on the internet or live, are also listed on govsales.gov, the federal asset sales central portal for all government sales.

GSA acted as the sales agent for FEMA while they retained physical custody and ownership of these units. We conducted these sales through GSA auctions selling travel trailers, mobile home, and park models. We sold them as single units or in large multiple lots, ranging from as few as 10 units to over 22,000 units in one

lot. GSA provides full and complete descriptions, including any known deficiencies if such information is provided by the owning agency. With respect to these trailers, there are no specific special requirements for sale of temporary housing units. Federal regulations address special requirements for disposal processing of specified categories of items requiring special handling. FEMA did not identify the temporary housing units as falling under any of these identified categories such as hazardous materials, a munitions item list, or an item containing asbestos. Therefore, no special requirements were applicable to these sales. GSA agreed with FEMA's conclusion.

The first temporary housing unit sales in significant quantities post-Katrina began in 2006. After the health concerns regarding the questionable formaldehyde levels were made known to GSA, FAS developed a certification statement for purchasers in coordination with FEMA, which included notices of the potential formaldehyde and later added restrictions on the use of the units for housing. The certification statement and restriction for purchasers of travel trailers is a binding document and is made in accordance with and subject to criminal penalties in Title 18, Section 1001 of the U.S. Code, Crime and Criminal Procedures. Prospective bidders were provided a link in each sales listing where they were required to read and to certify acceptance before being able to submit a bid.

On March 2 of this year, GSA also sent an e-mail to buyers of travel trailers reminding them of that requirement of the certification. GSA also referred all known violations to GSA's Office of Inspector General for investigation. We recently completed the sales of the remaining inventory held by FEMA. At the end of January, the majority of the remaining units, a total of 101,802 units, were sold in 11 lots in GSA auctions. For the most part, all lots have been paid in full with removal process well underway. There were 3 lots where the successful bidder defaulted on the contract. One of those lots was successfully re-offered for sale. One must again be re-offered, and finally FEMA has elected not to offer the units at one of the remaining sites. Instead, FEMA has determined that they are excess property and they were offered for transfer to other federal agencies or donation to state and local organizations.

Many of those units have now been transferred or donated. Throughout this process, a total of 4,666 units have been transferred to other agencies, and another 4,070 have been donated to eligible organizations. I want to thank the committee for this opportunity to speak to the honorable members, and I am happy to answer any questions that you might have.

[The prepared statement of Mr. Kempf follows:]

STATEMENT OF

**STEVEN KEMPF
(ACTING) COMMISSIONER
FEDERAL ACQUISITION SERVICE
U.S. GENERAL SERVICES ADMINISTRATION**

BEFORE THE

**COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON COMMERCE, TRADE
AND CONSUMER PROTECTION**

U.S. HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 28, 2010



Good morning, and thank you for the opportunity to participate in today's hearing. I am Steven Kempf, from the General Services Administration (GSA).

I am the Acting Commissioner of the Federal Acquisition Service (FAS). FAS provides acquisition and logistics services to Federal agencies, including services managed by our Office of Personal Property Management for the disposal of personal property. Generally speaking, "personal property" is defined as any property except buildings, structures, and land, agency records, and naval vessels. And, disposal refers to the reuse of personal property by means of federal transfers from one agency to another, donations to states and eligible non-profit organizations, and sales, the service that GSA provides to Federal agencies that have surplus and/or exchange/sale property they are willing to sell to the public.

As provided in Title 40 of the United States Code and implemented by the Federal Management Regulations (FMR), federal agencies are required to report excess personal property to GSA's Office of Personal Property Management for screening and redistribution to other federal agencies.

Personal property is reported to GSA through GSAXcess®, a web based program that is also used by our customers to screen and select needed property. Once reported, this property is normally offered for screening for 21 calendar days. Excess personal property which is not selected for transfer within the Federal government is declared to be surplus at the conclusion of the screening period and can be transferred under the Federal Surplus Personal Property Donation Program to the State Agency for Surplus Property (SASP) in each State, territory, and the District of Columbia. The SASPs are established under Title 40 of the U.S. Code.

Surplus property not selected for donation is offered for public sale. Property selected for replacement under the exchange/sale authority can be offered for public sale as well. The exchange/sale authority (40 U.S.C. 503) allows agencies to sell property and use the sale proceeds to acquire similar property. Exchange/sale property is not surplus property as agencies continue to need such property but agencies may sell such property to offset the cost of procuring the replacement property.

The Office of Personal Property Management's Sales Program is an approved Sales Center under the Federal Asset Sales Program (eFAS), one of the initial e-government initiatives. GSA is the only Sales Center approved for nationwide activity for all commodity groups and for all methods of sale. Surplus and exchange/sale property as well as forfeited, property are offered for competitive sales to the general public, most

commonly through GSA Auctions®, our internet auction site. All GSA sales, whether on the Internet, live auctions, or other methods, are listed on GovSales.gov, the eFAS central portal for all government sales. By regulation, Federal agencies must use an approved Sales Center for their public sales. The Federal Emergency Management Agency (FEMA) has selected GSA as its Sales Center.

Regarding the recent auctions of the FEMA owned temporary housing units (THUs) by the GSA; GSA acted as the sales agent for FEMA in these auctions and FEMA retained physical custody and ownership of these units. We conducted the sales through GSA Auctions® selling travel trailers, manufactured housing (mobile homes) and park models, as single units and small and large multiple lots, ranging from as few as 10 units to recent sales of over 22,000 in one lot. As we do with all of our customer agencies, we provide full and complete descriptions, including known deficiencies, if such information is provided by the owning agency.

The first THU sales in significant quantities, post Hurricane Katrina, began in 2007. GSA was not involved in the initial procurement of these items; as such, we do not know which units were specifically purchased for Hurricane Katrina relief, Hurricane Rita relief, or any other subsequent disaster. After learning about questionable formaldehyde levels, particularly with the travel trailers, GSA coordinated with FEMA to develop a certification statement to inform purchasers of the potential formaldehyde levels and other restrictions on the use of the units as housing and GSA's requirement that purchasers pass on these notices to any subsequent buyers or recipients.

The certification statement for purchasers of travel trailers is a binding document and is made in accordance with and subject to the penalties of Title 18, Section 1001, the United States Code, Crime and Criminal Procedures. Prospective bidders were provided a link in each sales listing, where they are required to read and certify acceptance prior to being able to submit a bid. On March 2, 2010, GSA sent an electronic mail message to buyers of travel trailers reminding them of the requirements of the certification. At times when GSA becomes aware of any violations, we refer them to GSA's Office of Inspector General (IG) for investigation. GSA's Office of Personal Property Management has forwarded the name of one buyer to the IG for investigation for such alleged violations.

There were no restrictions on continued use of the usable manufactured housing units because they were built to standards established by the Department of Housing and Urban Development (HUD), which are included in the Code of Federal Regulations (CFR). There are restrictions placed on manufactured housing units sold as scrap.

GSA also placed the health warning notice from the HUD regulations, which is applicable to the sale of new manufactured housing units, in each sales listings.

There are no specific, special requirements for sales of THUs. The Federal Property Management Regulation, 41 CFR 101-42, "Utilization and Disposal of Hazardous Materials and Certain Categories of Property", addresses special requirements for disposal processing of specified categories of items requiring special handling. FEMA did not identify the THUs as falling under any of these identified categories, such as being a hazardous material, a munitions list item, or an item containing asbestos, so no special requirements were applicable. GSA agreed that the THUs did not fall within the parameters for any of these special commodities and the corresponding special requirements.

We recently completed the sales of the remaining significant inventory held by FEMA. At the end of January, the majority of the remaining units, a total of 101,802 units, were sold as 11 lots via GSA Auctions®. Most sales have been successfully completed with the exception of three where the successful bidder defaulted on his contract. Two of the lots have been successfully reoffered for sale and FEMA has elected not to re-offer the units at the remaining site. Instead, FEMA has determined they are excess and are being offered for transfer to other Federal activities or then to State Agencies for Surplus Property through the Federal Surplus Personal Property Donation Program.

The other sales have been approved by the Department of Justice, as their sales proceeds exceeded our \$3,000,000 single award authority, and each has been paid in full with removal process ready to begin.

Thank you again for this opportunity to speak to the Honorable members of this committee. I am happy to answer any questions you may have.

Mr. RUSH. The chair thanks the gentleman. I want to begin by asking Mr. Kempf, in your statement you refer to purchases that are down from the original purchases and that they were under a contract obligation. I think Mr. Garratt indicated they were under a contract obligation that if they sold these trailer homes to any other person then they could be prosecuted. They would be in violation of the contract. Is that correct? Did I understand you correct?

Mr. GARRATT. I did say it was a binding, legal contract, yes, sir.

Mr. RUSH. And what are the prohibitions under that contract for the purchaser?

Mr. GARRATT. Essentially, the prohibitions are that they agree not to use or to sell these units to be used as housing and that if they do subsequently transfer or sell these units to someone else that they must inform those individuals of these prohibitions that it is not to be used as housing.

Mr. RUSH. And if they do, they are subject to civil—

Mr. GARRATT. Let me ask my colleague who wants to weigh in on this, sir.

Mr. KEMPF. I did want to also mention that they were also required to identify that there may be potential hazards with the formaldehyde as well.

Mr. RUSH. So, in essence, you are telling them that the federal government has sold it to them and they can't sell it to someone else, is that what you are saying?

Mr. KEMPF. They could sell it to someone else but they had to convey to them the issues we had identified in the certification that they were not to be used as housing units and that there were potential issues with formaldehyde.

Mr. RUSH. Mr. Kempf, what were the other options on the table besides the sale of the trailer homes?

Mr. KEMPF. GSA essentially implements working with our customer the option that they had chosen. In this case, our customer, FEMA, had decided to use the Sale Exchange, so we did review the regulations. We did not find anything that would stop us from doing the sale so we moved forward with the auction.

Mr. RUSH. And can you kind of give the subcommittee an idea of the picture of the process? Can you describe step by step what a person—conduct a sale for us. What would be some of the steps that a person would go through in terms of a sale?

Mr. KEMPF. When a customer does come to GSA and asks for a sale under the Exchange Sale Program, we sit with the customer, identify the kind of items that were going to be for sale, work with them on the best approach to selling, whether that be a live auction or we use our internet auctions. We then provide a description as provided by our customer agency and then offer the items for sale to the general public.

Mr. RUSH. And a normal purchaser, are they a dealer or a business, a reseller, or are these individuals, specifically with these trailer homes, are they people who buy multiple items from GSA or they buy multiple homes? Are they dealers?

Mr. KEMPF. We sold the trailers any number of ways. We sold them individually. We sold them in small lots. We sold them in larger lots. The general public is allowed to purchase. I think some of them were bought by individuals. Some of them were bought by

dealers. I think there was a range of individuals and organizations that did purchase under the auctions that we held.

Mr. RUSH. Had you looked at in any way the extraordinary requirement or the conditions or considerations that we hold as a government agency properties that were formaldehyde infested?

Mr. KEMPF. With our counsel we reviewed the existing regulations, the prohibitions in those regulations, and then the information that was provided to us. Additionally, because there was nothing regarding formaldehyde save for the HUD regulations, we felt it was important to provide additional information to the potential buyers, which we did with the certification and the restrictions on the purchase. Unfortunately, the regulations didn't allow us—there was no other regulation to review with respect to formaldehyde that would have prevented us from going forward with the sales.

Mr. RUSH. That concludes my time. I recognize now Mr. Whitfield.

Mr. WHITFIELD. Thank you. Thank you all for your testimony. Mr. Garratt, how old is FEMA? How long has FEMA been in existence?

Mr. GARRATT. Since 1979.

Mr. WHITFIELD. 1979. And during that time, I guess it has been customary to provide these mobile homes, park trailers, and travel trailers for temporary housing, is that correct?

Mr. GARRATT. It preceded FEMA's existence, sir, yes.

Mr. WHITFIELD. So it is something that has been going on for quite some time?

Mr. GARRATT. Yes, sir.

Mr. WHITFIELD. Now in the Katrina disaster, how was the decision made to provide this temporary housing? Was it in response to a request from the governor of Louisiana or the White House or how was that decision made?

Mr. GARRATT. It was a direct result of the situation that the states, Louisiana, Mississippi, Alabama, Texas faced at the time, yes. Each one of the governors requested individual assistance. Each of them requested this form of support as did the jurisdictions. How we responded in each one of the jurisdictions was largely dependent on what the jurisdictions would support. Not all jurisdictions wanted community sites, for example, others did. Most of the jurisdictions were very interested in having us provide these on an individual's private property where we could.

Mr. WHITFIELD. So the states were making the basic decisions on the type of—whether it was community siting or whatever?

Mr. GARRATT. I would say it was a joint decision, sir, as opposed to—the state was contributing to that. They were indicating preferences and then we were working to try to satisfy what it was that a state and again individual jurisdictions requested.

Mr. WHITFIELD. I notice that HUD has a standard of 4 parts per million of formaldehyde in the trailers. These units that went out from FEMA initially to Katrina victims, did it exceed or was it equal to the HUD requirement at that time?

Mr. GARRATT. The HUD requirement applied only to mobile homes. The vast majority of units that FEMA rolled into the Gulf Coast were recreational vehicles, predominantly travel trailers. As you know, travel trailers are not designed to be long term.

Mr. WHITFIELD. Right.

Mr. GARRATT. So the answer is they were not built to meet HUD standards. They were built to meet industry standards.

Mr. WHITFIELD. So they problem exceeded it at that point and then at some point, I think in your testimony you indicated that you all asked manufacturers to meet this standard, is that correct?

Mr. GARRATT. We did two things, is because we had a fair number of legacy units, new units remaining following Hurricane Katrina, we had states that required the use of mobile homes, park models, et cetera, we required states to establish levels that were acceptable to them. We would test units and then roll in units that met those. We are also separately building or having built units that meet a much more rigorous standard, which is the .016 PPM standard.

Mr. WHITFIELD. The Centers for Disease Control, on April 24, 2008, released a health study of children in Hancock County, Mississippi who were between 2 and 12 years old, and the study's purpose was to determine if the upper respiratory health of children living in FEMA trailers differed from those who did not, and the results showed no discernible difference. And I am just curious because of this health issue and the publicity surrounding it, did FEMA at any time conduct some sort of a survey or accumulate data relating to the health of people who lived in these trailers?

Mr. GARRATT. FEMA has not, but we have provided funding to the Department of Health and Human Services Centers for Disease Control to do some studies, and that includes a children's health study.

Mr. WHITFIELD. And have any results come in from that?

Mr. GARRATT. We do not have any results yet.

Mr. WHITFIELD. And do we know when these results may be coming?

Mr. GARRATT. I believe CDC is still working on the contract, but I do not have a date.

Mr. WHITFIELD. Okay. So that is pending at this point in time. Mr. Jones, has EPA formally adopted the California standard yet on formaldehyde?

Mr. JONES. We have not. As I mentioned in my testimony, we are considering the adoption of that standard or some other approach to regulation formaldehyde in pressed wood, and we will be making the decision about what path to go down some time in 2011.

Mr. WHITFIELD. Okay, so no action before 2011 from EPA. Okay. My time has expired, Mr. Chairman. I would like to just also welcome Bob Latta of Ohio to this committee. We know he is going to be a valuable member of the committee, and I just want to formally thank you for joining. Thank you.

Mr. RUSH. The chair recognizes Ms. Sutton for 2 minutes—excuse me, Ms. Sutton, 5 minutes.

Ms. SUTTON. Thank you, Mr. Chairman. Scientific evidence shows that formaldehyde can cause cancer, respiratory problems, and other health conditions, and while other governmental bodies have made determinations on how dangerous formaldehyde really is the EPA has been undergoing its assessment of formaldehyde since 1997. Thirteen years later, the assessment is still not completed, and I think that is too long, and the Government Account-

ability Office agrees. In 2008 testimony, GAO stated that EPA's inability to complete its assessment has had a significant impact on EPA's Air Toxics Program. In particular, GAO notes that in 2004 when EPA promulgated a standard for formaldehyde in plywood and composite wood products, EPA's Office of Air and Radiation decided not to use the outdated EPA assessment. Instead, EPA used a newer industry-funded assessment, which was seen as unusual and controversial and found by other EPA staff in the Office of Research and Development to have numerous problems.

GAO also states that the delay will continue to impact future EPA regulatory actions, so my question is what is the average length of time that it takes the EPA to complete a chemical assessment and is it highly unusual for this assessment to have taken so long from start to finish assuming it is completed on time?

Mr. JONES. Thank you. It would be hard to answer that question, the last question that you had, because of the range of chemicals that we evaluate in the Environmental Protection Agency. I will say that the administrator has made it clear that enhancing our existing chemicals program under TSCA is a priority for her, and part of the expression of that priority is our assessment on formaldehyde. We believe that within a month from now, we will have made public our assessment of both the cancer and the non-cancer hazards associated with formaldehyde that we will then use to develop a regulatory strategy with respect to formaldehyde that will become public and that will become public in 2011. But our assessment of the hazard of formaldehyde, which right now is in inter-agency review within the executive branch, should be released for public comment in about a month's time.

Ms. SUTTON. In your opinion, had the EPA completed the formaldehyde assessment in a reasonable time frame, do you think this would have impacted the allowable levels of formaldehyde in plywood and composite wood products used in the FEMA trailers prior to the 2005 hurricanes, anybody?

Mr. JONES. From the EPA, I would say that a big priority of this Administration is our implementation of TSCA as well as reform of TSCA, and I think that is because the last time we have taken a regulatory action under section 6, which is the banning or restriction provisions of TSCA, was 1991, and I think it is a combination of the limitations in that statute and the agency being a little bit gun shy after we lost a court case in 1991 around that. I think had we established some formaldehyde standards it may well have impacted the situation if we had done that before 2004.

Ms. SUTTON. I appreciate your candor and the answer, and I also appreciate the fact that obviously this is a new administration, and I hope that they are going to be far more aggressive in getting things done in a timely way. Thank you.

Mr. RUSH. The gentle lady yields back. The chair now recognizes Mr. Latta for 2 minutes—I am sorry, 5 minutes.

Mr. LATTI. Thank you, Mr. Chairman. I appreciate that. Gentlemen, thanks very much for coming before the committee today. I am not sure if I missed it in reading through your testimony or if it is maybe not there, Mr. Garratt, how much did we pay for the trailers in total? Do you have a figure on that when all the trailers were purchased in question?

Mr. GARRATT. I don't have a figure although I have heard several of the folks here cite the figure of over \$2 billion, and by trailers for all of the forms of temporary housing units that were purchased following Hurricane Katrina.

Mr. LATTA. You say \$2 billion?

Mr. GARRATT. I heard that figure cited here. I don't have the figure in front of me that gives that.

Mr. LATTA. If we could get that, I would appreciate that just to check that. And also in looking at the testimony we were paying about \$130 million to store those units. The next question I guess I have is of the 22,635 units that are left out there that haven't been sold through a large lot, I guess one of the questions I have is as these things are being sold when the inspections were being done, and maybe all three of you could answer, did you inspect a certain model or each one of these had to be inspected individually before they went out for the formaldehyde level?

Mr. KEMPF. GSA takes the representations that its customer makes with respect to the property being sold but we don't actually perform an independent inspection on the property itself. And often times on the lots, they are open for inspection by perspective buyers.

Mr. LATTA. Okay. You say you are taking the representations from who, please?

Mr. KEMPF. From our customers. In this case, it would be FEMA.

Mr. LATTA. Okay. So on FEMA's side then, going back, Mr. Garratt, are we saying then with the—so you all had done the inspection for the formaldehyde level, is that how I understand that?

Mr. GARRATT. We can test for formaldehyde but we don't necessarily inspect for it, and we did not test for formaldehyde in the vast majority of units that were put up for sale.

Mr. LATTA. Okay. I guess the next question then is as these units are being sold, what kind of notification was put into the trailer? Was it by FEMA or GSA saying that these aren't supposed to be inhabited for any length of time, not for long-term?

Mr. KEMPF. I believe there were two things done. One, there was a sticker placed on the window that talked about the potential of formaldehyde and that it to be used as housing. Secondly, each of the purchasers before they bid on the auction was required to sign a certification that they understood about the nature of the formaldehyde potential and that they weren't to be used for housing and that that would be passed on in subsequent sales.

Mr. LATTA. Now when you say in subsequent sales, is that something that is put on—like is there a title to these units?

Mr. KEMPF. Actually there is a form that is given to the purchasers that would allow them to go to the state agency and get an actual title for the unit.

Mr. LATTA. I was just kind of curious because I know like in the State of Ohio like if a car has been damaged in a certain way sometimes something is put on the title, and was there something that was placed on the title so when these things were transferred that it would say these were purchased through GSA by way of FEMA that there could be a health risk in these?

Mr. KEMPF. Let me confer with one of my colleagues who is here.

Mr. LATTA. Thank you.

Mr. KEMPF. We would not have put that on anything except if we sold scrap units, then we would put that restriction on.

Mr. LATTA. And then just following up on that line, is there any follow-up, would anybody ever spot check to find out where these things went to make sure that the label was still on the units after they were sold and placed out in the consumer stream?

Mr. KEMPF. I don't know that we have gone out and inspected, but we did get some reports and did follow up with them with a referral to our Inspector General that sales were being made. In two instances, we found sales being made without the proper disclosures in accordance with the certifications that were made during the auction, and those were referred to our Inspector General for review.

Mr. LATTA. Just to follow up quickly on that. I know my time has expired. What is the Inspector General's authority then for that review or what is the penalty or what is the follow-up then through the Inspector General when someone has removed one of these labels?

Mr. KEMPF. I am not familiar with their authorities but there are criminal liabilities which I referenced in my testimony in federal statutes.

Mr. LATTA. Thank you very much. I yield back, Mr. Chairman.

Mr. RUSH. Mr. Sarbanes is recognized for 5 minutes.

Mr. SARBANES. Thank you, Mr. Chairman. Let me just preface this by saying what I always say when we have hearings on chemicals, which is that if the public understood how little regulation there is of chemicals, they wouldn't believe it, but I think over time they are discovering it, and I want to thank the chairman for the hearings he has had informing TSCA and other efforts to bring more of a regime to govern chemical use in this country. The travel trailers that are being sold now by private concerns are presumably now in a lesser standard than the ones that you have demanded or you have been able to procure from manufacturers going forward, right, because the standard you are using—

Mr. GARRATT. Correct, sir.

Mr. SARBANES [continuing]. Is much higher than what is still being delivered out there in the private market?

Mr. GARRATT. Correct. As far as the new travel trailers, they are being produced to our specifications. That is correct.

Mr. SARBANES. Okay.

Mr. GARRATT. By the way, sir, I would also like to challenge what appears to be the prevailing misperception here that the units that we are selling right now are in some way not ordinary units. In fact, all of the travel trailers that we are offering for sale through GSA were ordinary units. They were built to meet or exceed industry standards. Many of them were purchased off the lots, and they were built using ordinary building standards, so they are no different than any units that are being commercially, have been commercially produced, and are being lived in by or occupied or used by millions of people throughout the United States.

Mr. SARBANES. Understood. But you have created, you have staked out now a new standard.

Mr. GARRATT. Correct.

Mr. SARBANES. And I am curious in terms of EPA, do you think that is where we are headed? Like what do you think of this standard that has been set now by FEMA?

Mr. JONES. As I mentioned, our assessment is right now in an interagency review being evaluated so it is a little bit premature, but I will say that it is in the ballpark of the number that the agency currently has in that interagency review that will be made public. That process wraps up in the near future.

Mr. SARBANES. Well, I would suggest that by reason of FEMA having now set a new standard, it just raises the urgency on EPA to move faster because there is going to be a gap now, right, there is people that are going to assume ownership of these trailers and other kinds of housing that will be exposed under a lesser standard than what EPA has carved out—what FEMA has carved out and EPA needs to catch up with that new standard quickly.

Mr. GARRATT. Sir, I just need to clarify one thing, and that is FEMA is not a standard-setting organization. We establish specifications.

Mr. SARBANES. I understand. It is the best practice you put in place, not a standard, but hopefully the standards will follow behind that. I am real curious, who is buying these? You talked about 11 lots being auctioned and so forth. Who is buying those? Just give me some examples.

Mr. KEMPF. The large lots were generally bought by dealers. The individual units were bought by individual buyers. If you need further information, I think we can provide that to the committee.

Mr. SARBANES. Yeah, I would be curious to get that information.

Mr. KEMPF. If you need it, we can provide the list.

Mr. SARBANES. And the other question is, is there any affirmative like follow-up that you do to just kick the tires on whether the certification they have made that they are not going to use these trailers for certain things that that is being followed through on? Is that something that you plan to do or could be done?

Mr. KEMPF. At this point, we have been responding to complaints, citizen complaints, referrals to us. And I did want to respond back to the question asked by Congressman Latta, one of the things that can be done with our Inspector General is a referral to the U.S. Attorney for prosecution if they find that the certifications were not complied with.

Mr. SARBANES. Well, I would encourage you maybe to do a more systematic follow-up because if stories accumulate that these things ended up with the wrong use then people want to know why that wasn't done. And, real quickly, the last question is now that the new trailer, fleet or inventory is being purchased, are you going to have enough in time for say the next hurricane season? What is the projection there?

Mr. GARRATT. Ultimately, it is going to depend on what the demand is in response to any given incident. What we plan to have is a baseline inventory of 4,000 units that we will maintain at two sites. That will be sufficient, we believe, for us to fill the gap while we stand up, operationalize, and get production lines moving to then provide units on a basically just in time delivery schedule. So the answer is we believe that in a normal disaster environment that 4,000 will be sufficient to provide that gap.

Mr. RUSH. The chair recognizes Dr. Gingrey.

Mr. GINGREY. Thank you, Mr. Chairman. Mr. Garratt, just briefly, explain to us in regard to a mobile home versus a travel trailer. You know, we are all familiar with the controversy that occurred at the CDC in regard to the report and the testing and all the heads that rolled in that agency over the report or lack of a report. But I am curious to know was the problem just in these travel trailers or also in the mobile home type structure that is designed for permanent living? I think you said in your testimony these travel trailers are really kind of a weekend sort of thing and folks are not supposed to be living in those day in and day out, seven days a week, you know, 24-7. Explain a little bit about that, you know, why these travel trailers were put on lots rather than mobile homes.

Mr. GARRATT. Just a little context, mobile homes, typically 800 square feet plus, travel trailers 200 square feet plus. Mobile homes have very robust ventilation systems and they are also built to HUD standards. Travel trailers are not built to HUD standards and they don't have robust ventilation systems. The result, when formaldehyde builds up in a travel trailer there is less ventilation taking place to remove that.

We used travel trailers because 80 percent of the units that we placed in Louisiana were travel trailers and they were on individuals' private property, and that is because people wanted their units on their property to help augment their ability to rebuild their homes and because that is the only unit that will fit on someone's private property. They are quickly made. They are mobile. We can roll them in. We can set them up quickly and get somebody stabilized relatively quickly, so that is why we used travel trailers in such numbers in the past. Also, there were restrictions in terms of the floor plain on the use of mobile homes in sections of the Gulf Coast that also further reduced our ability to use mobile homes or larger units down there.

Mr. GINGREY. So going forward in the future, is it safe to say that FEMA would not do that in the future?

Mr. GARRATT. No, sir. It would be safe to say that what we are no longer going to do are put travel trailers in a community site setting. In other words, community site settings are for people like families who are renters, and so they don't have some place—a house to rebuild or necessarily an apartment complex to go back to, and there may not be apartments that are built for some period of time, and so they are likely to be in that community site setting for a long period of time.

A travel trailer is no place for someone to live for a long period of time. That is why we are restricting their use to private sites and strictly those sites that we believe can be rebuilt within a relatively short period of time, say six months. Further, all of our units are going to be formaldehyde-reduced units, as well as have these very robust mobile home style ventilation systems to help further improve the formaldehyde—

Mr. GINGREY. In the travel trailers?

Mr. GARRATT. That is correct.

Mr. GINGREY. All right. Thank you, Mr. Garratt. I am reassured by that. Mr. Kempf, let me ask you this following on with what my

friend from Ohio, Mr. Latta, was just asking you. You testified that the GSA provides full and complete descriptions including known deficiencies if such information is provided by the owning agency. Did you tell people interested in the auction that these trailers indeed had issues with elevated amounts of formaldehyde, mold, water damager, and gas leaks?

Mr. KEMPF. We did offer in the description the fact that there were issues, potential issues, with formaldehyde. On none of the other issues that you had brought up were conveyed to us by the owning agency, so I don't believe we discussed any of that.

Mr. GINGREY. Okay. You stated that GSA coordinated with FEMA to develop a certification statement to inform purchasers of potential formaldehyde levels and other restrictions. What criteria did you use to establish the certificate and the information provided on it? Did you coordinate with any other federal agencies besides FEMA?

Mr. KEMPF. Just let me confer with my experts. No. We did confer with FEMA and with our counsel in both agencies to develop this certificate.

Mr. GINGREY. All right. Let me ask you one final question in the 10 seconds that I have left. You state that on March 2, 2010, just a month ago, GSA sent an electronic mail, e-mail message to buyers of the travel trailers reminding them of the requirements of the certification. What did the certification message state?

Mr. KEMPF. The exact certification that was provided at the auction?

Mr. GINGREY. Yes.

Mr. KEMPF. I think we have a copy of it that we can provide to the committee. It was a rather—it is about a half a page document.

Mr. GINGREY. Mr. Chairman, I would request that they provide that to the committee. I think that is very important that we have that as part of the record.

Mr. RUSH. Without objection.

Mr. GINGREY. Thank you, Mr. Chairman. And I thank you, Mr. Kempf. I see my time has expired so I will yield back to the chairman.

Mr. RUSH. The chair thanks these witnesses and thanks the members. We are going to dismiss this panel. Again, we want to thank you so much for taking the time to come and share with us your observations and we look forward to working with you in the future. The record will remain open for 14 days, and in that 14-day period of time the committee members through an informal writing will be able to ask questions, and we ask that you respond in a timely manner. Thank you so much.

The committee will now ask the second panel to please be seated. The chair recognizes the second panel. I want to introduce the second panel to the subcommittee members. On my left is Mr. Gabe Chasnoff. He is the Director and Producer of Renaissance Village, which is a documentary that was described in earlier testimony. Seated next to Mr. Chasnoff is Dr. Corey Hebert, who is the Chief Medical Officer for the Recovery School District for the Louisiana Department of Education. And next to Dr. Hebert is Mr. Curtis Howard, President of the National Association of State Agencies for Surplus Property.

I want to inform the witnesses that it is the practice of this subcommittee to swear in witnesses, so I ask that you would please stand and raise your right hand.

[Witnesses sworn.]

Mr. RUSH. Let the record reflect that the witnesses have all answered in the affirmative. Mr. Chasnoff, you are recognized. I think you have some film for us for your testimony, so we will give you about 10 minutes for your opening statement.

TESTIMONY OF GABE CHASNOFF, DIRECTOR AND PRODUCER, RENAISSANCE VILLAGE; COREY HEBERT, M.D., CHIEF MEDICAL OFFICER, RECOVERY SCHOOL DISTRICT, LOUISIANA DEPARTMENT OF EDUCATION; CURTIS HOWARD, PRESIDENT, NATIONAL ASSOCIATION OF STATE AGENCIES FOR SURPLUS PROPERTY

TESTIMONY OF GABE CHASNOFF

Mr. CHASNOFF. First, I would like to thank the committee for inviting me to speak about my film, Renaissance Village. It is not likely a film you would have seen on the shelves of Blockbuster or download on Netflix. In fact, Renaissance Village has not received any major distribution through any major film company, and when I asked them why that was the answer was always the same, because people don't care anymore about Hurricane Katrina, formaldehyde poisoning and FEMA trailers. This committee hearing, I believe proves them wrong. Renaissance Village is named for the largest FEMA trailer park that was established after Hurricanes Katrina and Rita devastated the Gulf Coast in 2005. The film was produced over the course of 18 months from January, 2007 to June, 2008, and focuses on 5 residents desperately trying to reassemble their lives after losing nearly everything in the storms.

At the beginning of the shoot no one in the media, government or inside the trailer park was talking about formaldehyde in FEMA trailers. We had no idea the story was going to break. I was an eyewitness to the transformation many residents experienced as they went from victims of a natural disaster to victims of federal negligence. It is important to point out that I tried to keep the story in Renaissance Village as objective as possible. My goal in creating the film was not to placate the federal government or the park residents. I wanted to let each side tell their story and let those voices speak for themselves.

To me, the story of Renaissance Village is more than just about formaldehyde in FEMA trailers or government red tape. It is about the connection between history and collective memory in one of the most socio-economically challenged communities in America. Among many of the residents I met, the frustrating experience with FEMA was compounded by an already existing sense of being wronged by the government. Decades of racism, neglect, impoverishment, and socio-economic isolation hardened into feelings of dejection and worthlessness. The residents of Renaissance Village were not simply in need of disaster assistance. The residents needed reassurance that their existence mattered to their government, to their neighbors, and to the American people. I will now present as part of my testimony a short compilation of the film.

[Video.]

Mr. RUSH. Do you want to bring your testimony to a close?

Mr. CHASNOFF. Yes. I yield it back to you. Thank you.

[The prepared statement of Mr. Chasnoff follows:]

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ABOUT RENAISSANCE VILLAGE

I would like to thank the committee for inviting me to speak about my film, *Renaissance Village*. It is not likely a film you will have seen on the shelves at Blockbuster or for download on Netflix. In fact, *Renaissance Village* has not received distribution through any major film company. When I asked these companies why they decided to pass on the film, the answer was always the same: because people don't care any more about Hurricane Katrina and formaldehyde poisoning in the FEMA trailers. This committee hearing, I believe, proves them wrong.

Renaissance Village is named for the largest FEMA trailer park that was established after Hurricanes Katrina and Rita devastated the Gulf Coast in 2005. The film was produced over the course of eighteen months from January 2007 to June 2008 and focuses on five residents desperately trying to reassemble their lives after losing nearly everything in the storms.

My production crew and I stumbled upon Renaissance Village by chance while traveling with the mobile care clinics provided by the Children's Health Fund of New York. After speaking with some of the park's residents, I knew that their stories needed to be told, and decided to shift the focus of our film from examining the post-Katrina healthcare situation in Louisiana to life inside a FEMA trailer park. At that time no one in the media, government, or inside the park was talking about formaldehyde in FEMA trailers. But amid the chaos of being displaced from their homes for nearly two years, losing nearly all of their personal belongings in the storms, and having to navigate their way through layer upon layer of government bureaucracy to receive the benefits they were promised, residents in Renaissance Village were hit with more bad news: their government-provided trailers were unsafe to live in and posed a serious threat to their health. I was an eyewitness to the transformation many residents experienced as they went from victims of a natural disaster to victims of federal negligence. Many of them expressed to me feeling like the bastard child that no one wanted, that no one cared for; like they were "lost at the Red Sea and waiting for it to open up."

Emails pertaining to the presence and dangers of formaldehyde in the trailers, revealed during the July 2007 government oversight committee hearing led by Congressman Henry Waxman of California, signified the deceptive posture taken by FEMA. Lawyers told their field staff, "Do not initiate any testing until we give you the OK.... Once you get results, should they indicate some problem, the clock is running on our duty to respond to them." Another email from the Office of General Council "advised that we do not do testing, which would imply FEMA's ownership of this issue." These emails only reinforced the blow sustained by park residents. The government knew about the formaldehyde and its danger and chose silence over helping residents, for fear of getting a black eye.

On July 9, 2008, FEMA distributed a press release entitled "FEMA Statement on Formaldehyde" (<http://www.fema.gov/news/newsrelease.fema?id=44961>), which

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acknowledged that the agency would test trailers in all the parks. In addition FEMA established a call center to take questions and distributed 70,000 leaflets to occupants of FEMA trailers. Though these are honorable measures to take after exposing thousands of American citizens to a known carcinogen, I never witnessed any FEMA representative talking one-on-one, in detail, with any of the residents about the formaldehyde issue. I did see FEMA fliers taped to trailer doors that defined formaldehyde and the symptoms of exposure and advised residents on how to protect themselves.

Residents received the majority of their information about the formaldehyde issue from local and national news television. This created even more panic and fear. Residents had no one easily accessible and in person to turn to for reliable answers to their questions and concerns. Had FEMA taken the extra effort to go door to door and actually ask residents if they were OK, a lot of fear and ill will could have been spared. As one resident, Paul Thomas, states in the film, "I have never heard of a FEMA representative come back here on this property and come to each individual and let us know that this is what is going to happen. It's always hearsay and 95% of the time, it never happens."

To be fair, FEMA established a hotline that trailer residents could call for support; however, this method of seeking answers proved ridiculously frustrating. Two scenes in the film convey this experience. In the first, one resident, James, attempts to contact FEMA after the agency fails to arrive in the park to test trailers for formaldehyde. After talking with the FEMA agent on the phone for several minutes she gives him another number to call – the same one he has just dialed. After James informs her of this he is put on hold and eventually is disconnected. In a later scene, resident Tyronne Creesy is trying to contact FEMA about his hotel arrangements after he has relinquished his trailer with the understanding that he will receive a free 30-day stay in a hotel. Again, FEMA has no record of this arrangement, and he is given the runaround. Tyronne ends up sleeping at a friend's house for an extended period and then has to move back to Shreveport to live with his father. Tyronne is forty years old.

During a park-wide council meeting, Wilbert Ross, the unofficial president of Renaissance Village, summed up the residents' outrage succinctly and directly for everyone to hear. "As a people we need to come together and demand that they [FEMA] take care of our health – long-term. We are a people forgotten...The majority of you, 98% that are in trailers, also are black, and/or poor American citizens. Either one means the same to your government: you can't help him, he don't think about helping you."

Though FEMA did, in fact, offer residents 30-90 day stays in hotel rooms to vacate the formaldehyde-tainted trailers, this did not quell residents' fears about the long-term effects of their exposure to the carcinogen. In a candid interview, Wilbert Ross admits that he advised other residents to turn down FEMA's offer. "They go out the gate, get their apartment, FEMA takes care of them...and then cut them loose. They're on their own – on their own with their health, on their own with everything. When it comes down to your medical, with the effects that it's [formaldehyde] been having on peoples' bodies

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back here, I think FEMA should be responsible and I think they [the residents] should be holding out until they're sure that FEMA is going to cover."

The discovery of formaldehyde in the trailers created more panic, confusion, hurt, and fear in my view, than the storms themselves. The hurricanes were tangible and visceral – they left a visible path of destruction. One could witness, mourn, and recover from these losses. The trailers, on the other hand, were alive with an "invisible killer." Every breath left trailer occupants wondering if that breath were going to contribute to their demise 5, 10, or 30 years down the road. Long-term effects of formaldehyde have been linked to nose, lung, and other types of upper respiratory cancer. FEMA knew about the problem and made a conscious choice to do nothing. As a daily witness to the lives of residents inside Renaissance Village, I can tell you that this made them feel cheated and expendable, like animals in a grand experiment in which their lives meant nothing. FEMA's offer to relocate the residents only made some residents more suspicious: Was this an attempt to push trailer residents out of the system after 90 days and refute any future responsibility for medical problems that residents might have? As I will talk about later, this distrust of the government was not so much a result of eighteen months of working with FEMA, but rather based on decades of racial and socioeconomic injustice experienced by those living in the park.

It is important to point out that I tried to keep the story told in *Renaissance Village* as objective as possible. My goal in creating this film was not to placate the federal government or the park residents. When I told people in Baton Rouge and Baker, Louisiana, why I was living in their city and what I was working on, I was more often than not met with degrading, racially charged accusations similar to what one might hear thrown at an ACLU member visiting the Jim Crow south during the 1950s and 60s. Many Baton Rouge and Baker residents expressed feelings of confusion: Why were the residents of Renaissance Village not doing more to help themselves? Why did the park's residents not feel the same obligation to find work like everyone else?

And there is some truth to this; many of the park residents that I met simply sat around waiting to be told what to do by FEMA. Many expressed the sentiment that they were owed by the government, not only for losses and damages sustained during and after the storm, but for decades of neglect. On the other hand, there were those in the park who tried their best to get back on their feet on their own terms, without taking any, what they would consider, "handouts," from the government. One man I met woke at 4 a.m. every morning, took a 90 minute bus ride to New Orleans, worked all day, returned to his FEMA trailer at 7 p.m., and repeated the process six days a week.

My filming in Renaissance Village corresponded with the initial expiration of the Stafford Act, the federal legislation created to assist victims of disasters. As you know, this legislation limits the provision of housing for disaster victims to 18 months. FEMA extended this deadline indefinitely to give residents more time to find permanent housing. At this point, a year and a half after the storms, those that were able to leave Renaissance Village were long gone. Those remaining had nowhere to go and no resources to fall

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back on. As Wilbert Ross says in the film, “The people that could get out – gone – already gone. Not coming back. The folks that are here, most of them are stuck, without a hope or a prayer.” The feeling inside the park shifted, from a transitional community to a permanent home.

Before the storm, many of the residents were receiving federal welfare and experienced subsistence-style living that created a dependence on the government. This dependence was reinforced and exacerbated after the storms when citizens were moved into federal housing. When they didn’t get the things from the government they were used to receiving, many residents simply shut down: fear, anxiety, and depression took over. Substance abuse rates skyrocketed. I remember meeting people who were so depressed that they left their trailers only to get food from whichever private organization was distributing it that day.

The film brings to light some important facts about the population living in Renaissance Village. Approximately 65% of the park’s residents were unemployed, and nearly all of those who remained in the park were African American. Eighty percent had lived beneath the poverty line in some of the poorest neighborhoods in New Orleans. In the 18 months since the storm, those neighborhoods had not been rebuilt.

To make matters worse, no general or mental health facilities existed on the premises. The only on-site care was provided by private organizations such as The Children’s Health Fund, who would drive Greyhound-style buses onto the premises and provide medical and mental health care out of the back of the bus. People would have to wait in line in the 100 degree summer heat to be seen by a doctor or mental health worker. If additional tests were needed, park residents had to find private transportation into town. Most residents didn’t have cars. In New Orleans, many of the park’s residents had depended on public transportation to shuttle them around town. Public transportation like this didn’t exist in Baker, the nearest town, two miles away. Without private transportation, residents had to wait for the FEMA provided bus that would only arrive every couple hours and was often grossly off schedule. Health care was hard to come by. And if residents found employment, it usually didn’t last very long because without reliable transportation they would repeatedly be late to work and subsequently fired.

The living conditions in Renaissance Village were appalling. Every gentle breeze brought with it the pungent odor of cow manure from the surrounding pastures. The lack of trees or natural growth on park grounds made it impossible to escape the scorching sun. Temperatures would often rise above 100 degrees Fahrenheit during the summer, forcing people to stay in their trailers. This became a major source of anxiety and psychological trauma for residents once they learned about the toxic levels of formaldehyde present in their trailers. Residents felt like they were being forced to choose between staying cool in their trailers while risking their health, or staying outside exposed to the sun and heat. FEMA’s recommendation to residents was to keep trailer doors and windows open to vent the formaldehyde, but that prevented people from being

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able to cool units with air conditioning. As one resident described it, the experience of living in the trailers was like slowly being poisoned by “a silent ghost.”

One day I traveled with some residents to the local Walmart where they were going to be doing their grocery shopping. The process required extraordinary timing on the residents’ part. For example, if the bus were scheduled to arrive in two hours to pick up residents from Walmart, they would have to time when to buy their meat and dairy products so that the groceries wouldn’t rot in the sun while waiting for the bus. If they were late coming out, they would miss the bus and their food would go bad waiting for the next bus. If the bus were late, they would be waiting outside and their food would go bad. Countless times I witnessed the slow curdling of milk as it went from liquid to solid in the Louisiana sun. This, to me, came to represent Renaissance Village and the people living there – the slow deterioration of a community that was waiting for something that never really came – safety, security, peace of mind, a sense of direction, a return to their former lives.

All of the instances noted above were compounded by an already existing sense of being wronged by the government: decades of racism, neglect, impoverishment, and socio-economic isolation hardened into feelings of dejection and worthlessness. In an intimate scene in the film, Gwendolyn Allen and Thelma Howard share with us their experiences growing up in the Jim Crow south. “Children today, they got it good. They don’t know what hunger is and how back in the fifties, you know, things weren’t straight then. They had racism, they had a little bit of everything...Like we are today, we can stand and talk, white and black, back then you couldn’t do all that. You had to say ‘yes sir’, ‘yes ma’am’, ‘no ma’am’, ‘yes sir’...” says Gwendolyn. Thelma interjects. “I was from Mississippi in the fifties. I’ve seen some things I don’t even care to mention...” She continues to tell the story of when her uncle was lynched and his body thrown in her front yard, “and you could see where the rope was around his neck.”

The residents of Renaissance Village were not simply people in need of disaster assistance – the residents needed reassurance that their existence mattered to their government, to their neighbors, and to the American people. They needed to know that someone cared about them. After hanging a formaldehyde tester on his ceiling to test the levels of the toxin in his unit, Wilbert Ross sits exhausted on his bed as he reflects, “We learned not to trust FEMA on anything that they say. If they can’t put it in writing, we don’t want it because they’re liars. Everything they tell us is lies...They lied to the public, they lied to the media, you know what I’m saying? And at the same time we are supposed to just turn our backs and look the other way and keep going – you cannot do that. These folks don’t forget. I just feel like we’re a part that’s always been on the downside of America. That we’re the ones that have been least respected by America. No matter what we do we never come up to fit their standards. No matter how much money you have, how much education you have, you still looked down on because of your skin color.” This is the real story of *Renaissance Village*.

Mr. RUSH. The chair now recognizes Dr. Hebert. Dr. Hebert, you are recognized for 5 minutes or thereabouts.

TESTIMONY OF COREY HEBERT, M.D.

Dr. HEBERT. Thank you, sir. Chairman Rush, and members of the subcommittee, I just want to thank you for allowing me to speak. This is something that hits very close to home for me. Just to give you more background. I am the Chief Medical Editor for WDSU television which is an NBC affiliate, and I do investigative reporting as a physician. And what I have found is that this is a very controversial emotionally charged issue. We know this. But it really shouldn't be so controversial because in the grand scheme of things it is not very controversial at all. Many locations in New Orleans, and I have lived there for 13 years, my office was only closed for 30 days after Hurricane Katrina. Myself and my partner were the only pediatricians practicing in New Orleans so I think I am one of the few people that can tell you from the beginning, my office was reopened 30 days after, about the actual chronology of what I have seen on the ground in New Orleans.

Many of my patients who were placed in FEMA trailers initially reported symptoms of nasal congestion, nasal burning, watery, stinging eyes. Some of the patients were atopic before they started living in the trailers, and atopic obviously means having allergic symptoms. But the group of people I want to talk about today, these people had no allergic symptoms prior to living in these trailers. They were perfectly healthy individuals. In these particular patients the symptoms usually progressed and worsened with more and more exposure to the formaldehyde.

Over time the prolonged exposure resulted in chronic conditions like bronchitis, pneumonia, asthma, sometime neurologic problems. I am the chairperson of the Head Off Environmental Asthma Program of Louisiana, which is funded by the National Institutes of Environmental Health, and we have seen lots of patients that have been exposed to formaldehyde that have gotten progressively worse and worse. I have had this aforementioned experience including rashes and skin infections and skin irritations with over 500 patients. Children are at most risk for this toxicity and makes it come sooner to effective gas exposure due to many reasons, and I will give you 5 of them.

Children have a greater surface to mass ratio in their lungs and, therefore, they absorb more toxins. Children also breathe faster. When they breathe faster, they take in more toxin. They spend more time at home than their older children counterparts. They have permanent metabolic systems that may not be able to clear formaldehyde more appropriately as an adult may. And also formaldehyde is a relatively heavy gas so it is going to live a little bit closer as settled to the ground closer to where the children breathe, so when you have a toddler 1-year-old, he is going to get prospectively more formaldehyde exposure than someone who is obviously taller.

Moreover, since this chemical is a known carcinogen, it is a known carcinogen, it is not that we think it is a carcinogen, maybe it is a carcinogen, no, we know it is a carcinogen, and the EPA, in

fact, no matter that they are coming out with soon, they right now classify formaldehyde as B1, a probable human carcinogen. The International Agency for Research on Cancer classifies formaldehyde as Group 1, sufficient evidence for carcinogenicity in humans. Now you can read all types of data and look at all types of reports, but the point is that we have done a lot of studies in rats. We know that it is a carcinogen in rats. But guess what? We are not rats. People are not rats, and we know that—maybe not all people. Some people are rats. But we know that it is a big problem, okay, and we know that we don't have the data to support it.

In business, I run a business as well, it is an if then statement, if then, then this. But in medicine, we can't be like that. We have to say if this then maybe this, and if maybe this causes cancer maybe then we can no longer sell these things. I have several key findings in here, but the Centers for Disease Control put out a very concise document. You guys understand that. You guys have seen it, so I am not going to go through it, but the whole point to get as much fresh air as possible. Inappropriate, it is inappropriate.

Now, in summary, I know I have a few seconds left, when these trailers were constructed the documentary even shows someone who built these trailers, big government specifications, basically for all intents and purposes a blank check for the industry to produce units without regard to human health. There can be little doubt that after receiving government orders any manufacturer, any manufacturer would speed up production and widen profit margins because this is America. It is capitalism. It is what we do. But in a broader sense the extremely high percentage of trailers found in tests do have excessive formaldehyde. It is not that people in the Gulf Coast don't appreciate the fact that they had nothing—I would rather make sure that someone had a roof over their head as opposed to having a formaldehyde-laden trailer. But the point is that we need to do something about it. We need to stop this problem from being a Gulf Coast problem to a national problem.

One thing I do want to say before we close is that there are weak warnings out there, not really appropriate, and we are trying to get insight today to avoid these huge problems. When you have two government entities, two, you know, CDC, EPA, and then FEMA, then GSA, when you have two, or four organizations that have two diverging concepts, what is going to happen is that at one point it is going to converge. It is going to converge. And if people are totally disagreeing about the level and the safety of these things when it converges it is going to be a problem for the people in the trailers, but it is going to be a problem for the people sitting in these chairs because somebody has got to do something about it. And they are going to be held to the mat for us sitting before you right now saying this is a problem now.

We don't need this to come back in 20 years and say, look, I want right now people to understand if we do something about this now people understand it was a dire need, but if we continue to do it and it is a problem that is going to be happening over and over again. Common sense in America, I see it every time I go into an urban area, common sense has a white line around it like someone killed it laying right in the middle of the street, and I am sick of people killing common sense in America just for money and greed.

Thank you.

[The prepared statement of Dr. Hebert follows:]

**Congress of the United States
House of Representatives
Committee on Energy and Commerce
Subcommittee on Commerce, Trade, and Consumer Protection
“Public Sales of Hurricane Katrina/Rita FEMA Trailers: Are they Safe or
Environmental Time Bombs?”
Rayburn House Office Building
Room 2322
Wednesday, April 28, 2010**

Good morning and thank you for allowing me speak to this esteemed group about such an emotionally charged and seemingly controversial issue. I say seemingly controversial because from my perspective as a well-respected physician and investigative reporter, it should not be controversial at all. The facts supporting halting the sale of FEMA trailers are very straightforward and easily understood.

Background:

I am currently Assistant Professor of Pediatrics at Tulane University Medical Center, where I serve as a Pediatrician and Pediatric Emergency Room physician. I have conducted over 75,000 office visits. I have completed over 60 clinical trials for many different companies and agencies. I am currently the Chief Medical Officer for Louisiana Recovery School District, which encompasses over 100 schools, as well as the Medical Director for Dillard University. I am the Chief Medical Editor for WDSU-TV, the NBC affiliate for the gulf coast, where I am on-air daily, reporting on health topics and presenting investigative reports on current health issues. I also am a contributor for the Discovery Channel. I have held many federal appointments including board member of the Executive Council of the National Health Service Corps.

I have many vocations in the New Orleans area and I was living there before, during and after Hurricane Katrina. In fact, my practice was only closed from August 26, 2005 through September 27, 2005. My 30 day closure seemed like a year to me. However, when we reopened, (we sustained no damage) myself and my partner were the only pediatricians practicing in New Orleans for many months. Therefore, I am one of very few people that possess the pure, untainted knowledge of the chronology of what actually happened to my very fragile community when exposed to the increased levels of formaldehyde in FEMA trailers.

Many of my patients who were placed in FEMA trailers initially reported the symptoms of nasal congestion and nasal burning, watery and stinging eyes. Some of these patients were atopic prior to placement, meaning that they were prone to allergic symptoms. However, I am referring to the patients who were not atopic prior to placement in the FEMA trailers. In these particular patients, symptoms usually progressed and worsened with more exposure to formaldehyde. The most important variable of this observation is

that all of the symptoms were novel in these patients. These patients NEVER had any symptoms of this type. Over time, prolonged exposure resulted in chronic conditions like bronchitis, pneumonia, asthma and neurological problems. Presence of the gas also affected the skin and resulted in rash or chronic skin irritation. I have had the aforementioned experience with over 500 patients.

Children are most at risk for this toxicity and may succumb sooner to effect of gas exposure due to many reasons as delineated below:

- Children have a greater surface to mass ratio in their lungs therefore absorb more toxin
- Children have a increased respiratory rate
- Children spend more time at home
- Children have primitive metabolic systems that may not enable them to clear absorbed formaldehyde efficiently
- Formaldehyde is a relatively heavy gas so it settles closer to the ground which is nearer to children's height.

Moreover, since this chemical is a known carcinogen, exposure on a regular basis poses risk for development of cancer. In fact, the Environmental Protection Agency presently classifies formaldehyde as Class B1-“...a probable human carcinogen...” The International Agency for Research on Cancer classifies formaldehyde as Group 1-“...sufficient evidence for carcinogenicity in humans...” In as much as this is compelling, it is a reality for many residents of the gulf coast of the United States. As Americans, we should not relegate the remainder of our citizens to this type of exposure. With the sale of FEMA trailers to citizens throughout the U.S., the problem changes from a regional one to a national issue.

The Centers for Disease Control released a very concise document on their findings gather over 3 years of research in June 2008. I have included the pertinent information below:

The testing of FEMA trailers was one of several actions CDC initiated in response to a request from FEMA to investigate concerns about formaldehyde in occupied FEMA trailers in Louisiana and Mississippi. CDC randomly selected 519 trailers for testing from FEMA's database of all existing occupied trailers. These results represent only that group. These 519 trailers represent a cross-section of the most frequently used trailer types and manufacturers. CDC has completed analysis of the data from the testing and released its final report, which includes those findings with significant implications for public health.

Key Findings

- In many trailers, mobile homes, and park models tested, formaldehyde levels were elevated relative to typical levels of US indoor exposure.
- Average levels of formaldehyde in all units was about 77 parts per billion (ppb). This level is higher than US background levels. Levels measured ranged from 3 ppb to 590 ppb.
- These measured levels are likely to under-represent long-term exposures since formaldehyde levels tend to be higher in newer travel trailers and mobile homes and during warmer weather.
- Indoor temperature was a significant factor for formaldehyde levels in this study independent of trailer make or model.

- Formaldehyde levels varied by model (mobile homes, park homes, and travel trailers), but all types of trailers tested had some high levels.
- At the levels seen in many trailers, health could be affected.
- Other factors – such as humidity, temperature, presence of more than 1 square foot of mold, and ventilation – are associated with formaldehyde levels.
- About 1/3 (29%) of the trailers did not have a working smoke detector.

Recommendations for Public Health Officials

- These conclusions affirm CDC's previous recommendation to move quickly to relocate trailer residents before the warmer weather of summer, placing highest priority on those who are symptomatic and/or especially vulnerable.
- Appropriate follow-up will require multi-agency collaboration including FEMA, HUD, CDC, and others, to achieve safe, healthy housing for people displaced by Hurricanes Katrina and Rita who continue to live in FEMA-supplied travel trailers and mobile homes.
- FEMA should consider necessary assistance to Louisiana and Mississippi Health Departments to ensure adequate follow-up, including medical needs, for trailer residents with health and medical concerns resulting from residence in FEMA-supplied travel trailers or mobile homes and formaldehyde exposure.
- FEMA should consider establishing a registry and long-term health monitoring of children and others who resided in FEMA-supplied travel trailers and mobile homes in the Gulf Coast Region.

Recommendations for Residents

- Families who live in FEMA-supplied travel trailers and mobile homes should spend as much time outdoors in fresh air as possible.
- Open windows as much as possible to let in fresh air.
- Try to maintain the temperature inside travel trailers and mobile homes at the lowest comfortable level.
- Do not smoke, and especially do not smoke indoors.
- If you have health concerns, see a doctor or another medical professional.
- Families that include children, the elderly, and those with chronic diseases such as asthma should make a special effort to get as much fresh air as possible, and these families should make relocating to permanent housing a priority.

Further CDC Action

- In February 2008, CDC notified participants in the study of these results, with personal visits and a hand-delivered letter.
- In February and March 2008, CDC conducted public availability sessions in both Louisiana and Mississippi to provide information to other concerned and interested individuals.
- CDC's 24-hour, toll-free hotline will continue to respond to health-related questions from residents.
- CDC is continuing several studies of unoccupied trailers to assess formaldehyde levels across different models and types and to identify factors that reduce or raise those levels. This also involves identifying cost-effective ways to reduce formaldehyde levels and concentrations in trailers.
- CDC is developing a protocol for a long-term study of children who resided in FEMA-supplied travel trailers and mobile homes in Mississippi and Louisiana.
- CDC is providing educational materials and information to trailer residents about their risk of exposure to formaldehyde and ways to improve indoor air quality and health.

Summary

When these trailers were constructed, vague government specifications were for all intents and purposes a blank check for the industry to produce units without regard to human health. There can be little doubt that after receiving government orders, manufacturers sped up production and widened their profit margins by using substandard materials and cutting corners on safety. But in a broader sense, the extremely high percentage of trailers found in tests to have excessive formaldehyde levels suggest that the toxicity in the FEMA units are more an industry rule than an exception.

Basically, the public health catastrophe now occurring among the post-Katrina population is an expression of the plight of the poorest sections of the working class throughout the country, who live in substandard housing, suffer higher exposure to pollutants and toxins in their home environments, and develop cancer at higher rates. This group is constantly disenfranchised by the courts, refused compensation and medical aid for illnesses, and die younger of preventable ailments. In many instances they are victims of industry and a government incapable or unwilling to regulate it.

On a very personal note one of my closest and dearest friends held a very coveted job as a jazz singer in New Orleans, Louisiana. She moved into her FEMA provided trailer and she was very happy to do so. However, after living in the trailer for approximately 6 months she was unable to carry a note. She had nosebleeds, watery eyes and signs of Chronic Obstructive Pulmonary Disease. She no longer has the ability to sing which has made her severely depressed but moreover has precluded her from earning a living. Furthermore she has gotten progressively more short of breath even though she vacated the trailer more than 2 yrs ago. One may call this anecdotal however it is the reality of far too many gulf coast residents.

It seems that at this time the prevailing issue is not if formaldehyde is dangerous but rather how much is too much. Also, is it irresponsible to sell these trailers to unsuspecting individuals that may not be able to afford any other form of housing? In my opinion, the answers are as follows: any level of formaldehyde greater than the United States background level is unsafe. Secondly, for the United States to KNOWINGLY sell an unsafe product to consumers is a travesty of justice of epic proportions that only our children will realize if the sale continues. Lastly, FEMA must continue to expand studies on the effects of formaldehyde on occupants of FEMA supplied trailers. The short term effects are important to ascertain, however the long term affects are the most important index in revealing the true medical conditions that will evolve from prolonged exposure to this toxic chemical.

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Mr. RUSH. The chair now recognizes Mr. Howard for 5 minutes or thereabouts.

TESTIMONY OF CURTIS HOWARD

Mr. HOWARD. Thank you. Mr. Chairman, Ranking Member Whitfield, distinguished members of the subcommittee, my name is Curtis Howard. I work for the State of Illinois as the administrator of the Federal Surplus Property Program. I am an advisor in township government and an auxiliary deputy sheriff back in my county. I also serve as the current president of the National Association of States Agencies for Surplus Property or NASAP. Permit me to take just a moment to explain who we are. Our association is comprised of all 50 states and U.S. territories. We represent more than 67,000 organizations in your communities. We serve as the conduit for federal financial assistance in the form of surplus property and equipment for your public and private schools, for public libraries, fire, and police departments, veterans homes, senior centers, homeless shelters, small minority businesses and so on.

Our states throughout the nation work to transfer federal personal property to those who need it most. The Federal Surplus Property Program exists because Congress wisely understood decades ago that the highest and best use of federal surplus property is reutilization. Federal agencies do now, and always will, continue to have preference on reutilization of federal equipment before our program, but when those needs are met the next best use of surplus property should be to transfer or donate it back to the states across the nation, place it back into service in our communities.

Congress believed that this was indeed the best practice when it created the Property Act in 1949. At times, our federal agencies appear to possess the knowledge and display the characteristics that make them good stewards of the public's property. Supporting creation of the 2006 amendment that allowed the donation of these FEMA units to the state is a good example. In 2006, FEMA and GSA stood tall with our association and the Manufactured Housing Association recognizing that reutilization of federal properties such as these trailers and mobile homes could maximize the useful life of taxpayer-funded assets.

Reutilization, transfer, and donation always shall be the first and best use of federal excess and surplus property. The state agencies that comprise NASAP have placed nearly 6,500 travel trailers and mobile homes into our communities more than \$117 million in federal financial assistance. During 2007 and 2008 because of the ingenuity of our states and communities they were reutilized, not as temporary housing but as mobile command units for our police and fire departments, as portable offices for road districts, and heating and cooling centers or first aid stations for seniors and the general public during community fairs and festivals or for tool storage for trailers, and the list goes on.

But somewhere in late 2008 and 2009 during the storm of media scrutiny in the face of public outcry and class action lawsuits, FEMA lost sight of the very public policy it earlier chose to support, and when the court order lifted, plans to sell the remaining 100,000 were swiftly announced with little regard for the very excess in donation programs FEMA earlier pledged to support. Now

I do not wish to mislead the members of this committee. NASAP could not, not on its best day, ever hope to transfer 100,000 travel trailers or mobile homes, but we do continue to have community interest. We do have need. We have donee interest for several thousand more and we have and continued to this day conveyed this interest to FEMA and GSA.

The demand remains high. At first, we were told no. When the pressure to sell hit, NASAP stood with the Manufactured Housing Association and the Sierra Club in opposition and against these public sales. NASAP's core mission is to reutilize every day in every state, and we place these trailers into the hands of thousands of organizations such as a small town manager in Missouri who created the town's first administrative office out of a FEMA mobile home. And in Texas, the City of Christine, Texas replaced an old Morgan building used for a town hall with a FEMA mobile home, and the success stories are endless.

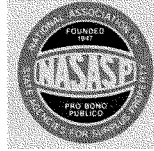
Just yesterday, nine states returned to Brooklyn, Mississippi for the second time this month to view and select more travel trailers, and for the second time federal interest for more than 1,000 travel trailers trump the state's interest. Federal agencies have priority over our program to acquire these units, and they should be reutilized. The federal agencies and their programs took nearly 430 units. They got the best of the best and our states got the best of the worst. Nine states were present on site and by phone and our nine states came home with less than 60 units yesterday.

Each state's Federal Surplus Program provides accountability on how federal surplus property is used. GSA holds our feet to the fire ensuring each state complies with federal regulations on donated property. But who regulates what the federal agencies do with these trailers, and why are they using them and for what purpose? I understand FEMA is accepting bids to scrap the remaining inventory of trailers meaning that both the taxpayers and the states lose their investment. If the states have found the means and the ingenuity to reutilize this equipment beyond temporary housing, doesn't it make sense to allow the states to try and maximize the taxpayer dollar by allowing our program one last chance before they are destroyed?

If even one more school got to use that trailer for storing their baseball equipment and it meant the school district didn't have to rent or spend money for rental storage, isn't that what our program is all about? In closing, I urge this committee to take the necessary steps to ensure that the public interest are put before future sales. When utilized for purposes other than housing, these units offer an alternate and safe use within our communities rather than sale or destruction, and what better use of taxpayer dollar can there be besides donating back to the very communities and taxpayers who funded it.

Mr. Chairman, members of the subcommittee, on behalf of the 67,000 organizations that NASAP represents, I thank you very much for this opportunity to testify and be heard. I am happy to answer any questions you may have.

[The prepared statement of Mr. Howard follows:]



NATIONAL ASSOCIATION OF STATE AGENCIES FOR SURPLUS PROPERTY

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Federal Government Disposal Policies for Travel Trailers and Mobile Homes Continue the Mismanagement of Katrina Assets.

NASASP, Inc Calls on Congress For An Immediate Halt to Failed Policies

NASASP

Members of NASASP, Inc. (NASASP) are the State Agencies for Surplus Property (SASPs) of the 50 States, U.S. Territories, and the District of Columbia. We represent 67,000 donee organizations including villages, towns and townships, counties, 8(a) businesses, public educational institutions, public health agencies, public safety (police and fire), libraries, not-for-profit organizations including private schools, veteran's homes, senior centers, homeless shelters, food banks, and other eligible recipients as determined by Federal law. Our Agencies ensure fair and equitable distribution of Federal surplus property. All recipients of the donated property are held accountable under Federal and State statutes. We network across the country and the world with our donee organizations through a system of communications, warehousing and transportation. We serve the neediest of America's organizations.

The United States Congress fulfills its responsibility under the United States Constitution to "make all needful rules and regulations respecting the territory or other property of the United States." In the exercise of this authority, Congress has passed laws about property designed to serve the best interests of the citizens. These laws are based on the premise that the public is the actual owner of Government property and Federal agencies that hold and utilize such property are merely custodians of it. Consequently, personal property management laws require Federal agencies to transfer excess personal property to other Federal agencies as the highest utilization of such property. When no Federal need is expressed, the next highest priority is to transfer the property and continue its public use through the SASPs. This system has served the public well for many years, allowing the property to continue to serve the public throughout its useful life.

FEMA Travel Trailers and Mobile Homes Equal Tax Payer Assets

Recently the U.S. General Services Administration (GSA) at the request of Federal Emergency Management Agency (FEMA), placed over 100,00 units of tax-payer property in the form of travel trailers and mobile homes onto their auction site known as GSA Auctions. These units were first constructed for use on the Gulf Coast of the United States after the hurricane disaster known as Katrina and subsequently the hurricane disaster known as Rita. Hundreds of thousands of units were constructed in a short time frame and sent to the Gulf Coast. Still hundreds of thousands more were staged for use around the United States in case of further need.

Following the aftermath of Katrina and Rita hundreds of unused travel trailers and mobile homes were sold for FEMA by GSA using GSA Auctions. In December 2005 a meeting was held at Fort Belvoir, Virginia between representatives of NASASP, GSA, the Defense Logistics Agency (DLA), the Defense Reutilization and Marketing Service (DRMS) and FEMA. It was at this meeting that NASASP presented their plan to ask for donations of surplus travel trailers and mobile homes and how they would be used by our local communities prolonging the life and public use of these items for the U.S. Taxpayers.

Since that meeting over 6500 travel trailers and mobile homes have been provided back to the taxpayers who paid for them in the first place in accordance with the scope of the Federal Surplus Property Program. The most important accomplishment of placing these units was a realization of over \$80 million in savings to the American Taxpayer. Federal agencies also saved the American Taxpayer millions of dollars by the reutilization of many of the FEMA units. FEMA took away the ability of the Federal agencies to further save Taxpayer money when they choose to sell these large quantities through the use of the Exchange Sale Authority. NASASP believes that the Congressionally approved Federal Surplus Donation Program is the best option if these items are not needed for Federal agency use. We are asking Congress therefore to stop the mass selling of these items to the public at large for the following reasons:

- NASASP serves the neediest of organizations in the United States
- During times of disaster whether natural or man-made, before, during and after, we network with all states and territories to provide assistance. Having these assets on the ground in our states and local communities would negate the immediate need to wait for Federal assistance. In a matter of minutes or hours help would be on the way.
- Warehousing. Many SASPs have warehouses where these assets would be safe and in good care if not immediately moved to our donees. In addition our warehouses can and have been used for storage of other emergency care items for all types of disasters.
- Accountability. All SASPs are accountable to not only the Federal government but also our State governments. We track where the property is donated for no less than 18 months including random periodic visits made to many of the donees to spot check their use.
- Health and human services. Most SASPs already inspect all travel trailers and mobile homes upon donation, many SASPs have purchased testing equipment on their own to stay ahead of even Federal requirements.
- Loss of these units would cause economic hardship to many of our donees, including public agencies, non-profit organizations and small minority businesses. Just as the economy starts to rebound flooding the market would cost revenues and jobs in many of our communities across the United States.

-2-

- Quantity. The SASPs require only a small amount of the total of over 100,000 available units, perhaps less than 5%. Since 2006 we have screened available units, taken what was needed for donation and then the Federal government has sold the remainder to the public at large. NASASP would favor an immediate return to this policy.

SUMMARY

We know that the potential for acquiring these units was a tremendous opportunity for our states and local communities during these times of economic distress, devastating natural disasters, pandemic health issues, home land security concerns and failing infrastructure in the United States. Previous donations of the travel trailers and mobile homes have been used to address all of these concerns. We know with over 63 years of experience that there is value to the excess and surplus trailers that were staged all across this country. We also know through our experience about many times when American Taxpayer property has been left as scrap or sold for just pennies on the dollar like these travel trailers and mobile homes are now.

Although we have been doing the real work for over four years and asking the questions the Federal government has not provided us with the service and answers we need to continue to realize the fruition of our plans. Indeed they have changed policies over the past four years time and again..

NASASP is ready and able to set in motion again our system of selecting and transporting these units back to our local communities but we need the assistance from the Federal government. We also need Congress to be informed of our concerns and the real possibility of failure without support. NASASP is willing to be a full partner in this venture offering our services of warehousing, networking, transportation and most importantly accountability to America to take advantage of this opportunity.

NASASP also requests that we be invited to testify at any and all hearings on this matter, as well as on any matter affecting the personal property disposal process. As the sole conduit for placing Federal surplus personal property back into the hands of the American Taxpayers for over 63 years, we are singularly well qualified to offer testimony on this subject.

We will end by signing off with the motto of NASASP, Inc for all of our 63 years and ask again that **Congress take immediate steps to stop this waste of taxpayer dollars and poor public policy.**

“Pro Bono Publico”

“For the Good of the public”

-3-

Mr. RUSH. Mr. Chasnoff—I mean, Mr. Howard, the chairman recognizes himself for 5 minutes. So your organization upholds the sale?

Mr. HOWARD. Correct.

Mr. RUSH. And that observation was based on?

Mr. HOWARD. We requested reutilization to be able to transfer these back to the communities so that they could be used not as housing, temporary housing, but for the purposes of mobile command centers, storage units and so forth.

Mr. RUSH. The question of the relative safety of the units, did that ever come into consideration?

Mr. HOWARD. Yes, it did. In fact, many of our states tested the OSHA standards and even any of the states that had EPA regulations or standards, those were also tested, and I can tell you that less than 1 percent of those that were donated to the states had any levels of formaldehyde.

Mr. RUSH. You indicated that, you used the phrase to describe this latest sale. When did that sale occur?

Mr. HOWARD. Yesterday it was an opportunity for the federal agencies and for NASAP, the states, to go back in and look at these 1,000 travel trailers and mobile homes that are located in Mississippi.

Mr. RUSH. These are same trailers and mobile homes that were part of the 100,000 or so?

Mr. HOWARD. Yes, sir. Actually these were part of trailers that were already offered for public auction and I believe the bidder defaulted to GSA, and, therefore, they came available, and so we asked for one more chance to reutilize and donate, and so we did get that chance.

Mr. RUSH. And the outcome of that, you said the federal government got the best of the best and the states got the worst of the worst?

Mr. HOWARD. Yes.

Mr. RUSH. Nine trailer homes out of approximately how many?

Mr. HOWARD. Actually we had—there were 1,000 trailers offered for screening and viewing of all different sorts of conditions, and out of those 1,000, 430 were selected by other federal agencies for reuse and then the states got to go look and see what was left and those states selected—9 states selected approximately 58 travel trailers and mobile homes out of that.

Mr. RUSH. And none of these, I assume, were used for housing?

Mr. HOWARD. That is correct, sir. We do not use them for temporary housing.

Mr. RUSH. Mr. Chasnoff, what conclusions have you arrived at that would give this subcommittee and also federal agencies, what conclusions have you discovered? What are some of the advice that you would give us based on your observations?

Mr. CHASNOFF. Based on my experience, I would say that government and non-government agencies need to take more consideration of the cultural background and the personal, emotional, and psychological components that go into relief efforts. In the case of Renaissance Village, I was there when the Stafford Act expired when there were 1,700 of 3,000 people left, and those 1,700 were coming from communities that really they didn't have savings or

mutual funds or anything to fall back on. And I think one of the biggest problems that the residents encountered and that I witnessed was that there was no personal consideration or personal contact with the residents. I think simply had FEMA come and met with people face to face and asked are you okay, is there anything more we can do, and just try to make it more personal, I think that would have helped.

I also certainly don't think using travel trailers is a good idea, and I think that in the future there needs to be more other methods. With the amount of money that went into mobile homes and travel trailers and the Katrina cottages, which was another method of housing victims of the storm, there could have been some other type of temporary communities built.

Mr. RUSH. What is the current status of Renaissance Village now? Your documentary was—how dated is your documentary?

Mr. CHASNOFF. We released it last year. Renaissance Village closed in June of 2008. When it was closed, there were still about 30 trailers that were still occupied and FEMA had to take them out, remove them, and then put them somewhere else, but since then a lot of the residents who were featured in the film were kind of scattered.

Mr. RUSH. My time has concluded. Dr. Hebert, what happens after exposure to high levels of formaldehyde? Do the conditions that you described, do they end once the exposure is gone? Are there any ongoing illnesses or symptoms that one might have?

Dr. HEBERT. Yeah. Actually it is very interesting. It seems to be a very bi-modal distribution meaning you have these initial symptoms but most of the time with patient populations in New Orleans you address those issues, so if a patient has asthma and they say they have been in a trailer then we address those issues, and then we give them medicine and then they have to take medicine every day to keep the symptoms away. But then after a while the bi-modal portion of this, people start having more severe symptoms requiring more and more medicine, pulmonary issues.

And, you know, the whole carcinogen thing, we don't know. I haven't had any patients that have come down with a new cancer or neoplasm since they have been exposed to the formaldehyde in the trailers. However, the symptoms get progressively worse. And there are several of my patients, very personal situations where the patients are removed out of the FEMA trailer and they continue to have the same symptoms so it seems like more of a remodeling of people's lungs as opposed to, you know, you eat peanuts, you get an allergic reaction. You stop eating peanuts, no more allergic reaction. That is not the way this works. You are exposed to formaldehyde. You do damage to your lungs and you have damage to your lungs for an extended period of time. That is the way this is playing out, and that is why we need more studies to see.

Mr. RUSH. My time has concluded. The chair now recognizes the ranking member, Mr. Whitfield, for 5 minutes.

Mr. WHITFIELD. Thank you all very much for your testimony. Mr. Howard, I am not sure I understood you correctly, but did you say that less than 1 percent of the trailers that were given to the state and local communities had an elevation of formaldehyde?

Mr. HOWARD. Yes, sir. Out of the 6,500 travel trailers that were issued to the states, less than 1 percent had any type of elevated level.

Mr. WHITFIELD. How do you explain that?

Mr. HOWARD. You know, one of the—I think as we heard FEMA say earlier today there were some commercial models and then there were, I believe, some FEMA spec models, which was sort of a downgraded version of, you know, whether it is a slide out or if it has 1 bedroom or 2 bedrooms, and things like that. Many of the states that acquired these during 2007 and 2008 had acquired the commercial style trailers which were readily available in any market.

Mr. WHITFIELD. What were the total number of people that actually lived in these trailers provided by FEMA, whether it was a travel trailer or whatever it was? Does anyone know the total number of people that lived in it at one time or the other?

Dr. HEBERT. I have looked at several different resources, and we have heard anywhere from 120,000 to 180,000 people. I think that is a very inflated estimate. I think it is closer to 90,000.

Mr. WHITFIELD. 90,000. Okay. And what would you say is the longest period of time that any person lived in these trailers?

Dr. HEBERT. You know, it is very interesting. When you drive through the streets of New Orleans or the Mississippi Gulf Coast people still live in these trailers, and so but on average I would say about 2 to 3 years on average people lived in these trailers. And, you know, some people, to be very honest with you, had no problems while living in the trailers that they know of, to be very honest. But the most important part is that we just don't know the long-term effects.

Mr. WHITFIELD. Right. Has the Centers for Disease Control or any other health agency tried to do a scientific analysis and collect data on people who lived in these trailers?

Dr. HEBERT. Yes. Centers for Disease Control did a preliminary study on the short-term effects, and that information will be out very soon. However, there have been 5 or 6 different vendors that are bidding right now, and I think our gentleman from FEMA said earlier about the long-term effect that the study to look at the long-term effect of formaldehyde in these FEMA trailers has not been awarded yet. It can be awarded any day now but it has not been awarded yet so from this point on, you are going to have a lag time to see exactly what has happened because actually there are several universities that are looking at doing the study.

Mr. WHITFIELD. I heard him say that it has not been awarded yet, but back to CDC. Explain to me again what they are actually doing on this issue.

Dr. HEBERT. Basically what they are doing is looking at a sample of patients that have been spread throughout, and, to be very honest with you, at this point the diaspora has accepted so many of these patients it is hard to—it is just like herding cats trying to put this thing back together. But we do have information on them, and what CDC is doing is looking at the amount of time that they lived in the trailer versus the amount of symptoms that you had prior to you living in the trailer, after you lived in the trailer, and

since you have moved out the symptoms, and that is the way it is going to be a progression of from beginning to long term.

Mr. WHITFIELD. Now you indicate that you were only 1 of 2 pediatricians practicing there for a while, and so you have seen a lot of patients. And of the patients that you have seen, what percent of those would you say have been diagnosed with some sort of permanent disability?

Dr. HEBERT. Disability is a strong word, you know. Permanent disability, I would say a new disease process such as asthma, bronchitis, those types of things. Of the people anecdotally, and I must say anecdotally, of the patients that I have seen that have lived in the FEMA trailer let us say for more than a year and a half, I went back before I knew—when I found out I was coming here. I would say about 20 percent to 30 percent of them are still on some type of respiratory medicine, 50 to 70 percent of them, and I know it is a hard one but it was hard for me to find these people to catch up with them, 50 to 70 percent were on medicine while they were in the trailers and have since gotten—

Mr. WHITFIELD. But the bottom line, at least at this point, is that we really do not have any sufficient data on this issue.

Dr. HEBERT. On long term. On short term we have a lot of data.

Mr. WHITFIELD. Okay.

Dr. HEBERT. On long term, we don't.

Mr. WHITFIELD. Now after Katrina, I remember we had a hearing and there was some testimony at that time that said that there were all kinds of toxic elements in play after that hurricane hit that affected air, soil, and water quality. So the question becomes can we allocate a certain responsibility for formaldehyde and then a certain responsibility for these other issues or not?

Dr. HEBERT. You know, your point is well taken, and I will tell you the lead levels in the soil were very high because the water sat for so long. They had lots of different things that were going on. It was like a toxic mess for all practical purposes. However, once these things—once the water settled, once things getting back to normal, certain people got FEMA trailers even a year after the storm was over because they were still shuffling around and certain people moved into FEMA trailers that weren't in them before. I had actually, not a patient, a good friend of mine, who was a songstress in New Orleans, which you obviously know is a very important thing to do in New Orleans. And she sang very well, beautiful. She sang at the Ritz Carlton every Saturday.

When she moved into the trailer 1 year after Hurricane Katrina, chronic obstructive pulmonary disease ensued and now she still at this point—she lived there for a year and a half, almost 2 years, still at this point she cannot sing. She still has breathing issues, still on different medicines. So for somebody like that, she wasn't playing with toys in the soil. She wasn't drinking the water. She was drinking only bottled water. So it narrows the field a little bit. But your point is well taken that there still may have been things in the air, but at a year and a half, 2 years out, she is not doing things like normal children would do.

Mr. WHITFIELD. Mr. Chairman, when I started asking questions, I had 3 minutes, now I have 9 minutes, so I think my time has expired.

Mr. RUSH. The chair now recognizes Mr. Scalise for 5 minutes or thereabouts.

Mr. SCALISE. Thank you, Mr. Chairman. I will start with Mr. Howard. I think in 2005 your organization wanted the trailers as donations to be used by local communities. Do you claim that the trailers are unhealthy or do these claims about the trailers being unhealthy with the reports we have gotten on formaldehyde, does that change your initial interest in using those for people who don't have as many resources?

Mr. HOWARD. Well, our association represents a variety of organizations, and I think that because there is no interest or desire to use these as temporary housing but to use them as mobile command centers and other types of assets, you know, we are very comfortable in the fact that the transfers and the donations that have been made through the program any levels of formaldehyde that have been detected by our states are very small and residual, and we also have been reutilizing and donating trailers that were from the commercial market and not necessarily any kind of FEMA specification trailers that were built later on down the line.

Mr. SCALISE. Have you all experienced any health problems?

Mr. HOWARD. No. Speaking for the State of Illinois, I have had 240 some odd travel trailers transferred out there, and I got to tell you a lot of them went to police and fire departments, and they have been using those for the past several years as mobile command centers, and there is just absolutely no instance or indication or any notification to my office that there is a problem.

Mr. SCALISE. Your testimony states that your organization has been doing work for over 4 years and asking the questions and the federal government has not provided the service and answers that you need. Can you give me—you can tell me in brief or just give me a list of what types of questions you have asked the federal government that you have not got answers to?

Mr. HOWARD. Well, the biggest is our demand for the donation of federal property, and there obviously is competing interest obviously if a federal agency has the need to reutilize property then they very specifically have the ability to go in and request that and put it back into service for the federal government. During the interim of the travel trailers and mobile homes, we consistently asked for opportunities over the years to be able to screen these mobile homes at the various locations, whether in Mississippi or Alabama or elsewhere, identify trailers that would be acceptable for donation and reuse, and then transport those back. I think probably our most difficult conflict in trying to get information out is actually being able to sit at the table with FEMA or GSA and say here is what is happening in the trenches. Here is what is going on at the state level, and here is what we see and here is what our donees are seeing. We are regulated by GSA, but we don't necessarily get to have a voice all the time in terms of what is going on out there.

Mr. SCALISE. Let us see if we can get some better answers there, and my time is limited so I apologize because I want to ask Dr. Hebert some questions. I appreciate the work that you have done in the community and with the Recovery School District, and obviously you have done a lot of research in this area. You have stated

that CDC recommended that FEMA consider necessary assistance to Louisiana and Mississippi health departments to ensure adequate follow-up including medical needs for trailer residents with health and medical concerns resulting from residents and FEMA supplied travel trailers or mobile homes and formaldehyde exposure. In your experience, has FEMA been forthcoming with this assistance in trying to reach that objective?

Dr. HEBERT. I personally think that they have made an effort. Has the effort been valiant? No. Has the effort made a change in the patient population that is the most vulnerable? No. But have they reached out? They have. I think that it is something that it gets touchy-feely at times because once they reach out, how much do they have to satisfy the status quo, and I think that they could do a better job than they have.

Mr. SCALISE. Okay. What is your feeling on, and I know your testimony addresses this a little bit, but on this proposal to sell these trailers in light of the health concerns? Do you feel like—just give me your take on it.

Dr. HEBERT. Sure. I don't think that these trailers should be sold at this time. I think appropriately remediated, I think with the appropriate data. I would hate for the federal government to not be able to recoup some of the money that was graciously given to our area. I think that is a really good idea, but my job is to take care of people, and when I am trying to take care of people it really puts a thorn in my side when what I am trying to do is being totally negated because of the lack of foresight by a government organization.

Mr. SCALISE. I appreciate that. And in your testimony you also state that any level of formaldehyde greater than the United States background level is unsafe. What is the level that is, I guess, safe, and then at what level do you know these trailers—

Dr. HEBERT. Yeah. There have been several different studies done, .7 parts is really kind of where it needed to be, but the level that FEMA is dealing with now is the .16. That is way above. That is way above. And so I think that that is where we need to be because just like with one cancer cell, it only takes one cancer cell to make cancer. It doesn't take 25 at one time. I don't have to transport a tumor and plant it in you for you to get a cancer. So every body is different, every person is different, so we never know where that tipping point is going to be to start a neoplasm or cancer.

Mr. SCALISE. Thank you. And I know I am just about out of time. Just one quick question to Mr. Chasnoff. In your film you got testimony about what happened to people living in the trailers prior to the sale. Do you have any information related to the current condition of those trailers auctioned off?

Mr. CHASNOFF. I don't.

Mr. SCALISE. I appreciate it. Thank you, Mr. Chairman.

Mr. RUSH. The chair thanks the witnesses for the contribution of your time and your information. You have really enlightened us and helped us along the way, and we will continue to be in touch with you. We want to just ask you, the record will remain open for a matter of 14 days, and so there might be members of the subcommittee who want to ask you some additional questions in writ-

ing, and if you would respond in writing in a reasonable amount of time the subcommittee would really appreciate it. That said, we thank you so much again, and thank you for coming to be a part of this. You performed an invaluable service, so thank you so very much. With that said, the subcommittee now stands adjourned.

[Whereupon, at 12:26 p.m., the Subcommittee was adjourned.]

