

STAKEHOLDER ASSESSMENTS OF THE ADMINISTRATION'S NATIONAL PREPAREDNESS GRANT PROGRAM PROPOSAL

HEARING

BEFORE THE

**SUBCOMMITTEE ON EMERGENCY
PREPAREDNESS, RESPONSE,
AND COMMUNICATIONS**

OF THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

APRIL 29, 2014

Serial No. 113-66

Printed for the use of the Committee on Homeland Security



Available via the World Wide Web: <http://www.gpo.gov/fdsys/>

U.S. GOVERNMENT PRINTING OFFICE

89-446 PDF

WASHINGTON : 2014

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

COMMITTEE ON HOMELAND SECURITY

MICHAEL T. MCCAUL, Texas, *Chairman*

LAMAR SMITH, Texas	BENNIE G. THOMPSON, Mississippi
PETER T. KING, New York	LORETTA SANCHEZ, California
MIKE ROGERS, Alabama	SHEILA JACKSON LEE, Texas
PAUL C. BROUN, Georgia	YVETTE D. CLARKE, New York
CANDICE S. MILLER, Michigan, <i>Vice Chair</i>	BRIAN HIGGINS, New York
PATRICK MEEHAN, Pennsylvania	CEDRIC L. RICHMOND, Louisiana
JEFF DUNCAN, South Carolina	WILLIAM R. KEATING, Massachusetts
TOM MARINO, Pennsylvania	RON BARBER, Arizona
JASON CHAFFETZ, Utah	DONALD M. PAYNE, JR., New Jersey
STEVEN M. PALAZZO, Mississippi	BETO O'ROURKE, Texas
LOU BARLETTA, Pennsylvania	FILEMON VELA, Texas
RICHARD HUDSON, North Carolina	ERIC SWALWELL, California
STEVE DAINES, Montana	VACANCY
SUSAN W. BROOKS, Indiana	VACANCY
SCOTT PERRY, Pennsylvania	
MARK SANFORD, South Carolina	
VACANCY	

BRENDAN P. SHIELDS, *Staff Director*
MICHAEL GEFFROY, *Deputy Staff Director/Chief Counsel*
MICHAEL S. TWINCHEK, *Chief Clerk*
I. LANIER AVANT, *Minority Staff Director*

SUBCOMMITTEE ON EMERGENCY PREPAREDNESS, RESPONSE, AND COMMUNICATIONS

SUSAN W. BROOKS, Indiana, *Chairwoman*

PETER T. KING, New York	DONALD M. PAYNE, JR., New Jersey
STEVEN M. PALAZZO, Mississippi, <i>Vice Chair</i>	YVETTE D. CLARKE, New York
SCOTT PERRY, Pennsylvania	BRIAN HIGGINS, New York
MARK SANFORD, South Carolina	BENNIE G. THOMPSON, Mississippi (<i>ex officio</i>)
MICHAEL T. MCCAUL, Texas (<i>ex officio</i>)	

ERIC B. HEIGHBERGER, *Subcommittee Staff Director*
DEBORAH JORDAN, *Subcommittee Clerk*

CONTENTS

	Page
STATEMENTS	
The Honorable Susan W. Brooks, a Representative in Congress From the State of Indiana, and Chairwoman, Subcommittee on Emergency Preparedness, Response, and Communications	1
The Honorable Donald M. Payne, Jr., a Representative in Congress From the State of New Jersey, and Ranking Member, Subcommittee on Emergency Preparedness, Response, and Communications:	
Oral Statement	14
Prepared Statement	16
The Honorable Bennie G. Thompson, a Representative in Congress From the State of Mississippi, and Ranking Member, Committee on Homeland Security:	
Prepared Statement	17
WITNESSES	
Ms. Kris Eide, Director, Homeland Security and Emergency Management, State of Minnesota, Testifying on Behalf of Governors Homeland Security Advisory Council and the National Emergency Management Association:	
Oral Statement	20
Prepared Statement	21
Mr. Steven M. Fulop, Mayor, Jersey City, New Jersey:	
Oral Statement	29
Prepared Statement	31
Mr. David Troy Riggs, Director, Department of Public Safety, City of Indianapolis, Indiana:	
Oral Statement	35
Prepared Statement	36
Mr. William R. Metcalf, EFO, CFI, FIFireE, Fire Chief, North County Fire Protection District, State of California, Testifying on Behalf of International Association of Fire Chiefs:	
Oral Statement	38
Prepared Statement	40
Mr. Randy Parsons, Director of Security, Port of Long Beach, Testifying on Behalf of American Association of Port Authorities:	
Oral Statement	42
Prepared Statement	44
FOR THE RECORD	
The Honorable Susan W. Brooks, a Representative in Congress From the State of Indiana, and Chairwoman, Subcommittee on Emergency Preparedness, Response, and Communications:	
Letter and Questions Submitted to the Federal Emergency Management Agency By Chairwoman Brooks and Ranking Member Payne	2
Letter From the Major City Chiefs Association, the International Association of Chiefs of Police, the Major County Sheriffs' Association, and the National Sheriff's Association	12
Letter From the National Fusion Center Association	13
The Honorable Yvette D. Clarke, a Representative in Congress From the State of New York:	
Letter From Mayor Bill de Blasio, City of New York	51

STAKEHOLDER ASSESSMENTS OF THE ADMINISTRATION'S NATIONAL PREPARED- NESS GRANT PROGRAM PROPOSAL

Tuesday, April 29, 2014

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMERGENCY PREPAREDNESS,
RESPONSE, AND COMMUNICATIONS,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 10:11 a.m., in Room 311, Cannon House Office Building, Hon. Susan W. Brooks [Chairwoman of the subcommittee] presiding.

Present: Representatives Brooks, Perry, Payne, Clarke, and Higgins.

Also present: Representative Jackson Lee.

Mrs. BROOKS. The Subcommittee on Emergency Preparedness, Response, and Communications will come to order. The subcommittee is meeting today to receive testimony regarding FEMA's National Preparedness Grant Program proposal.

Before we begin I would just like to take a moment to acknowledge those who are suffering from the severe weather that has been plaguing our country for the last few days. It is hitting many States and some of our Members, including the vice chair of this subcommittee, Mr. Palazzo, from Mississippi, and our full committee Ranking Member, Mr. Thompson, from Mississippi—their State, others like Oklahoma and Arkansas have truly been hit hard. Our thoughts and prayers go out to those that are impacted and we certainly urge those who will be impacted today and in the coming days, as we are in the beginning of tornado season, to be safe and to listen to their local authorities.

For the third year in a row the President's budget request has proposed the consolidation of a number of homeland security grant programs, including the State Homeland Security Grant Program; the Urban Area Security Initiative, known as UASI; the Port Security Grant Program; the Transit Security Grant Program, into a new National Preparedness Grant Program. In the past, Congress has denied this request due to a lack of detail and the failure to send a legislative proposal.

This year FEMA did share its legislative proposal and it has already been a topic of a great deal of discussion at this subcommittee's budget hearing, at which Administrator Fugate testified. Despite this lengthy discussion, questions remain.

As a result, Ranking Member Payne and I sent a letter to Administrator Fugate with a number of detailed questions about the proposal. As requested, we did receive a response to our inquiry this past Friday and the information will be helpful to our review of the proposal.

I ask unanimous consent to insert our letter and FEMA's response into the record.

Without objection, so ordered.

[The information follows:]

LETTER FROM CHAIRWOMAN BROOKS AND RANKING MEMBER PAYNE

APRIL 9, 2014.

The Honorable W. CRAIG FUGATE,
Administrator, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472.

DEAR ADMINISTRATOR FUGATE: Thank you for taking the time to testify before the Subcommittee on Emergency Preparedness, Response, and Communications on March 25th regarding the President's Fiscal Year 2015 budget request for the Federal Emergency Management Agency (FEMA). As you are now aware from our lengthy discussions during the hearing, there is a great deal of interest in, and concern with, the National Preparedness Grant Program (NPGP) proposal among Subcommittee Members.

We have seen the benefits that the current grant programs have had on our first responders' capabilities. In testimony before the Committee on Homeland Security in May 2013, former Boston Police Department Commissioner Ed Davis noted that the response to the Boston Marathon bombings would not have been as comprehensive or successful without the planning, training, exercises, and equipment supported by federal homeland security grant funds. Any efforts to reform the current system must be thorough, well-informed, and premised on the goal of ensuring that our nation is best able to prevent, prepare for, mitigate, respond to, and recover from terrorist attacks.

As the Members of the Subcommittee review the NPGP legislative proposal that was submitted to Congress along with the budget, many questions remain. In fact, in some cases the budget documents, information provided to our staff in briefings with representatives from FEMA's Grant Programs Directorate, and information we received from you at the hearing has been contradictory. Considering the impact this proposal would have on the way first responders receive grants to attain, maintain, and sustain core capabilities, there is no room for this uncertainty.

In an effort to continue our oversight of this issue, we request a response to the following questions no later than April 25, 2014.*

We share your commitment to ensuring our nation's first responders have the resources they need to accomplish their vital missions. We appreciate your responses to these questions so we can continue this discussion.

Sincerely,

SUSAN W. BROOKS,

Chairman, Subcommittee on Emergency Preparedness, Response, and Communications.

DONALD M. PAYNE, JR.,

Ranking Member, Subcommittee on Emergency Preparedness, Response, and Communications.

QUESTIONS SUBMITTED TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY BY
CHAIRWOMAN BROOKS AND RANKING MEMBER PAYNE, WITH RESPONSES

Question 1a. The NPGP proposal seeks to change the focus of the grants from terrorism to all hazards. These programs were established in response to the September 11 attacks. While the terrorist threat to the United States has changed since 9/11, it has not diminished.

What is the rationale for changing the focus of these programs?

Answer. The National Preparedness Grant Program proposal is focused on all-hazards capabilities (natural, man-made, and technological). FEMA is concerned

*[Questions and responses follow.]

about the consequences that occur as the result of all hazards, including terrorism. Gaps in capability place States, regions, and the nation at risk of the consequences of any type of hazard, and the National Preparedness Grant Program focuses on filling those gaps.

The National Preparedness Grant Program removes the nexus to terrorism requirement and instead broadens the purpose to make grants which enable recipients, including high-risk urban areas, States, territories, local units of government, and Tribal nations to build and sustain the core capabilities identified in the National Preparedness Goal.

Question 1b. Have Homeland Security Grant Program funds been used for non-terrorism purposes in the past? If so, please describe the projects.

Answer. The 9/11 Act provides a "Multiple-Purpose Funds" provision that allows grantees to utilize their Homeland Security Grant Program funding for non-terrorism capability-building, as long as the capability can also be used to prevent, prepare for, protect against, or respond to acts of terrorism.

For example, the Boston Urban Area used FEMA preparedness grant funding to purchase a patient tracking system which is used every day. During any type of Multi-Casualty Incident the patient tracking system has a "surge capacity" which allows Emergency Medical Services Incident Commanders to effectively track patients, their conditions, and where they were transported. In addition, FEMA has supported 12 exercises directly involving the city of Boston. These have included topics as diverse as chemical or biological attacks, hurricane preparedness, hazardous materials events, and cyber attacks. Finally, Boston has also conducted "Urban Shield Boston" which is a continuous 24-hour exercise, during which first responders are deployed to and rotated through various training scenarios, including all-hazards. The exercise involves over 600 emergency responders from 50 agencies, and is designed to assess and validate the speed, effectiveness, and efficiency of capabilities, as well as test the adequacy of regional policies, plans, procedures, and protocols. This exercise incorporates regional critical infrastructure, emergency operation centers, regional communication systems, equipment and assets, as well as personnel representing all aspects of emergency response including intelligence, law enforcement, Explosive Ordinance Disposal Units, Fire, EMS, etc.

Question 1c. How would the risk formula be updated to account for non-terrorism-related risks?

Answer. The risk methodology will continue to be an assessment of the relative threat, vulnerability, and consequences from acts of terrorism. This will ensure that investment will continue to be made in areas at the highest risk of terrorism. However, there will be a renewed focus on the utilization of grant resources to address all-hazards capabilities.

Question 1d. What new data would be considered?

Answer. FEMA will continue to use the existing data sets for calculating risk. Each year, FEMA refreshes the data that is used in the risk methodology to ensure that we are using the most recent data available from publicly-available data sources and our DHS partners. FEMA understands that the Nation's States and urban areas face diverse risks, and we make every effort to capture this diversity as part of each year's risk assessments. FEMA will also continue to solicit stakeholder feedback regarding the risk formula to ensure we are effectively assessing Nation-wide risk.

Question 1e. How do you envision the new all-hazards focus will change the entities and regions receiving funding and the type of investments supported?

Answer. FEMA expects that grant money will continue to be allocated to jurisdictions facing the highest risk of terrorism. However, consistent with recent guidance, grantees will be required to invest their grant dollars against capability gaps identified as a result of the THIRA process, which is an assessment of all hazards and risks, including those related to terrorism, natural, and technological disasters.

Question 1f. If this program would be changed to an all-hazards program, why was the Emergency Management Performance Grant Program excluded from consolidation?

Answer. The Emergency Management Preparedness Grant Program is authorized under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (42 U.S.C. §§ 5121 et seq.) and Section 662 of the Post-Katrina Emergency Management Reform Act of 2006, as amended (6 U.S.C. § 762). It is designed to provide a system of emergency preparedness for the protection of life and property in the United States from hazards and to vest responsibility for emergency preparedness jointly in the Federal Government and the States and their political subdivisions. The Federal Government, through the EMPG Program, provides necessary direction, coordination, and guidance, and provides necessary assistance, as author-

ized statute, to support a comprehensive all-hazards emergency preparedness system.

EMPG is the primary Federal funding source to ensure adequate staffing of qualified emergency managers at the State and local levels. By its nature, therefore, EMPG is fundamentally different from the grants which support the development and sustainment of specific prevention, protection, mitigation, response, and recovery capabilities.

Question 2a. What problems has FEMA identified in the current Homeland Security Grant Program (HSGP) to necessitate a change?

Answer. The collaborative process envisioned through the National Preparedness Grant Program is intended to break down stovepipes among grant programs that target specific jurisdictions, sectors of the economy or program areas. States, in coordination with their partners, currently are conducting THIRAs to determine where their capability gaps are greatest, but they lack the ability to strategically allocate grant dollars where they will do the most good because those dollars are pre-designated for ports, transit agencies, law-enforcement activities, and myriad other uses.

Question 2b. How do the changes proposed in the NPGP “fix” those problems? To the extent possible, please directly link language from the NPGP proposal with the goals FEMA plans to achieve by implementing the consolidation.

Answer. The proposed National Preparedness Grant Program draws upon and strengthens existing grants processes, procedures, and structures, emphasizing collaboration among Federal, State, territory, local, and Tribal partners to understand existing capabilities, identify gaps, and determine how best to address those gaps using all available resources, including Federal grants. The approach in the National Preparedness Grant Program would address the inability to strategically allocate grant dollars where they will do the most good in filling capability gaps.

Question 2c. Why is it not possible to remedy the problems identified with more minor changes to the existing HSGP? Why is an overhaul necessary?

Answer. FEMA and its State and local partners have made significant progress in recent years to ensure grant dollars are used to close the capability gaps identified through the THIRA process. The existing grant construct creates artificial constraints in State and local government’s ability to allocate grant dollars where they will have the most strategic benefit. Port grant dollars must be spent in ports, even if a specific port has no additional security needs. Similarly, transit dollars continue to be allocated to transit agencies, even if those dollars may be more effectively used to address resource or capability requirements in surrounding jurisdictions.

Question 3. Do you expect to achieve any efficiencies, either administratively or through cost savings, from the proposed consolidation? If so, please detail the expected efficiencies. Please explain whether these efficiencies would be realized by FEMA, the State, or the local grantees.

Answer. FEMA expects to realize programmatic and financial efficiencies after the full implementation of the National Preparedness Grant Program. While there will be an expected “transition period” while FEMA is simultaneously administering/closing-out the legacy preparedness grant and awarding the new NPGP grant awards, eventually FEMA will realize benefits in the following areas:

- Fewer Funding Opportunity Announcements and fewer overall grants to award. Processing time will improve.
- Fewer monitoring trips due to the reduction in the number of grantees. This will also allow for more targeted, risk-driven monitoring.
- Fewer operating procedures and training required for staff, given the elimination of numerous, sometimes conflicting, statutory requirements.

Question 4a. One of the stated purposes of grant consolidation has been improved coordination and collaboration. What efforts has FEMA made to encourage coordination and collaboration to this point?

Answer. FEMA has consistently encouraged collaboration and coordination among its grantees, and has seen evidence of the success of those efforts in the processes used to prioritize grant allocations under the existing programs, (albeit within rather than across those programs). The Urban Area Working Groups and Transit Security Working Groups, for example, are exemplary of the type of collaboration and coordination FEMA hopes to engender across levels of government, disciplines, and sectors through the NPGP.

Question 4b. Why have those efforts not worked? Please provide concrete examples of how NPGP would facilitate improved coordination and collaboration.

Answer. Collaboration and coordination does work, within specific programs. But the current construct serves as a disincentive for grantees to collaborate across programs. For example, recipients of Non-Profit Security Grant dollars have a difficult time breaking into the planning process at the UASI level because they are seen

as having their own grant program. Similarly, port and transit agencies have little incentive to collaborate with State or local jurisdictions on strategic planning or priority setting because they have dedicated grant programs they can use to address their own priorities—whether or not those priorities make the most sense from a holistic, whole-of-community approach.

Question 5a. The NPGP consolidates much of the decision making for, and administration of, grant investments to the State Administrative Agency (SAA). In its Annual Report to Congress on States' and Urban Areas' Management of Homeland Security Grant Programs, the DHS Office of Inspector General has repeatedly identified strategic planning and oversight of grant activities as areas of improvement for the States.

Particularly in light of the new responsibilities SAAs would have for managing port and transit grant applications, what new guidance would FEMA provide to States to improve strategic planning and grant management?

Answer. FEMA already has issued guidance to State and local governments on the development of THIRAs and capability estimations (CPG 201), the foundation of which is cross-jurisdictional strategic planning. In addition, for the past several grant cycles, grantees have been required to invest their grant dollars to address capability needs identified through the THIRA and capability estimation processes.

Under the proposed NPGP, FEMA will require the engagement of designated urban areas, ports, and transit authorities in State/territory-generated Threat Hazard Identification and Risk Assessments and in the development of grant applications. FEMA will ensure adequate collaboration and coordination by requiring:

- A detailed description of the Senior Advisory Committee's composition and an explanation of key governance processes, including how the Senior Advisory Committee is informed by the State or territory's Threat Hazard Identification and Risk Assessment, State Preparedness Report data reflecting capability shortfalls, and the approach to address shortfalls in core capabilities;
- A description of the frequency of how often Senior Advisory Committee will meet;
- How existing governance bodies will be leveraged by the committee;
- A detailed description of how decisions on programmatic priorities funded by State Homeland Security Program and Urban Area Security Initiative are made and how those decisions will be documented and shared with its members and other stakeholders as appropriate; and
- A description of defined roles and responsibilities for financial decision making and meeting administrative requirements.

Question 5b. What oversight activities would FEMA conduct to ensure that SAAs invest funding based on risk and capability gaps?

Answer. FEMA already has greatly enhanced grant-monitoring activities, both programmatically and financially, and holds grantees accountable for meeting their financial and programmatic obligations. In addition, starting in fiscal year 2014, FEMA began requiring grantees to submit project-level data at the time of application. That data includes narrative descriptions of how the proposed project will address capability gaps and includes specific elements related to the individual core capabilities being built or sustained under each project.

Question 6a. Documents provided to Capitol Hill staff state that the fiscal year 2015 NPGP proposal was re-proposed, "with some adjustments made to respond to broad stakeholder feedback solicited and received during previous years."

What "adjustments" were made in the fiscal year 2015 proposal compared to the fiscal year 2014 and fiscal year 2013 NPGP proposals?

Answer. The fiscal year 2015 National Preparedness Grant Program responses to stakeholder feedback provide grantees greater certainty regarding the sources and uses of available funding. For example:

- FEMA will retain the requirement that 80 percent of grant dollars awarded to a State be passed through to local units of government, reflecting the reality that most of the capabilities built and sustained with Federal grant dollars exist not at the State level, but in local jurisdictions. However, there are some capabilities, such as State-wide communications interoperability, that are best addressed at the State level.
- FEMA clarified and revised language relating to governance structures under the proposed NPGP. While FEMA can neither prescribe nor enforce how a State should govern itself or interact with its sub-State jurisdictions, the agency has laid out the principles of sound governance structures to ensure maximum involvement by local jurisdictions and other stakeholders in the decision-making process.
- The National Preparedness Grant Program calls for one, unified grant application from each State Administrative Agent, but is designed to ensure that

projects proposed by transit agencies, ports, local units of government, and non-profit organizations are fully and transparently considered prior to those applications being submitted.

Question 6b. What outreach have you done to stakeholders during the development of this proposal? Please provide a list of the stakeholder outreach engagements, the dates upon which they occurred, which stakeholders were invited to participate, and which stakeholders participated.

Answer. Since the original introduction of the proposed National Preparedness Grants Program (NPGP), DHS/FEMA has worked with more than 100 partner organizations from State, local, Tribal, and territorial governments and the private sector.

The following stakeholder outreach and associated activities focused specifically on providing forums to discuss the proposed National Preparedness Grant Program:

2013

April 10–11.—FEMA leadership calls to the leadership of key stakeholder associations, including the National Emergency Management Association, International Association of Emergency Managers, National Governors' Association, Governor's Homeland Security Advisory Council, Big City Emergency Managers, National Association of Counties, National League of Cities, U.S. Conference of Mayors, Council of State, International Association of Fire Chiefs, International Association of Fire Fighters, National Volunteer Fire Council, Congressional Fire Services Institute, International Association of the Chiefs of Police, National Sheriffs' Association, Major County Sheriffs' Association, Major Cities Chiefs Association, National Homeland Security Association, National Congress of American Indians, United South and Eastern Tribes, American Association of Port Authorities, and American Public Transportation Association.

April 12.—Conference call for State officials and State stakeholder associations.

April 12.—Conference call for local officials, port and transit officials, and local stakeholder associations.

April 24.—In-person meeting with local and State governmental associations, including the National Emergency Management Association, International Association of Emergency Managers, National Association of Counties, National League of Cities, U.S. Conference of Mayors, International Association of Fire Chiefs, National Sheriffs' Association, National Congress of American Indians, and United South and Eastern Tribes.

April 26.—Intergovernmental Affairs fiscal year 2014 budget briefing to local and State governmental associations (included discussion of preparedness grants and NPGP).

May 14.—Conference call with nonprofit organizations.

May 15.—Conference call with Tribal organizations.

2014

March 7.—Conference call for State officials and State stakeholder associations.

March 7.—Conference call for local officials, port and transit officials, and local stakeholder associations.

March 13.—Conference call with Tribal organizations.

March 24.—Intergovernmental Affairs fiscal year 2015 budget briefing to local and State governmental associations (included discussion of preparedness grants and NPGP).

March 28.—In-person meeting with governmental association that represent local officials, including United States Conference of Mayors, International Association of Fire Chiefs, U.S. Council of the International Association of Emergency Managers, Major County Sheriffs' Association, American Association of Port Authorities, Congressional Fire Services Institute, National Sheriffs' Association, National Volunteer Fire Council, National League of Cities, National Association of Counties, Major Cities Chiefs Association, National Homeland Security Coalition (by phone), Big City Emergency Managers, International Association of Chiefs of Police, Los Angeles Washington Office, New York City Washington Office, Ventura and Santa Barbara Counties Washington Representative, Chicago Washington Office.

April 9.—In-person meeting with D.C.-based Governors Representatives.

In addition, FEMA and DHS officials have participated in numerous "listening sessions" at National conferences, such as the annual UASI Conference, the National Homeland Security Consortium Conference, meetings of the Governors Homeland Security Advisors Council, and others, all of which have informed the development of the current proposal.

Question 6c. How was the input provided by stakeholders incorporated into the proposal? Please provide examples.

Answer. The fiscal year 2015 National Preparedness Grant Program responses to stakeholder feedback provide grantees greater certainty regarding the sources and uses of available funding. For example:

- FEMA will retain the requirement that 80 percent of grant dollars awarded to a State be passed through to local units of government, reflecting the reality that most of the capabilities built and sustained with Federal grant dollars exist not at the State level, but in local jurisdictions. However, there are some capabilities, such as State-wide communications interoperability, that are best addressed at the State level.
- FEMA clarified and revised language relating to governance structures under the proposed NPGP. While FEMA can neither prescribe nor enforce how a State should govern itself or interact with its sub-State jurisdictions, the agency has laid out the principles of sound governance structures to ensure maximum involvement by local jurisdictions and other stakeholders in the decision-making process.
- FEMA limited the expansion of the definition of “local unit of government” to apply only to the proposed National Preparedness Grant Program to avoid unintended consequences related to eligibility for other programs, such as EMPG.
- The National Preparedness Grant Program calls for one, unified grant application from each State Administrative Agent, but is designed to ensure that projects proposed by transit agencies, ports, local units of government, and non-profit organizations are fully and transparently considered prior to those applications being submitted.

Question 7. How would high-risk urban areas be funded under the NPGP proposal? Would funding under NPGP be set aside for UASIs with applications submitted through the States as is the current practice or will UASIs apply to the States in which they are located, with the States determining the amount of funding their UASIs receive?

Answer. FEMA will identify and allocate National Preparedness Grant Program sustainment funding specifically to Urban Areas through a National-level risk assessment. The designated Urban Areas will submit an application through their State Administrative Agency, as is currently the case.

Question 8. How would high-risk urban areas be deemed eligible to receive funding under this proposal? Would FEMA utilize a process similar to the current process in which there is an assessment of the top 100 metropolitan statistical areas?

Answer. The designation of high-risk urban areas will continue to be based on an assessment of the relative threat, vulnerability, and consequences from acts of terrorism. As prescribed in the 9/11 Act, the calculation of the risk for the 100 most populous Metropolitan Statistical Areas would directly inform the dedicated funding allocated to urban areas.

Question 9. Police departments and their officers have played a crucial role in preventing acts of terrorism since 9/11. State and local police departments have been able to build and maintain capabilities through the 25% set-aside for law enforcement terrorism prevention activities. However, the NPGP proposal would eliminate this 25% set-aside.

What is the rationale for eliminating this set-aside?

Answer. The proposed National Preparedness Grant Program is designed to provide States and their partners with the flexibility to allocate dollars to address their self-identified priorities. States, in collaboration with their partners, will determine where to apply grant dollars in any given year to address capability requirements across the five National Preparedness Goal mission areas of protect, prevent, mitigate, respond, and recover. Requiring that 25 percent of their funding be allocated to specific activities removes a significant amount of that flexibility and is inconsistent with the overall approach envisioned in the National Preparedness Grant Program proposal.

Maintenance and sustainment of core law enforcement prevention capabilities—including fusion centers, countering violent extremism and State, territory, and local information sharing—remain key administration priorities and law enforcement activities previously funded under other grants, such as Operation Stonegarden and the Port and Transit grant programs will continue to be eligible activities under the proposed National Preparedness Grant Program.

The National Preparedness Grant Program will continue to support State, territory, and local law enforcement efforts to understand, recognize, and prevent pre-operational activity and other crimes that are precursors or indicators of terrorist activity, in accordance with applicable privacy, civil rights, and civil liberties protections. Such efforts include:

- Maturation and enhancement of State and major urban area fusion centers, including training for intelligence analysts and implementation of Fusion Liaison Officer Programs;
- Implementation of the Nation-wide Suspicious Activity Reporting Initiative, including training for front-line personnel on identifying and reporting suspicious activities; Continued implementation of the “If You See Something, Say Something™” campaign to raise public awareness of indicators of terrorism and violent crime.

Question 10a. Local stakeholders have expressed concern about the change to the definition of “local unit of government,” particularly that the definition would greatly expand the eligibility for the grant programs and could set a dangerous precedent for the expansion of the definition under other Federal programs.

We understand that this problem was brought to FEMA’s attention during an outreach session, but the definition remains in the proposal. What is the rationale for defining a unit of local government as you did in the proposal?

Answer. The National Preparedness Grant Program consolidates several grant programs, including the Transit Security Grant Program and the Port Security Grant Program, eliminating direct funding for port areas and transit agencies. The fiscal year 2015 proposal limits the expanded definition of “local unit of government” to the National Preparedness Grant Program only in an effort to ensure that those agencies remain eligible for the local pass-through.

Question 10b. there an alternate way to define the universe of subgrantees you are trying to capture?

Answer. The administration is willing to work with the Congress to develop language that ensures eligibility for the intended universe of subgrantees while minimizing the potential unintended consequences of changing the definition of local unit of government.

Question 11a. The proposal would consolidate the Transit Security Grant Program, Port Security Grant Program, and Intercity Passenger Rail Program into the NPGP, resulting in previous direct grantees having to apply to States for funding. In some cases, transit systems and port authorities operate across State lines.

To which State would a transit system or port authority apply if they operate in more than one State?

Answer. There are several options FEMA could consider for transit and port stakeholders that have groups or regions covering more than one State, depending on the specifics of the situation. With any of the options, the key to success is the inclusion of all partners (Federal, State, and local) and active participation in the already well-established Regional Transit Security Working Groups and Area Maritime Security Committees. These groups are critical for regional prioritization and selection of projects to make application for grant funding. A transit or port stakeholder would either propose their grant-funded projects through the State in which they are located or through a selected State that is part of the group or region in which that entity is located. Considerations such as where the project is located, impact, and benefit to a particular jurisdiction also may be taken into account. This situation is not without precedent as there currently are UASI regions, port areas, and transit systems that cross State lines. FEMA is committed to working with its stakeholders to develop processes that make sense for the individual entities under their specific circumstances.

Question 11b. Would the Washington Metropolitan Area Transit Authority be required to apply for funding from the District of Columbia, Maryland, and Virginia to fund security enhancements to the metro system?

Answer. The Washington Metropolitan Area Transit Authority could work with the District of Columbia or with one or all of the three contributing jurisdictions (Virginia, Maryland, and the District). Considerations such as where the project is located, its system-wide impact, and ancillary benefit to a particular jurisdiction should be taken into account in determining how a project would be funded. Again, cross-jurisdictional planning and coordination will be essential to these processes.

Question 11c. Would transit authorities be eligible to receive both sustainment and competitive funds? Would funding be set aside for these entities?

Answer. Transit authorities would be eligible to receive both sustainment and competitive funding under the National Preparedness Grant Program, however there will not be specific amount of funding set-aside for these entities. One coordinated State-wide/territory-wide application will be submitted which will include project proposals from local jurisdictions, ports, transit systems, non-profit organizations, and other eligible entities.

Question 12a. According to the Congressional Justifications sent to Congress, part of the new NPGP would provide sustainment funding to States, while another part of the program would be competitive.

How would FEMA determine the amount of sustainment funding available to States?

Answer. Sustainment funding allocations will be determined by consideration of threat, vulnerability, and consequence factors, as well as border security threats, and other known Federal priorities to address all hazards. The relative amount designated for sustainment versus the competitive pool will be a policy determination made by the Secretary based on a review of priority capability gaps, and an estimate of the amount of funding required to address those gaps, identified through the FEMA Regional THIRAs.

Question 12b. Would FEMA continue to provide targeted funding allocations on which States could base their applications?

Answer. Each State/territory will receive a base level of funding allocated in consideration of threat, vulnerability, and consequences.

Question 12c. How would the competitive portion work? Please be specific.

Answer. The competitive portion of the program will be awarded based on the ability of an application to effectively and efficiently address a capability requirement in a particular FEMA Region based on that Region's Threat and Hazard Identification and Risk Assessments and other National-level risk assessments.

Regional core capability requirements will be published in the funding opportunity announcement (FOA) by FEMA region. All entities—States, urban areas, non-UASI local units of governments, ports, transit agencies, etc. will be eligible to propose projects that address one or more of the capability gaps published in the FOA. Applications will be peer-reviewed at the FEMA Regional level, and evaluated again at the FEMA National level. Competition is not limited to entities within a particular region; however, the efficiency of a proposed project in addressing a regional capability gap will be a significant component of the evaluation process (for example, a State proposing to fill a response capability gap on the opposite side of the country must show how it can do so efficiently and in a timely manner).

Question 12d. It is our understanding that previously-funded UASIs may be eligible for funding under the competitive program. How would that work?

Answer. As stated, all jurisdictions within a State, including previously-funded UASIs, would be eligible to compete for funding under the competitive component of the program. FEMA is concerned mainly with ensuring that National-level capability requirements are addressed in a cost-effective, efficient manner and believes that competition will engender innovative approaches to ensuring capabilities are available when and where they are needed.

Question 13a. The Congressional Justification notes that urban areas, port authorities, and transit agencies will be required to participate in State-generated Threat and Hazard Identification and Risk Assessments in fiscal year 2015. We applaud this required involvement but are concerned, as we discussed in our January 27, 2013 THIRA letter to you, that States have not adequately included local stakeholders in their THIRA submissions to date.

How will this mandatory involvement be enforced?

Answer. FEMA cannot prescribe, nor can it enforce, how a State chooses to organize itself or how it elects to interact with local units of government, specific sectors of the economy, or other stakeholders. However, to ensure that States are adequately engaging with local governments, port and transit agencies, urban areas, non-profit organizations, and other "whole of community" partners, FEMA will enumerate the principles of strong, effective governance structures and will require that each SAA submit:

- A detailed description of the Senior Advisory Committee's composition and an explanation of key governance processes, including how the Senior Advisory Committee is informed by the State or territory's Threat and Hazard Identification and Risk Assessment, State Preparedness Report data reflecting capability shortfalls and the approach to address shortfalls in core capabilities;
- A description of the frequency with which the Senior Advisory Committee will meet;
- How existing governance bodies such as Urban Area Working Groups and Transit Security Working Groups will be leveraged by the Senior Advisory Committee;
- A detailed description of how decisions on programmatic priorities are made and how those decisions will be documented and shared with its members and other stakeholders as appropriate; and
- A description of defined roles and responsibilities for financial decision making and meeting administrative requirements.

Question 13b. Will there be recourse for entities that believe they have not been adequately included by the State?

Answer. FEMA cannot prescribe, nor can it enforce, how a State chooses to organize itself or how it elects to interact with local units of government, specific sectors of the economy, or other stakeholders. However, FEMA can enforce the requirement that 80 percent of the grant dollars awarded in any given year be passed through to local units of government. FEMA cannot, however, adjudicate specific disagreements between the States and individual entities nor can it serve as an arbiter for local government who believe they have not been adequately included in State-led planning efforts. This is currently the case under HSGP.

Question 14. The National Preparedness Grant Program proposal seems to place a premium on projects that are deployable. However, not all grant investments will result in deployable assets, nor should they. For instance, many vital prevention and mitigation projects, such as the funding for fusion centers, the purchase of cameras or the hardening of infrastructure, are not deployable.

How would FEMA strike a balance between the requirement of deployable assets and the recognition that not all grant investments result in a deployable asset or capability?

Answer. The emphasis in this requirement is that capabilities built with Federal grant dollars should be considered National assets, not the sole property of individual grantees. To that end, when practicable, all assets supported in part or entirely with National Preparedness Grant Program funding must be readily deployable or otherwise shareable under existing mutual aid agreements. Funding may be used for the sustainment of core capabilities that, while they may not be physically deployable, support National response capabilities such as Geographic/Geospatial Information Systems, interoperable communications systems, capabilities as defined under the mitigation mission area of the National Preparedness Goal, and in support of the National Network of Fusion Centers.

Question 15. Under the current Homeland Security Grant Program, States and urban areas with fusion centers are required to provide at least one investment justification related to that fusion center.

Would this requirement continue under the National Preparedness Grant Proposal?

Answer. The requirement to provide at least one investment justification dedicated to fusion centers with the National Preparedness Grant Program is and will continue to be a policy decision left to the discretion of the Secretary. However, maintenance and sustainment of core law enforcement prevention capabilities—including fusion centers, countering violent extremism and State, territory, and local information sharing—remain key administration priorities.

Question 16. How would the proposed peer review process work?

Answer. The review process will be in two parts—a regional review panel score and a National review panel score. The review panels will validate grant proposals via peer review to ensure that projects support the building and sustainment of regional and National core capabilities. Proposals for competitive funding will be evaluated by the National and regional review panels on the ability of a jurisdiction to build, maintain, and sustain the capability as a Nationally-deployable resource that will benefit multiple jurisdictions and increase the core capabilities for the region.

Question 17. According to the draft authorizing legislation included with the budget request, the NPGP would “build and sustain core capabilities identified in the National Preparedness Goal.” While fire fighting will be a key element of any response to a terrorist attack, DHS does not identify fire fighting as one of its core capabilities.

Would the NPGP eliminate funding for fire department that historically received UASI and State Homeland Security Grant Program funds?

Answer. The Assistance to Firefighters Grant program is not proposed to be part of the National Preparedness Grant Program. Grants will continue to be awarded through the Assistance to Firefighters Grant to fire departments to enhance their ability to protect the public and fire service personnel from fire and related hazards. Additionally, fire departments would continue to be eligible to receive funding through the National Preparedness Grant Program as a local entity.

Question 18. The National Preparedness Grant Program proposal seeks to maintain the current 2-year period of performance for grants. While we appreciate the effort to ensure a more expeditious draw-down of funds, we have heard concerns from both State and local representatives about the impact of a 2-year period of performance. Particularly at the local level, there is concern that once the administrative work is done, there is very little time for grantees to expend the funds. This has resulted, in many cases, in the procurement of items that can be acquired quickly rather than projects that may not appropriately address gaps identified in the Threat Hazard Identification and Risk Assessment that may take longer.

Is there any way to return to a 3-year period of performance while still addressing the issue of the draw-down?

Answer. FEMA has made great strides over the past year in encouraging grantees to draw down previously-awarded grant dollars more expeditiously. At the start of fiscal year 2013, the remaining balance on grants from fiscal year 2008 through fiscal year 2012 was \$8.5 billion. One year later, at the start of fiscal year 2014, that number had dropped to \$4.6 billion, a decrease of approximately 45%. In fiscal year 2012, FEMA introduced a 2-year performance period on all preparedness grants in an effort to ensure that capability gaps are addressed efficiently and effectively. Concurrently, the agency has increased its scrutiny of requests for extensions to periods of performance and only requests that meet strict criteria outlined in Information Bulletin No. 379 are being approved. Fiscal year 2013 grant funding was awarded in September 2013 and includes the same 2-year period of performance. FEMA expects the draw-down balance to continue to decrease as these new policies remain in place. FEMA is committed to being responsible stewards of taxpayer dollars and ensuring that all Federal grant dollars that we disburse are used in a timely manner. However, the agency also remains committed to re-evaluating the feasibility and appropriateness of returning to a 3-year period of performance at such time as the administration and the Congress feel confident that grantees are efficiently and effectively managing these Federal resources.

Mrs. BROOKS. Today we are pleased to receive testimony from a number of stakeholders who would be impacted by the NPGP proposal. Your perspectives will be invaluable to this subcommittee as we continue to evaluate the potential impacts of this proposal.

To that end, I am interested in hearing your opinions of the proposal this morning both for and against FEMA's proposal. If you support the proposal, why do you support the proposal? If you oppose it, why?

What alternative reforms might you suggest, if any? Are there any reforms that could be made to the current grant structure that would make it more efficient and better able to meet your needs?

I am also interested in your perspective on how the Threat and Hazard Identification and Risk Assessment, better known as THIRA, and the capability estimation processes are working. Have the addition of these requirements helped you better address your security needs?

We know that these grants have definitely made a difference in the country. One need only look to the response to the Boston Marathon bombings just over a year ago to see the contribution of the grants. It is for this reason that, as we stated in our letter to Administrator Fugate, any efforts to reform the current system must be very thorough, well-informed, and premised on the goal of ensuring that our Nation is best able to prevent, prepare for, mitigate, respond to, and recover from terrorist attacks.

Before I yield to my Ranking Member, I ask unanimous consent to insert a letter from the Major City Chiefs Association, the International Association of Chiefs of Police, the Major County Sheriffs' Association, and the National Sheriff's Association into the record. The letter discusses their perspectives on the NPGP proposal, and in particular, why they believe it is important to retain the 25 percent law enforcement set-aside.

I also ask unanimous consent to insert into the record a letter from the National Fusion Center Association regarding the importance of the set-aside for intelligence and information sharing.

Without objection, so ordered.

[The information follows:]

LETTER FROM THE MAJOR CITY CHIEFS ASSOCIATION, THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, THE MAJOR COUNTY SHERIFFS' ASSOCIATION, AND THE NATIONAL SHERIFF'S ASSOCIATION

APRIL 29, 2014.

The Honorable SUSAN W. BROOKS,
Chairwoman, House Homeland Security Subcommittee on Emergency Preparedness, Response, and Communications, United States House of Representatives, Washington, DC 20515.

The Honorable DONALD M. PAYNE, JR.,
Ranking Member, House Homeland Security Subcommittee on Emergency Preparedness, Response, and Communications, United States House of Representatives, Washington, DC 20515.

DEAR CHAIRWOMAN BROOKS AND RANKING MEMBER PAYNE: On behalf of the undersigned national law enforcement organizations, we write to express our concern regarding the Administration's proposal to consolidate the Federal Emergency Management Agency's (FEMA's) current suite of homeland security grant programs into the National Preparedness Grant Program (NPGP).

Converting these sixteen programs into state-administered block and competitive programs in which funding decisions are made without clear local involvement will hinder state, local, and tribal law enforcement's ability to support the national homeland security mission. Furthermore, elimination of the mandatory 25% law enforcement terrorism prevention (LETP) component for the Urban Areas Security Initiative (UASI) and the State Homeland Security Grant Program (SHSGP) will negatively impact the ability of state, local, and tribal law enforcement to prevent acts of terrorism before they occur.

Experience has shown that states' and urban areas' use of funds for LETP activities have yielded tremendous benefits for homeland security. These funds are critical to ensuring that state, local, tribal, and territorial law enforcement and public safety assets, information, and capabilities are leveraged in efficient and effective ways to support the national homeland security mission.

Proposing the consolidation of these programs before trying to make changes aimed at strengthening their effectiveness is premature. As noted in the February 10, 2014 letter to Secretary Johnson, we acknowledge that not all states or State Administrative Agencies (SAA) in the country are properly using the funding to support terrorism prevention activities as defined in the authorizing statute. That is why we strongly recommend that the accountability for the intended purpose of the LETP requirement be strengthened.

As the majority of the SAA's are not law enforcement-centric, this consolidation proposal would further dilute, if not eliminate all together, the focus on the prevention and investigation of terrorism. As we all know, actions related to these two issues were the stimulus in moving Congress to initiate and pass legislation to create the homeland security grant programs.

Further, it is our suggestion that since the Department of Homeland Security currently funds annual "carve out" grant programs for the emergency management and fire service communities under the Emergency Management Performance Grant Program (EMGP) and Assistance to Firefighters Grant Program (AFG), they should consider a similar carve out for the law enforcement community equal to or greater in size to the current 25% LETP. Whether "stand alone" or within the SHGP construct, this carve out should be managed and administered by the lead state law enforcement agency in each state (as designated by the Governor) to ensure the focus on prevention and investigation of terrorism is not lost. In addition, a percentage of these designated funds should be prioritized and mandated for use to sustain the state- and federally-recognized fusion centers that currently exist in the nation.

On behalf of our Law Enforcement Associations, we thank you for your attention and consideration of this matter. We look forward to continued dialogue as we con-

tinue to work together on issues of importance to the law enforcement field and our communities.

Sincerely,

YOST ZAKHARY,
Chief, City of Woodway, TX, and
President, International Association of Chiefs of Police.

CHARLES H. RAMSEY,
Police Commissioner, City of Philadelphia, PA, and
President, Major Cities Chiefs Association.

DONNY YOUNGBLOOD,
Sheriff-Coroner, Kern County, CA, and
President, Major County Sheriffs' Association.

AARON D. KENNARD,
Sheriff (Ret.), Executive Director,
National Sheriffs' Association.

LETTER FROM THE NATIONAL FUSION CENTER ASSOCIATION

APRIL 29, 2014.

The Honorable SUSAN BROOKS,
Chairwoman,

The Honorable DONALD PAYNE, JR.,
Ranking Member,

Subcommittee on Emergency Preparedness, Response, and Communications, Com-
mittee on Homeland Security, U.S. House of Representatives, Washington, DC
20515.

*RE: Statement for the Record Submitted by the National Fusion Center Association
for the Subcommittee Hearing "Stakeholder Assessments of the Administration's Na-
tional Preparedness Grant Program Proposal"*

DEAR CHAIRWOMAN BROOKS, RANKING MEMBER PAYNE, AND MEMBERS OF THE
SUBCOMMITTEE: We commend you for soliciting the input of stakeholder groups re-
garding the administration's proposal to create a National Preparedness Grant Pro-
gram (NPGP). On behalf of the National Fusion Center Association I am expressing
serious concern with the administration's proposal to consolidate FEMA Prepared-
ness Grants into the NPGP.

The proposal would cause the elimination of the current statutory requirement for
grantees to allocate at least 25% of Urban Areas Security Initiative (UASI) and
State Homeland Security Program (SHSP) grant funding to Law Enforcement Ter-
rorism Prevention (LETP) activities. This requirement was enacted as section 2006
of the 2007 *Implementing Recommendations of the 9/11 Commission Act*. States and
UASI regions have allocated funding under this requirement in part to augment
state and local resources to develop and sustain fusion centers.

In suggesting the elimination of the LETP requirement, the NPGP proposal would
make it significantly more difficult for the administration to facilitate the on-going
collaboration needed across all states to advance its core priorities related to ter-
rorism information sharing and analysis. We strongly support the continued focus
by Secretary Johnson and DHS on robust information sharing and analysis, includ-
ing through support of the National Network of Fusion Centers.

Terrorism prevention remains the most enduring homeland security priority, and
it cannot be done effectively without a strong, dedicated, sustained funding source
that encourages institutionalized collaboration across all levels of government.

The capability to receive, analyze, disseminate, and gather information that may
be relevant to protecting the nation or preventing an attack is not something that
can be switched on or off from one grant cycle to another. It must be a constant.
And it must involve all levels of government—including state, local, tribal, and terri-
torial.

There is no other mechanism outside of the current LETP requirement to ensure
the development and sustainment of that nation-wide information sharing and anal-
ysis imperative. The House Homeland Security Committee's March 2014 report on
the Boston Marathon Bombings recommended that cooperation be expanded be-
tween federal and local law enforcement, especially through fusion centers. The
elimination of the only dedicated stream of federal support to state and local law
enforcement for homeland security information sharing and analysis—the LETP re-
quirement—would make that recommendation exceedingly difficult to achieve.

While the level of priority placed by grantees on certain types of equipment, training, and technology may rise or fall from year to year, the importance of information sharing and analysis in support of detecting and preventing attacks should always be the top priority. Weakness in these capabilities in any one state can potentially impact all other states. The necessity of being connected—via networks and personal relationships—is critical to public safety and first responder decision makers at all levels.

Our partners in Federal law enforcement and homeland security intelligence and analysis do not have access to the vast amounts of potentially valuable investigative information that resides in state, local, tribal, and territorial databases except through the National Network of Fusion Centers and bilaterally on a regional or local basis. The ability to receive reports on suspicious activities from the public and trained public safety personnel in every state, analyze the information, and ensure it is directed to the appropriate body for action happens most efficiently through the Nation-wide Suspicious Activity Reporting Initiative (NSI). Events that occur in one jurisdiction may relate to activity in another location across the country, and the ability to have reliable up-to-the-minute situational awareness and reporting is a must for state and local law enforcement leaders and the elected officials to whom they may report.

These are just three examples of capabilities we have worked with our partners to build in a systematic fashion over the past decade, often using FEMA grant resources under the LETP requirement to do so. Many of these capabilities are enabled through the National Network of Fusion Centers. The hundreds of pieces of actionable terrorism-related information provided through fusion centers to support Federal investigations is evidence of the direct Federal interest in ensuring these capabilities are “always on”. Under the current statutory LETP requirement, DHS, the states, and UASI regions have a mechanism to ensure those activities can be supported.

But if that requirement is dissolved through the implementation of the NPGP as proposed, then there will be no clear way to support nation-wide terrorism information sharing and analysis. This would be a step backward and make it harder to achieve the goals that this committee, DHS, and all of us working in the field share.

We strongly recommend that the current Law Enforcement Terrorism Prevention requirement be preserved. Thank you again for your thorough consideration of stakeholders’ perspectives on this important issue.

Sincerely,

MIKE SENA,

*President, National Fusion Center Association, and
Director, Northern California Regional Intelligence Center.*

Mrs. BROOKS. With that, I look forward to hearing from our distinguished panel of witnesses and continuing our discussion of the grant programs this morning.

I now recognize the gentleman from New Jersey, Mr. Payne, for any opening statements he may have.

Mr. PAYNE. Good morning. I want to thank Chairwoman Brooks for holding this hearing and giving homeland security grant program stakeholders the opportunity to share their thoughts on the administration’s proposal to consolidate targeted homeland security grant programs.

I would like to take a brief moment to share my sympathies with the people who were in the path of the storms and tornadoes that have wreaked havoc on parts of the Great Plains and over the South over the past few days. Our hearts are with you.

Since serving as Ranking Member on this subcommittee, this committee has tried on numerous occasions to understand the administration’s proposal to consolidate homeland security grants. The administration first proposed the National Preparedness Grant Program, NPGP, in its 2013 budget request. At the time, the proposal surprised Members of Congress and stakeholders alike because FEMA had not conducted outreach prior to the budget’s submission.

In response, this panel held hearings to try to learn more about the NPGP. Stakeholder groups expressed frustration that they were left out of the process and concern about how NPGP would affect local preparedness capabilities and confusion about how NPGP would be administered.

FEMA provided a general overview of how NPGP would work and suggested that more detail would be provided in the legislative proposal. Members of this panel were told that they could expect the legislative proposal soon. FEMA never submitted the legislative proposal and Congress ultimately rejected the proposal.

In 2014 FEMA once again proposed to consolidate homeland security grants into the NPGP. But still, it had not submitted the legislative proposal nor did it appear it had made appreciable effort to work out with stakeholders on a grant reform proposal that both sides could support. As a result, Congress rejected that proposal a second time.

I know that Members of this panel on both sides of the aisle had hoped that the proposal this year would be different. Unfortunately, many of the concerns this committee has raised in the past have not been resolved.

FEMA deserves some credit for submitting a legislative proposal this year. I also appreciate FEMA's effort to provide more detail on how NPGP would work in the letter it sent to the committee on Friday. FEMA's letter was timely and informative.

That said, the legislative proposal does not reflect the interaction with stakeholders, clarity of vision, or detail that I would expect from a document nearly 3 years in the making. Moreover, despite the additional detail in the April 25 letter, I do not think that it made the case to overhaul homeland security grants, particularly when so many stakeholders have reasons and have raised concerns.

Further, despite Congress' urging, it does not appear that FEMA engaged with stakeholders in the manner Congress had envisioned. When this panel urged FEMA to work with stakeholders as it continued to work on its grant consolidation proposal, we had hoped that the dialogue would be on-going and that stakeholders would see their comments reflected in an updated consolidation proposal.

But that does not appear to be the case. For example, I understand that the new definition of "local unit of government" included in the legislative proposal caused a great deal of concern among stakeholders, that these were expressed to FEMA prior to the 2015 budget submission. Yet, the new definition of "local unit of government" remains in the administration's proposal.

The proposal would divert the current grant programs' focus on terrorism to all-hazards without making a case for why this is appropriate. Toward that end, I am particularly concerned that the proposal would eliminate the requirement that 25 percent of the State and Urban Area Grant dollar funds fund law enforcement terrorism initiatives.

Finally, I am concerned by the funding level sought, and I am interested to learn whether this level of funding is sufficient to maintain and develop the capabilities necessary to prepare for and respond to acts of terror.

I look forward to learning from the witnesses how the existing grant program has improved State and local homeland security ca-

pabilities and how those capabilities would be impacted by this proposal. I am also interested to know whether the stakeholders here today have any concerns about homeland security grants as they are currently administered and ideas on how to improve them.

I thank the witnesses for being here today. I look forward to your testimony.

With that, Madam Chairwoman, I yield back the balance of my time.

[The statement of Ranking Member Payne follows:]

STATEMENT OF RANKING MEMBER DONALD M. PAYNE, JR.

APRIL 29, 2014

I want to thank Chairwoman Brooks for holding this hearing and giving Homeland Security Grant Program stakeholders the opportunity to share their thoughts on the administration's proposal to consolidate targeted homeland security grant programs.

I would like to take a brief moment to share my sympathies with the people who were in the path of the storms and tornadoes that wreaked havoc on parts of the Great Plains and the south over the past few days.

My thoughts are especially with families who lost their loved ones or homes or businesses.

Since serving as Ranking Member of this subcommittee, this committee has tried on numerous occasions to understand the administration's proposal to consolidate homeland security grants.

The administration first proposed the National Preparedness Grant Program (NPGP) in its fiscal year 2013 budget request.

At the time, the proposal surprised Members of Congress and stakeholders alike, because FEMA had not conducted outreach prior to the budget submission.

In response, this panel held hearings to try to learn more about the NPGP.

Stakeholder groups expressed frustration that they were left out of the process, concern about how NPGP would affect local preparedness capabilities, and confusion about how NPGP would be administered.

FEMA provided a general overview of how NPGP would work, and suggested that more detail would be provided in the legislative proposal.

Members of this panel were told that they could expect the legislative language "soon."

FEMA never submitted the legislative language, and Congress ultimately rejected the proposal.

In fiscal year 2014, FEMA once again proposed to consolidate homeland security grants into the NPGP.

But it still had not submitted the legislative proposal, nor did it appear that it had made an appreciable effort to work with stakeholders on a grant reform proposal that both sides could support.

As a result, Congress rejected the proposal a second time.

I know that Members of this panel, on both sides of the aisle, had hoped that the proposal this year would be different.

Unfortunately, many of the concerns this committee has raised in the past have not been resolved.

FEMA deserves some credit for submitting a legislative proposal this year.

I also appreciate FEMA's effort to provide more detail on how NPGP would work in the letter it sent to the committee on Friday. FEMA's letter was timely and informative.

That said, the legislative proposal does not reflect the interaction with stakeholders, clarity of vision, or detail that I would have expected for a document nearly 3 years in the making.

Moreover, despite the additional detail in the April 25 letter, I do not think that it made the case to overhaul homeland security grants, particularly when so many stakeholders have raised concerns.

Further, despite Congress' urging, it does not appear that FEMA engaged with stakeholders in the manner Congress envisioned.

When this panel urged FEMA to work with stakeholders as it continued to work on its grant consolidation proposal, we had hoped that the dialogue would be ongoing and that stakeholders would see their comments reflected in the updated consolidation proposal.

But that does not appear to be the case.

For example, I understand that the new definition of “local unit of government” included in the legislative proposal caused a great deal of concern among stakeholders, and that these concerns were expressed to FEMA prior to the fiscal year 2015 budget submission.

Yet, the new definition of “local unit of government” remains in the administration’s proposal.

The proposal would divert the current grant program’s focus on terrorism to all-hazards, without making the case for why this is appropriate.

Toward that end, I am particularly concerned that the proposal would eliminate the requirement that 25 percent of State and Urban Area grant dollars fund law enforcement terrorism initiatives.

Finally, I am concerned by the funding level sought, and am interested to learn whether this level of funding is sufficient to maintain and develop the capabilities necessary to prepare for and respond to acts of terror.

I look forward to learning from the witnesses how the existing grant program has improved State and local homeland security capabilities, and how those capabilities would be impacted by the proposal.

I am also interested to know whether the stakeholders here today have any concerns about homeland security grants as they are currently administered, and ideas to improve them.

Mrs. BROOKS. Thank you.

Members are reminded that additional statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

APRIL 29, 2014

I would like to express my sympathies to those affected by the tornadoes that have devastated communities across Oklahoma, Arkansas, Missouri, and Mississippi. My thoughts are with them—particularly those in Tupelo, Mississippi, which is in my District.

I appreciate this subcommittee’s effort to give stakeholders a voice in the debate surrounding the administration’s grant consolidation proposal.

This committee works diligently to consider the views of stakeholders as it drafts and reviews policy proposals. It is especially important that we do so when it is unclear whether the administration effectively engaged with stakeholders. The preparedness grant consolidation proposal is the latest example.

The preparedness grant programs administered by the Federal Emergency Management Agency serve a vital role in every Congressional District, enabling critical disaster response capabilities.

From the Urban Area Security Initiative and the State Homeland Security Program, to the Port Security Grant Program and the Transit Security Grant Program, we have seen first-hand the fundamental benefits these programs have provided.

Over the past 10 years, we have invested over \$39 billion in these and other homeland security grant programs.

The capabilities and safeguards these programs have given to first responder capabilities cannot be understated.

When we go back to our Districts, we hear anecdotal stories about how Homeland Security Grant program funding supported a table-top exercise to test a local Emergency Operations Plan or to purchase technology that will help first responders do their jobs quicker, better, and safer.

In light of the recent 1-year anniversary of the Boston Marathon bombings, we cannot forget the outstanding performance and response displayed by the Boston and Watertown Police Departments.

In his testimony before this committee in May 2013, former Boston Police Department Commissioner Ed Davis noted that the response to the bombings would not have been as comprehensive or successful without the planning, training, exercises, and equipment supported by the Urban Area Security Initiative.

It is no surprise that communities across the country are proud of the preparedness capabilities that they were able to develop over the past 10 years.

Thanks in large part to the targeted investments made possible by the Homeland Security Grant Program, more of our Nation’s communities are able to rest assured that, in the unfortunate event of an emergency, they are prepared.

But now, despite the milestones we have been able to accomplish throughout the Nation, the capabilities we have so heavily invested in could end up being suspended or mothballed.

Once again, the administration proposed the National Preparedness Grant Program (NPG).

This underfunded proposal would haphazardly consolidate 18 targeted homeland security grant programs into a single pot of money, forcing groups who currently benefit from discrete funding sources to compete against each other for the funds necessary to build and maintain preparedness capabilities.

Although I appreciate FEMA's effort to provide greater clarity to its vision for NPGP in its April 25, 2014 letter to Chairwoman Brooks and Ranking Member Payne, Jr., I am not convinced it made the case for consolidation.

As part of its rationale, FEMA asserts that this consolidation is necessary to ensure better coordination of investments at the regional, State, and local level and to avoid unnecessarily duplicative investments.

But it has yet to explain how the proposed grant overhaul would achieve that objective.

Moreover, as State and local governments struggle to maintain the capabilities they have achieved over the last decade, FEMA has not made the case for requesting only \$1.04 billion to fund NPGP.

Finally, it is not clear whether or how FEMA incorporated feedback from stakeholders as it drafted its proposal.

After 2 years of urging FEMA to engage in on-going outreach and discussion with stakeholders, I was troubled to learn that this had not occurred to the degree we had hoped before the National Preparedness Grant Program proposal was resubmitted to Congress this year.

Accordingly, I cannot support the reform proposal until it is clear that capabilities the concerns of stakeholders have been adequately addressed and that the capabilities developed over the past decade will be maintained and improved.

Mrs. BROOKS. We are very pleased to have such a distinguished panel before us today on this important topic.

To start out, Ms. Kris Eide has been the director of Minnesota's Homeland Security and Emergency Management since 2005. In 2011 she was named homeland security advisor to Governor Mark Dayton. As HSEM director, Eide has the overall responsibility to ensure coordination of State agency preparedness and emergency response to all types of natural and other emergencies and disasters. I am sad to hear that it was snowing today in Minnesota.

She serves as the State Emergency Response Commission and represents HSEM on several State-wide committees and councils. As homeland security advisor she is the lead point of contact with the Department of Homeland Security and is responsible to keep the Governor informed on emerging threats, events, and responses.

She is also a member of the National Governors Association Governors Homeland Security Advisors Council, and is on the board of directors for the National Emergency Management Association. She is testifying today on behalf of NGA and NEMA.

Ms. Eide holds a Bachelor of Arts degree in sociology from the University of Minnesota and a master's degree in management and administration from Metropolitan State University. In addition, Eide earned an executive leadership certificate from the Naval Postgraduate School Center for Homeland Defense and Security.

I now will yield to the Ranking Member to introduce our next witness.

Mr. PAYNE. Thank you, Madam Chairwoman.

I am pleased to introduce Steven M. Fulop, mayor of Jersey City, New Jersey. Steven attended Binghamton University, spent time at Oxford University in England, and graduated in 1999. After start-

ing a career at Goldman Sachs in Chicago, he transferred back to New Jersey and bought a home in Jersey City, New Jersey.

When he witnessed the devastating attacks on September 11, 2001, Steve made the life-altering decision to leave his job at Goldman Sachs and enlist in the United States Marine Corps. As a member of the 6th Engineer Support Battalion he was deployed to Iraq. Steve and his unit were awarded the Overseas Service Ribbon, Meritorious Masts, and the Presidential Unit Citation.

We are happy to have Mayor Fulop here with us today to testify before the subcommittee.

Thank you very much, sir.

Mrs. BROOKS. Thank the Ranking Member.

Our next witness is Mr. Troy Riggs. Mr. Riggs serves as the city of Indianapolis' director of public safety, a position he has held since October 2012. Director Riggs came to Indianapolis with more than 20 years of public safety experience. His public service includes serving as an assistance city manager and chief of police in Corpus Christi, Texas.

Additionally, he served 20 years in Louisville, Kentucky working his way from recruit to assistant chief and chief of staff. He has also served as press secretary for a judge/executive and has been a liaison to local, State, and Federal governments. Mr. Riggs has an EMBA from Sullivan University and a political science degree from the University of Louisville.

As someone who worked in public safety on behalf of the city of Indianapolis, we are thrilled to have you leading our public safety department in Indianapolis.

Next is Chief William Metcalf, who is the fire chief for the North County Fire Protection District in Fallbrook, California, a suburb of San Diego, and has served in that position since 2003. He started his fire service career in 1974 with the Anne Arundel County, Maryland Fire Department, and also served with the North Lake Tahoe Fire Protection District in Incline Village, Nevada.

Chief Metcalf also serves as the president of the International Association of Fire Chiefs and is testifying on their behalf today.

Chief Metcalf has an associate's degree in paramedic science, a bachelor's degree in management, and a master's degree in organizational leadership. He is also a graduate of the Executive Fire Officer Program as a chief fire officer designate.

Welcome.

Mr. Randy Parsons serves as the director of security for the Port of Long Beach, a position he has held since October 2012. Prior to his position, he served as the Federal security director at Phoenix Sky Harbor International Airport and later at Los Angeles International Airport.

Prior to joining TSA, Mr. Parsons served for 20 years in the FBI, during which time he served as the special agent in charge for the counterterrorism program in the Los Angeles office. He has led four joint terrorism task forces and directed the operational readiness of personnel and systems for crisis response.

Mr. Parsons earned his J.D. and Bachelor of Arts degree in criminal justice from Washburn University and his Master of Arts degree in criminal justice from Sam Houston State University.

So welcome.

Welcome to all of you. I would just like for you all to realize that your full written statements will appear in the record.

Now I will recognize Ms. Eide for 5 minutes.

STATEMENT OF KRIS EIDE, DIRECTOR, HOMELAND SECURITY AND EMERGENCY MANAGEMENT, STATE OF MINNESOTA, TESTIFYING ON BEHALF OF GOVERNORS HOMELAND SECURITY ADVISORY COUNCIL AND THE NATIONAL EMERGENCY MANAGEMENT ASSOCIATION

Ms. EIDE. Thank you, Chairman Brooks, Ranking Member Payne, and Members, for the chance to testify today on behalf of Governors, homeland security advisors, and State emergency management directors. Hearings like this provide an important opportunity to discuss how we all can better serve the American people by ensuring preparedness at all levels of government.

Since 2003 Federal grant funds have supplemented billions of dollars in State and local investment to build and sustain emergency preparedness and response capabilities. These investments have provided critical support for interoperable communication systems, first responder training programs, public preparedness campaigns, hazardous materials response, urban search and rescue, and a robust information-sharing network.

In my home State of Minnesota we have strengthened our medical surge capabilities, improved situational awareness during emergencies, and taken steps to address the emerging threat of cybersecurity.

The most recent National efforts undertaken as a result of the preparedness grant programs is the Threat Hazard Identification and Risk Assessment, or THIRA, and the State preparedness reports. While FEMA continues to work with stakeholders on refining these processes, they are only as effective as the efforts they support.

Simply placing the THIRA and preparedness reports atop the current grant structure fails to fully integrate all grantees under the State THIRA or provide adequate visibility on funding allocations across jurisdictions within the State. Duplicative reporting requirements and increased administrative burdens under the current framework further diminish return on investment as more time and money must be spent on grants administration and management.

Given the current fiscal environment, the need to reform these grant programs has never been more urgent. Federal funding for homeland security grant programs has decreased by more than 75 percent since their inception, yet the structure remains unchanged.

The reality is that the current suite of grant programs perpetuates separation among constituencies and allows those interests to operate in silos. This does not reflect on-going efforts to align State and local capabilities with our National preparedness objectives.

Today's dynamic threat environment requires a program which prioritizes investment based on risk while maintaining State and local abilities to sustain prior investments to support our National goals. These programs must be flexible to address changing haz-

ards and ensure local investments are synchronized with State-wide and regional priorities.

The NPGP proposal has evolved since its introduction in the President's fiscal year 2013 budget. While we continue to evaluate the details, we are encouraged to see the legislative language in this year's budget and are eager to work with Congress and the administration to pass comprehensive grant reform.

One of the most important aspects of the NPGP proposal is a strong State oversight role in grants administration. The States are best positioned to achieve economies of scale, avoid duplication of effort, leverage available assets, and avoid gaps in critical capabilities.

As FEMA Administrator Craig Fugate pointed out recently before this subcommittee, Governors have unique emergency authorities, such as activating the National Guard, and are responsible for requesting and coordinating disaster Federal assistance when necessary. In order to properly use these authorities, Governors, their homeland security advisors, and State emergency management directors must have knowledge of the capabilities, assets, and resources throughout their State.

This certainly is not meant to imply that States can do it alone. Intergovernmental and public-private collaboration and communication are the key elements in achieving a whole-community approach to our National preparedness.

Incidents such as the 2007 I-35W Bridge collapse in my home State or the response to the Boston Marathon bombing last year demonstrate the need for strong partnerships. Even those two examples highlight the diverse needs of our various grantees.

Grant programs must be flexible enough for us to ensure priorities are being addressed in order of their importance. Both the GHSAC and NEMA are continuing to review the NPGP proposal and will provide this subcommittee with additional feedback in the coming weeks. In the mean time, we have submitted for the record principles and values we believe should inform any grant reform effort.

The NPGP is an important next step in on-going efforts to find common ground on a grants framework that has both State and local buy-in and can ensure measurable return on the Nation's investments. Regardless of what this change looks like, only through comprehensive reform of these decade-old programs can we achieve the type of accountability Congress demands and the flexibility to address the most urgent preparedness needs of our communities.

On behalf of my colleagues and States, I look forward to working with you and my fellow panelists in this process. I am happy to answer any questions you may have.

[The prepared statement of Ms. Eide follows:]

PREPARED STATEMENT OF KRIS EIDE

APRIL 29, 2014

Thank you Chairman Brooks, Ranking Member Payne, and Members of the subcommittee for holding this hearing. I am Kris Eide, director of the Homeland Security and Emergency Management Division of the Minnesota Department of Public Safety and homeland security advisor to Governor Mark Dayton.

I am here today representing the National Governors Association (NGA) Governors Homeland Security Advisors Council (GHSAC) and the National Emergency

Management Association (NEMA). I currently serve as chair of the GHSAC Grants Committee and as vice chair of NEMA's Preparedness Committee.

I appreciate the opportunity to appear before you to discuss how comprehensive reform of Federal preparedness grant programs will better serve State and local efforts to build and sustain capabilities to address the various threats and hazards they face. My testimony will discuss: (1) The continuing benefit of Federal investments in State and local preparedness; (2) the enduring need for grant reform; (3) the importance of a strong State role in grants administration; and (4) the value of intergovernmental partnerships.

FEDERAL SUPPORT REMAINS ESSENTIAL

Federal funds continue to provide critical support to State and local efforts to prevent, prepare for, and respond to terrorist attacks, natural disasters, and man-made events. As discussed in the Department of Homeland Security's annual National Preparedness Report, our Nation's level of preparedness has vastly improved since September 11, 2001, and Hurricane Katrina in 2005. This is the result of increased focus on building community resiliency, improved coordination, and engagement among all levels of Government and more than a decade's worth of Federal investments in training, equipment, and personnel at the State and local level.

Since 2003, Federal grant funds have supplemented billions of dollars in State and local investments to build and sustain capabilities including interoperable communications, training of personnel, enhancing information sharing and community preparedness, and hazardous materials response. In recent years, strategic planning efforts such as the State Preparedness Report (SPR) and Threat Hazard Identification Risk Assessment (THIRA) process have facilitated intergovernmental coordination and helped align State and local investments into capabilities that also meet National and regional needs. These capabilities include special response teams in the areas of weapon of mass destruction, urban search and rescue, and veterinary rapid response teams in addition to agricultural warning systems. Federal grant funds support standardized training for mass casualty incidents, the National network of fusion centers and citizen and community preparedness initiatives Nationwide.

In Minnesota, Federal preparedness grants have funded a number of critical projects and supported key investments that serve the entire State. Some key examples include:

- Cybersecurity monitoring for detection of network cyber attacks and breaches. To date, the State's executive branch agencies and 15 of the 87 counties have this detection and deterrence capability.
- Capabilities for medical surge through funding Ambulance Strike Teams and Mobile Medical Teams. These assets were used for two separate disasters to help with the evacuation of medical and long-term care facilities.
- Improvements to situational awareness and coordination of emergency response through the purchase and sustainment of State-wide video-teleconferencing and incident management software systems. It has been estimated that the purchase of the video-teleconferencing equipment has resulted in a 3-year return on investment in time management and resource identification and deployment.

Minnesota also has the largest land-mobile public safety interoperable radio network in the country. Federal preparedness funds have been used to augment the \$240 million of State funds spent to build the infrastructure and purchase equipment allowing for public safety responders across the State to talk to each other. This system was first used successfully following the collapse of the I-35W bridge in 2007. Since then it has been used for special events, hostage situations, and disaster response. The State and local governments continue to spend approximately \$11 million each year to maintain this capability. Without Federal preparedness funds being used for those items not eligible for State funding, the State would be nowhere near the current 95% completion for the project.

GRANT REFORM WILL IMPROVE EFFECTIVENESS

Federal funding for homeland security grant programs has decreased by more than 75 percent since the program's inception in 2003, yet the structure remains unchanged. Congress has recognized this continuing disconnect and included language in annual appropriations bills as recently as fiscal year 2012 to push for "long-overdue" and "bold" reform of the Federal Emergency Management Agency's (FEMA) administration of its State and Local Programs.¹ Important improvements

¹ House Report 112-91 accompanying the Fiscal Year 2012 Homeland Security Appropriations bill (H.R. 2017), part of Public Law 112-33; September 30, 2011.

have been made to processes for assessing risk and strategic planning, but the current grant program design can no longer achieve the type of accountability Congress demands and support the preparedness capabilities our communities need.

Given these on-going challenges and the current fiscal environment, the need for reform of these preparedness grant programs has never been more urgent. In the fiscal year 2013 budget, FEMA provided a proposal to consolidate grant programs into a new National Preparedness Grant Program (NPGP). Over the last 2 years, FEMA's NPGP proposal has helped foster a dialogue on States' enduring challenges with the current suite of 16 separate preparedness grant programs.

Although we continue working on clarifying and understanding the finer points and their potential impacts on States, we remain encouraged to see legislative language for NPGP accompany the President's fiscal year 2015 budget request. This is an important "next step" for continuing engagement efforts with Congress and stakeholders to find common ground on a grants framework that reflects both today's fiscal realities and its dynamic threat environment.

Since 2003, the grant programs have allocated more than \$40 billion to State and local governments to build and sustain preparedness capabilities. The successful outcomes supported by this investment must be acknowledged. At the same time, the need to better align these grant programs with today's fiscal realities and operational challenges must also be recognized. At their inception, the grant programs were required to address an unknown threat environment after September 11, 2001. More than \$4 billion in funding was made available through State and local preparedness grants in fiscal year 2003 alone. In addition to fiscal changes, the environment now incorporates the new "all-hazards" focus stemming from lessons learned after Hurricane Katrina in 2005 and subsequent multi-State disasters. A key lesson from those events is the importance of intergovernmental collaboration and integrating preparedness planning and response activities to ensure unity of effort. Declining budgets at all levels of government have increased the need to leverage resources and facilitate cross-jurisdictional coordination. We can no longer afford to operate in separate silos.

Unfortunately, the current suite of grant programs perpetuates such separations and no longer reflects on-going efforts to align State and local capabilities with National preparedness objectives. Today's dynamic threat environment requires a grants program that prioritizes investments based on risk while maintaining State and local ability to sustain prior investments that support National goals. Grant programs must be flexible and agile to address changing hazards and ensure local investments synchronize with State-wide and regional priorities.

Duplicative reporting requirements and increased administrative burden under the current framework also diminish return on investment (ROI) as more time and money must be spent on grants administration and management. Comprehensive reform would better facilitate maximum efficiency of taxpayer dollars and better enable accurate measure of ROI over time. This flexibility with accountability can represent the face of these reformed grant programs. For only through comprehensive changes to the existing structures can we achieve a more effective preparedness program for States and locals.

STATE OVERSIGHT SERVES NATIONAL NEEDS

In addition to improving program effectiveness, comprehensive grant reform also can facilitate improved accountability and transparency. The SPR and THIRA should align preparedness investments with current risk and identified capability gaps. Simply placing that process atop the current grants structure fails to fully integrate all grantees under the State THIRA or provide adequate visibility on funding allocations across jurisdictions within the State.

A strong State role in the management of grant funds will better ensure transparency, coordination, and the effective use of funds. States are best positioned to achieve economies of scale, avoid duplication of effort, leverage available assets, and avoid gaps in critical capabilities. An enhanced State role would also better reflect Governors' Constitutional emergency authorities.

As FEMA Administrator Craig Fugate pointed out in recent testimony before this subcommittee, Governors have unique emergency authorities, including the ability to deploy the National Guard.² To properly use these authorities to save lives and

²Testimony of FEMA Administrator Craig Fugate, House Homeland Security Subcommittee on Emergency Preparedness, Response, and Communications Hearing: *The Federal Emergency Management Agency's FY 2015 Budget Request: Ensuring Effective Preparedness, Response, and*

protect property, Governors and their homeland security advisors, emergency management directors and adjutants general, must have knowledge of capabilities, assets, and resources throughout the State. By serving as the central point of coordination among multiple jurisdictions and functional areas, States play a key role in ensuring that scarce resources are used effectively to meet identified National priorities that are tailored for regional needs.

States currently employ a variety of governance structures to administer and manage the grant programs, but remain in the best position to oversee and coordinate all homeland security and emergency preparedness activities within their boundaries. Currently, States have no role in the use of port and transit security grants which limits visibility on the use of funds within the State or the projects receiving grant dollars. These funds could be used by a local area to implement proprietary communications systems that are not interoperable with surrounding areas or the State-wide system. These challenges make it difficult to ensure coordination among all levels of Government and ensure investments are aligned with city, State, and regional preparedness goals.

We are encouraged that the NPGP proposal recognizes the importance of State oversight and are committed to working with this committee to explain how States are working with local stakeholders to ensure active engagement throughout the grants process.

PARTNERSHIP IS KEY TO COMMUNITY PREPAREDNESS

Intergovernmental and public-private collaboration and communication are key elements in achieving a “whole community” approach to National preparedness. These concepts were recently demonstrated in a number of ways, including the improved preparation and response to Hurricane Sandy; the support provided by State and local fusion centers on numerous successful criminal and terrorism investigations, such as the Boston Marathon bombing; the on-going implementation of a Nation-wide public safety broadband network; the use of National Guard dual-status commanders to coordinate State and Federal military forces during an emergency; and the development and implementation of the National Preparedness System. The grants process, including reform efforts, must include input from a variety of stakeholders, and States are committed to working with our partners in local and Tribal governments as well as the first responder community.

States use a variety of mechanisms to develop and implement homeland security strategies and plans on an on-going basis. Integral to all State efforts is the involvement of a multitude of State, local, and Tribal stakeholders throughout the process. Most States have regional councils or committees that are used to ensure coordination with local officials, including police, fire, emergency medical services, public health, county, and city management officials, non-profit organizations and the private sector. These regional committees provide for a transparent process that fosters collaboration and partnership and aids in the distribution of the currently required 80 percent “pass-through” of funds to localities.

Active Federal, State, and local engagement is critical to addressing emerging National security challenges and to sustaining our current state of preparedness. No level of government can address any of these issues independently. In an era of constrained budgets, we all must learn to do more with less while ensuring the preparedness priorities of States receive the necessary attention they require. Effective partnerships are imperative to meet both the needs of our communities and the National Preparedness Goal of “a more secure and resilient nation.”

STATES ARE PARTNERS IN REFORM EFFORTS

As Congress and this committee consider the NPGP proposal and engage with stakeholders, NEMA and the GHSAC have offered several documents outlining States’ priorities and principles to inform grant program reform. The documents are attached to this statement and submitted for the record. Furthermore, we offer several recommendations to ensure Federal investments in State and local preparedness remain aligned with National preparedness goals and provide a clear value to both communities and the taxpayer.

1. Value local decision-making and National assessment.—An examination of preparedness must not consist solely of broad goals and priorities, but also must form the basis for action. FEMA should continue to improve the SPR and THIRA process to ensure they provide value to States and local governments.

The THIRA should support State efforts to integrate core capabilities thoughtfully and systematically into their planning, analysis, and assessment processes.

2. *Assess risk continuously across all levels of government.*—Threat assessment, such as THIRA, must be conducted independent of funding allocations in order to adequately assess the current risk and hazards of a locality, State, and region. This must be a continuous process and not a yearly snapshot simply for reporting purposes.

3. *Encourage strategic plans versus spending plans.*—The planning process must focus on setting and achieving strategic goals under changing and uncertain conditions. This is unlike the current system where funding allocations are determined prior to planning.

4. *Allocate funds based on priority needs.*—Funding allocations should prioritize investments to address the most pressing capability gaps identified in the State and regional THIRA and SPR.

5. *Measure progress to fill capability gaps.*—The above steps allow for an effective and meaningful measurement process. As priorities in the State plans are funded, measureable gaps can be identified, addressed, and reported to FEMA and Congress.

6. *Provide consistency and support long-term planning.*—Grant reform should support FEMA's ability to provide States and subgrantees consistent grant guidance and policy, ensure realistic time lines and foster a culture of collaboration among States, local governments, and other subgrantees. States are working with FEMA to integrate the THIRA and SPR processes into State emergency planning, and it should remain part of broader restructuring and reform of FEMA grant programs.

Confronting today's dynamic threats requires an approach to emergency planning that unifies homeland security partners and remains flexible to changing priorities. The Nation must effectively build and strengthen capabilities against a range of threats and reduce the consequences of many hazards to reduce the risks to our communities. These goals can only be accomplished, however, when the barriers and stovepipes limiting flexibility and innovation are removed.

NGA and NEMA welcome the opportunity to work with this committee as you assess the current grant programs, evaluate the NPGP proposal and consider other potential reforms. We also look forward to working with FEMA to identify and address key questions and concerns regarding their proposal and other opportunities to improve administration of Federal grant programs.

Chairman Brooks and Ranking Member Payne, thank you for the opportunity to testify on this important topic. I am happy to answer any questions you or other Members of the subcommittee may have.

ATTACHMENT.—GOVERNORS' PRINCIPLES FOR HOMELAND SECURITY GRANT REFORM

The Department of Homeland Security provides State and local governments with preparedness grant funding that provides support for developing and maintaining critical homeland security and emergency management capabilities. Over the last several years, these grant funds have been significantly reduced. With decreased funding expected for the foreseeable future, Congress and the administration are re-examining the grant programs in order to make them more flexible and effective.

Currently, there are 18 major preparedness grant programs administered by the Department of Homeland Security. Many of these programs often overlap with others, creating unintended inefficiencies and unnecessary administrative burdens. In addition, changing program requirements often make the current structure complex and burdensome to States.

Governors are supportive of efforts to reform these programs. As reform proposals are considered by Congress and the administration, Governors offer the following principles:

Principles:

- Grants should be risk-based but continue to provide each State and territory funding to support critical homeland security and emergency management capabilities, including personnel costs and the sustainment of investments.
- Funding should focus on developing, enhancing, and sustaining common core capabilities.
- The Federal Government should work with States and territories to develop consistent methods to measure or assess progress in achieving common core capabilities.
- Grant funding should be distributed through States and territories to enhance regional response capabilities, avoid duplication of effort, and ensure awareness of gaps in capabilities.

- Consistent with current law, States should be permitted to use a portion of the grant funds for management and administration in order to coordinate the efficient and effective use of grant funds, provide necessary oversight and comply with Federal reporting requirements.
- Any reform to the current grant programs should provide States with flexibility to determine which priorities should be funded and where investments should be made within their borders.
- Any grant program should allow flexibility for any State cost-share requirements.
- The Federal Government should provide clear, timely, and explicit guidelines for conducting threat assessments and how those assessments will be used to determine base-level funding.
- The Federal Government should be more transparent with States in sharing the data used to populate the funding formula/algorithm. States should be provided with a centralized point of contact and reasonable time to review and inform the data.
- The Federal Government should ensure that reforms eliminate inefficiencies, do not duplicate efforts, and do not place additional administrative burdens on States.
- Grants should allow for multi-year strategic planning by States and local jurisdictions.

ATTACHMENT.—NEMA PROPOSAL FOR A COMPREHENSIVE PREPAREDNESS GRANTS
STRUCTURE

DECEMBER 2011

BACKGROUND

This Nation has made great strides in improving our safety and security. We have more comprehensive interoperable communications systems, regional response assets, a National system of intelligence fusion centers, and an unprecedented level of collaboration and teamwork among State and local responders.

Such programs as the Emergency Management Performance Grant (EMPG) Program and the Homeland Security Grant Program (HSGP) have done much to help public safety, law enforcement, emergency management, and a myriad of other professionals conduct a broad range of preparedness functions. From our neighborhood communities through all levels of government, we have acquired resources, achieved collaboration, and built systems to mitigate, prevent, prepare for, and respond to natural hazards and terrorist threats.

The current grants structure is complex and often contradictory. This creates unintended inefficiencies in investments and duplication of efforts. The current and continuing fiscal condition of our Nation requires us to invest every dollar more wisely than ever before. We want to gain efficiencies in our grants so that we can increase the effectiveness of our mission.

We cannot continue to segregate our efforts just because we did so in the past. We must integrate our efforts so that we are agile in confronting any threat to the homeland, whether it is natural, technological, or human-caused. We must build strengths and capabilities that are effective against many threats, reduce the consequences of many hazards, and thus reduce the risks to our Nation. We, therefore, require a comprehensive preparedness grants system to fulfill the requirements of those professionals with critical homeland security and emergency management responsibilities.

PRINCIPLES & VALUES

This Nation—its people and their vital interests—deserves and expects an effective and efficient National preparedness system providing safety and security. Therefore, this system must:

- Support and enable the five mission areas of Presidential Policy Directive 8 (PPD-8): Prevention, protection, response, recovery, and mitigation.
- Build a culture of collaboration enabling a posture of preparedness for all hazards—from nature, terrorists, or technology—capable of disrupting the social and economic equilibrium of our Nation.
- Be agile and adaptive to confront changing hazards, emerging threats, and increasing risks.
- Be unified on goals, objectives, and strategy among Federal, State, Tribal, local, and territorial partners and with the private sector, non-governmental organizations, and the public at large.

- Build and sustain a skilled cadre across the Nation that is well-organized, rigorously trained, vigorously exercised, properly equipped, prepared for all hazards, focused on core capabilities, and resourced for both the most serious and most likely threats and hazards. This cadre will be an asset to the Nation through mutual aid, other assistance between States and regions, or for National teams.
- Build, enhance, and sustain capabilities, self-reliance of the public, and resilience of our communities and Nation.
- Reflect the fiscal responsibilities and limitations of the present and the future. This Nation deserves safety and security, but it also deserves solvency. A State and local grant system must enable investments in capabilities that are of value to communities, regions, States, and the Nation.
- Continually encourage innovation and ceaselessly weed out waste and inefficiencies.
- Encourage States and communities to self-organize with their neighbors to protect vital supply lines and assets and infrastructure of mutual value and to enable swift, coordinated response.
- Recognize that States, Tribes, territories, and local communities know their jurisdictions best. They must have flexibility to set priorities, design solutions, and adapt to rapidly-changing conditions. This must be done with full accountability.
- Provide full visibility to States, Tribes, territories, and local communities of all Federal homeland security and emergency management activities, investments, and programs within their jurisdictions. This disclosure is essential for full understanding of capabilities to address threats, hazards, and risks.
- Reinforce the value of leveraging Federal investments with contributions from States, Tribes, territories, and local governments and demonstrate the day-to-day value to jurisdictions.
- Continue to encourage and enable wide participation in review of projects and investments.
- Recognize the complex interdependencies of our National systems, particularly the movement of goods, services, and people. The vulnerabilities of a jurisdiction often lie outside its borders and outside its ability to address them.

PURPOSE

We call upon Congress and the President to consider this proposal to reform State and local grants for the safety and security of our Nation. To this end, we seek to:

- Encourage States, Tribes, territories, and local governments to prepare and adopt comprehensive plans based upon their evaluation of threats, hazards, risks, and vulnerabilities facing them;
- Outline a program of grants to States, Tribes, territories, and local governments or combinations of governments improving and strengthening the Nation's homeland security and emergency management capabilities; and
- Encourage research, development, competition, and innovation enhancing the effectiveness and efficiency of emergency management and homeland security and the development of new methods for the prevention, preparedness, response, recovery, and mitigation of natural disasters and acts of terrorism.

This proposal presents a system enabling greater effectiveness in the mission with greater efficiency of resources. Over the past decade States, Tribes, territories, and local governments have created new organizational structures, gained invaluable experience, and increased our capacity to manage multiple threats and hazards.

The high incidence of natural disasters and terrorist threats in the United States challenges the peace, security, and general welfare of the Nation and its citizens. To ensure the greater safety of the people, homeland security and emergency management efforts must work together with shared responsibilities, supporting capabilities, and measurable progress towards a National goal. This unity of effort is essential to achieve the vital objectives of PPD-8 and success of the National Preparedness System.

This proposal outlines a system in which preparedness is a deterrent, prevention is achieved through collaboration, mitigation is a National value, and response and recovery encompass the "whole of community." But the system works only where the principles guide the plans and where ideas lead to action. This reformed grant system shares control with those on the front line, enables flexibility while strengthening accountability, and ensures fiscal sustainability. State and local governments cannot do this alone.

A COMPREHENSIVE PREPAREDNESS GRANTS SYSTEM

A truly comprehensive preparedness grants system must allow for each State to determine core capabilities, set priorities in a flexible manner, and measure performance and effectiveness. This proposal recommends the creation or continuation of grants to coordinate planning, measure effectiveness, develop and sustain a skilled cadre, and invest in effective and efficient projects.

Planning

- Conduct and maintain within each State a comprehensive Threat Hazard Identification Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and State officials.
- Develop a comprehensive preparedness strategy to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.
- The strategy will focus on identified gaps and contain goals and objectives to fill those gaps. The objectives will be prioritized and funds will be prioritized to fill the most important gaps accordingly. Identifying existing additional capability that is owned and maintained by other jurisdictions and readily available for response through mutual aid should be an important planning activity.

A Skilled Cadre

A skilled cadre is imperative within any comprehensive preparedness system and should be supported through a grants program. This skilled cadre includes emergency management and homeland security personnel. Since such expertise remains the backbone of any system, their responsibilities would include (but not be limited to):

- Build and support State-wide emergency management and homeland security all-hazards planning.
- Provide comprehensive and appropriate levels of training and conduct exercises for State and local personnel across the full spectrum of emergency management and homeland security responsibilities.
- Support the National priorities outlined in PPD-8 and the National Preparedness Goal.
- Conduct public education and outreach to further whole-of-community preparedness.

Within the skilled cadre grant, the existing EMPG would continue in its present form, including allocation method, match requirement, eligibility, management, appropriate funding, and flexibility. The existing policy continues that allows emergency management to administer EMPG if not the State Administering Agency (SAA).

A similar grant program will be established for State homeland security professionals affording the same opportunity to build and sustain a skilled cadre of personnel. This grant would be modeled after EMPG which has been proven highly effective due to the flexibility it provides along with accountability. EMPG currently maintains a 50-50 match requirement. Any match on the cadre-based grant for homeland security professionals should be instituted with a soft match option, and done so gradually over time in consultation with the States and professions involved.

Investments and Innovation

Many capabilities identified in the comprehensive planning system will require investment in longer-term projects and procurement to achieve needed levels of effectiveness. An investment grant program will enable decisions on priorities across the broad range of emergency management and homeland security functions. This also enables swift adjustments in priorities in light of changing threats or increasing risks.

Unlike the homeland security cadre-based grant in which the SAA determines the allocation of funds to State and local jurisdictions, the investment grant focuses on sub-grantee applications for projects and other investments based on similarly comprehensive planning efforts at the local or regional level. States should establish and maintain a multi-disciplinary review committee that advises on investments and projects.

Eligible applicants to the investment grant include all currently eligible grant recipients under HSGP, local governments or combinations of governments, urban areas, regions, or other State-level agencies conducting appropriate preparedness activities. States with urban areas currently classified as "Tier 1" by DHS will continue to receive funding specifically for those areas, upon completion of a comprehensive preparedness strategy that has been approved by the State. Funding

that would have been allocated to other participants in the current UASI program should be placed into the investment grant.

Eligible expenditures for investment grants should encompass all functions of the currently separate programs and the priorities of PPD-8, including equipment purchase and transfer, construction of emergency operation centers or similar facilities, special response units, critical infrastructure and key resource protection, medical surge, protection and resilience, information sharing and intelligence, and grant management and administrative costs. Pre-disaster mitigation should be an eligible project under investment grants and due consideration given to disaster loss reduction and resilience initiatives. Substantial data exists to justify continued pre-disaster mitigation programs in determining any set of priorities, and the disaster mitigation community's interests groups must be intimately engaged in the grant prioritization process. Flood mitigation assistance and repetitive loss grants are not included as they are funded through the National Flood Insurance Program by insurance proceeds paid by policy holders. Furthermore, to continue supporting a culture of innovation, up to 5 percent of the total investment grant award may be distributed by DHS to unique and innovative programs across the Nation to encourage best practices.

AN OVERVIEW OF THE SYSTEM

- Each State conducts and maintains a comprehensive Threat Hazard Identification Risk Assessment (THIRA) in concert with Department of Homeland Security (DHS) and State officials.
- A comprehensive preparedness strategy is developed to assess current capabilities, determine future requirements, and evaluate recent progress and initiatives.
- The State is awarded three allocations from DHS, including one for EMPG, one for the new homeland security cadre grant, and one for the new investment and innovation grant.
- Applicants will apply for funds from the investment grant based upon completed preparedness strategies. Applications are reviewed by a multi-disciplinary advisory committee, and the SAA makes awards as appropriate.

CONCLUSION

Our Nation faces enduring hazards, pervasive threats, and ever-changing risks. Our current system lacks the agility to adapt swiftly or convert ideas into action. We need the Nation to unite in a common vision of National preparedness, resilience, and self-reliance. This proposal enables States, Tribes, territories, and local government to leverage their own resources with the Federal investment to build this vision and be accountable for achieving it. We need all levels of government, supported by all professions and disciplines, to unite in this innovative National preparedness system.

Mrs. BROOKS. Thank you, Ms. Eide.

The Chairwoman now will recognize Mayor Fulop for 5 minutes.

STATEMENT OF STEVEN M. FULOP, MAYOR, JERSEY CITY, NEW JERSEY

Mr. FULOP. Chairman Brooks, Ranking Member Payne, I am Steven Fulop, mayor of Jersey City, New Jersey. I appreciate the opportunity to testify before you on the administration's National Preparedness Grant Program proposal because I have serious concerns about it—concerns which are shared by my fellow mayors and other local government officials, emergency managers, port operators, transit officials, police chiefs, sheriffs, and the fire services.

We strongly support the existing menu of homeland security programs because they are working. We recognize that they may not be perfect and some changes may be needed, but they are the product of years of work by Congress, by the administration, State and local government, and first responders.

Jersey City is unique within our region and the Nation both for its historical significance and critical infrastructure. Jersey City,

with its high population density, reliance on public transit, and proximity to New York City, requires a plan that is sensitive to our specialized needs and cognizant of Jersey City's close interdependence with Newark, New York City, and the Port Authority.

In a phrase, there is no one-size-fits-all solution for emergency management and mitigation within our State. Emergency management and preparedness is, by nature, regional. The current funding structure, with its 13 independent grant programs, and especially the UASI program, recognizes this operational necessity.

The NPGP proposal offers no guarantee that these funds will continue, and to scale back the regional emergency response infrastructure that we have been building since 2002 would be to place operational infrastructure, surety, and potentially constituents at risk.

The synergies achieved from this regional approach aren't merely financial. By planning, training, and conducting exercise together, local fire chiefs, police chiefs, sheriffs, public health officials, emergency managers, and State and Federal officials develop working relationships and are able and ready to work together when an incident happens to handle the situation specific to our region.

The NPGP proposal rejects the pragmatic regionalist approach to disaster and emergency management in favor of a State-wide managed, individualized, product-based approach, like those characteristics of other block grant programs in which local governments compete for resources. The critical key to emergency management is cooperation, not competition. This proposal fosters the inverse of a desired governmental result.

Local government understands the risks and vulnerabilities of their areas with a greater degree of detail and granularity. The State has a poor track record of working with or even contacting local emergency managers. We simply cannot address security risks from 30,000 feet.

Even worse, State control of this process would also potentially serve to politicize the process of funding allocations. Passing funding through State government will add another level of bureaucracy and erase any gains in governmental efficiency achieved by the consolidation.

The consolidation prescribed by the NPGP will not only reduce the degree of specificity of emergency planning, but will also likely result in funding cuts for emergency management. This would mean halting the expansion of our security infrastructure and even potentially rolling back some of the systems and procedures we have already in place.

If we didn't have the sophisticated communication capabilities enabled by our command center we would have fared far worse during Hurricane Sandy. While we appreciate the fact that FEMA made changes in its fiscal year 2015 budget proposal in response to some of the concerns raised, this proposal still contains several items of concern.

Specifically: No. 1, consolidating the various programs into a State program in which State officials make all of the funding decisions raises concerns about the program's continued ability to protect key infrastructure such as our ports and transit and increase the capacity of first responders.

No. 2, the proposal would greatly broaden the definition of “unit of local government,” a definition which currently is contained in numerous Federal statutes.

No. 3, while the proposal maintains the requirement that States pass through 80 percent of the funding to locals, it does not ensure that funds would be used to meet locally-identified needs and priorities.

No. 4, the proposal appears to fold the UASI program into the NPGP program. Although the FEMA administrator would continue to designate UASI, the draft legislation does not specify whether there will be a separate funding stream, what role the States will play in the UASI funding decisions, and how we can be assured that the capabilities that have been developed through this critical program will be sustained and increased.

No. 5, it would eliminate the 25 percent set-aside for law enforcement terrorism prevention, which is alarming.

No. 6, it appears that the funds would not be used for fire fighting even though it is a key element of any response to a terrorist attack.

No. 7, the legislative proposal requires that all grant-funded assets be Nationally-deployable through the Emergency Management Assistance Compact. While we understand the importance of sharing assets Nationally, some of those funds through these programs, particularly those that protect critical infrastructure, simply are not deployable.

No. 8, the proposal places a great deal of emphasis on the Threat and Hazard Identification and Risk Assessment, THIRA. Yet currently many local governments have been left out of that process entirely.

As the committee considers the suite of homeland security programs and possibly reforms to them, I urge you to increase, not decrease, local involvement and flexibility. Local officials know best the threats they face and they know best the gaps that exist in community preparedness.

Thank you for the opportunity.

[The prepared statement of Mr. Fulop follows:]

PREPARED STATEMENT OF STEVEN FULOP

APRIL 29, 2014

Chairman Brooks, Ranking Member Payne, and Members of the committee, I am Steve Fulop, mayor of Jersey City, NJ. I appreciate the opportunity to testify before you on the administration’s National Preparedness Grant Program proposal, because I have serious concerns about it—concerns which are shared by my fellow mayors and other local government officials, emergency managers, port operators, transit officials, police chiefs, sheriffs, and the fire service.

We strongly support the existing menu of homeland security programs because they are working. We recognize that they may not be perfect and some changes may be needed, but they are the product of years of work by Congress, the administration, State and local governments, and first responders. The Federal grant funds which the Department of Homeland Security and its Federal Emergency Management Administration have provided clearly have improved the Nation’s planning, mitigation, preparedness, prevention, response, and recovery capabilities. I am not alone when I say that we have hit our stride with the grant administrators in the Federal and State government.

JERSEY CITY

Jersey City is unique within our region and the Nation both for its historical significance; having served as a gateway to immigrants, the proximity of the Statue of Liberty, Ellis Island, and critical infrastructure, represented by the Holland Tunnel, the Port Jersey, Greenville Yards, and major rail and road networks.

As a result, Jersey City faces unique risks, both from the threat of terrorism, as well as natural disasters. Jersey City's demands ought not to be merely included within a State-wide funding structure. In a phrase, there is no one-size-fits-all solution for emergency management and mitigation within our State. Jersey City with its high population density, reliance on public transit, and proximity to New York City, requires a plan which is sensitive to our specialized needs and cognizant of Jersey City's close interdependence with Newark, New York City, and the Port Authority.

Emergency management and preparedness is, by nature, regional. The current funding structure with its 13 independent grant programs, and especially the UASI program, recognizes this operational necessity. Currently, Jersey City, as one of the core cities of its UASI region, is guaranteed \$1.5 million dollars a year, with the option to apply for additional funding. The Northern New Jersey Region receives \$30 million dollars which reflects the unique status of Jersey City and Newark are the two largest cities in the State. Additionally, the 7 northern counties form a cohort by which municipalities apply for security grants.

The NPGP proposal offers no guarantee that this funds will continue, and to scale back the regional emergency response infrastructure that we have been building since 2002, would be to place operational infrastructure, surety, and potentially constituents at risk.

The synergies achieved from this regional approach aren't merely financial. Our municipal emergency personnel has had ample opportunities to communicate, plan, and train with other emergency management agencies such as the port authority police, other fire and police departments, hospital networks, and private utilities. These organizations develop working relationships and experience cooperation to handle the potential situations specific to our region.

The NPGP proposal rejects the pragmatic regionalist approach to disaster and emergency management in favor of a State-wide managed individualized project based approach like those characteristics of other block grant programs in which local governments compete for resources. The critical key to emergency management is cooperation, not competition, this proposal fosters the inverse of a desired Governmental result.

Local government understands the risks and vulnerabilities of their areas with a greater degree of detail and granularity. It is unclear in the proposal as to how local government officials will participate in Threat Hazard Identification and Risk Assessment process to address local issues. The State has a poor track record of working with or even contacting local emergency managers. We simply cannot address security risks from 30,000 feet. Even worse, State control of this process would also potentially serve to politicize the process of funding allocation. For example, the distribution of Federal Sandy Relief Aid was arguably not entirely based upon objective data, slow to be forthcoming, unresponsive to homeowners and business. In a word, the distribution of the aid was in and of itself a "disaster" of our own making.

Passing funding through State government will add another level of bureaucracy, and erase any gains in governmental efficiency achieved by the consolidation. Additionally, the State of New Jersey has a mixed track record of balancing the concerns of rural and suburban communities with those of urban areas, especially when it comes to emergency preparedness. For example, in the aftermath of Hurricane Sandy, the changes to the State Construction Code required that all structures within FEMA flood zones be elevated. While that applies buildings in shore towns, there is no way to elevate the housing stock in Jersey City. I fear that if this proposal is accepted, this trend will continue to emergency funding.

The consolidation prescribed by the NPGP will not only reduce the degree of specificity of emergency planning, but will also likely result in funding cuts for emergency management. This would mean halting the expansion of our security infrastructure, and even potentially rolling back some of the systems and procedures we have already in place. Our local Office of Emergency Management has a \$200,000-per-year maintenance budget which allows us to keep our software and communications systems up-to-date. Without the current level of funding we would be forced to dismantle some of our critical systems, such as our waterfront security network, CCTV system, fiber communication system, and retire our Fireboats, because we would have the funds to maintain them.

There is no clearer testament to the effectiveness of the current funding structure than our response to Hurricane Sandy. If we didn't have the sophisticated communications capability enabled by our command center, we would have fared far worse during Hurricane Sandy. The ability to coordinate between emergency responders, utilities workers, community stakeholders, and the citizens seamlessly was integral to our control of the situation.

THE NATIONAL PREPAREDNESS GRANT PROGRAM PROPOSAL

The National Preparedness Grant Program proposal would consolidate the existing suite of homeland security grant programs into State-administered block and competitive grant programs in which funding decisions are based on State and multi-State threat assessments.

While we appreciate the fact that FEMA made changes in its fiscal year 2015 budget proposal in response to some of the concerns raised by the Conference of Mayors and other organizations and for the first time provided draft legislative language. That proposal retains the provision that 80 percent of the funds be provided to local agencies and brings more transparency to the State decision-making process.

It still contains several items of concern, however. These include collapsing all of the current programs into a consolidated program that would no longer guarantee the retention of key programs, removal of the 25 percent set-aside for law enforcement terrorism prevention, and radically changing the definition of local government to include port and transit authorities and private organizations. Specifically:

1. Consolidating the various programs into a State program in which State officials make all of the funding decisions raises concerns about the programs' continued ability to protect key infrastructure, such as ports and transit, and increase the capacity of first responders, the vast majority of whom are at the local level. In a word, filtering the funding through the State government adds an unnecessary layer of bureaucracy, because ultimately, those actually dealing with emergencies are local.
2. The proposal would greatly broaden the definition of unit of local government, a definition which currently is contained in numerous Federal statutes. While the proposed change is written in a way that would try to limit its application only to the NPGP, it could set a dangerous precedent for other laws and programs.
3. While the proposal maintains the requirement that States pass through 80 percent of the funding to locals, it does not ensure that funds would be used to meet locally-identified needs and priorities. In the past many local governments have indicated they have had little opportunity for input, and sometimes little opportunity to consent to the State use of the funds in their jurisdictions.
4. The proposal appears to fold the Urban Area Security Initiative Program into the NPGP. Although the FEMA administrator would continue to designate UASI's, the draft legislation does not specify whether there will be a separate funding stream, what role the States will play in UASI funding decisions, and how we can be assured that the capabilities that have been developed through this critical program will be sustained and increased.
5. It would eliminate the 25 percent set-aside for law enforcement terrorism prevention, which is alarming given the fact that local police departments and their officers have played a crucial role in preventing acts of terrorism since 9/11 and this the only funding designated specifically for prevention.
6. It appears that the funds could not be used for firefighting, even though it is a key element of any response to a terrorist attack. The draft authorizing legislation specifies that the NPG would "build and sustain core capabilities identified in the National Preparedness Goal," but DHS does not identify firefighting as one of its core capabilities.
7. The legislative proposal requires that "all grant-funded assets . . . be nationally deployable through the Emergency Management Assistance Compact (EMAC)." While we understand the importance of sharing assets Nationally, some of those funded through these programs, particularly those that protect critical infrastructure, simply are not deployable.
8. The proposal places a great deal of emphasis on the Threat and Hazard Identification and Risk Assessment (THIRA). Yet currently many local governments have been left out of that process and when they are involved in the process there does not appear to be a mechanism in place to resolved differences between a local government and the State government.

The U.S. Conference of Mayors and other organizations which represent local governments, first responders, and emergency managers have urged FEMA and the ad-

ministration to work with them and with the Congress to develop program reforms which incorporate the successful elements of past and current programs and identify new approaches which can have broad support. They further urge that any reform proposals protect certain key programs, including the Urban Area Security Initiative and port and transit security grants, which provide targeted funding to local areas like Jersey City, which contain critical infrastructure considered to be at the highest risk.

Particularly important is the incentive they provide for Federal, Tribal, State, and local jurisdictions to work together. By planning, training, and conducting exercises together, local fire chiefs, police chiefs, sheriffs, public health officials, emergency managers, and State and Federal officials develop working relationships and are able and ready to work together when an incident happens. As last year's response in Boston to the Marathon Bombings showed, this pre-planning and coordination prevents confusion, and saves lives. (sandy section)

PRINCIPLES FOR PROGRAM IMPROVEMENT

Finally, the local government, emergency manager, and first responder organizations have suggested to FEMA that as it works with Congress and stakeholders to improve its programs, it use the following set of core principles:

Increase Transparency.—It must be clear and understandable to the Federal Government and the public how the States are distributing funds, why they are making these decisions, and where the funds are going.

Increase Local Involvement.—Local Government officials, including emergency managers and emergency response officials, know best the threats and vulnerabilities in their areas. The Threat Hazard Identification Risk Assessment (THIRA) process must include the input of local elected and emergency response officials, and the Federal Emergency Management Administration (FEMA) must be able to audit States by comparing local risk assessments to the State level THIRA. Further, local governments should have the opportunity to challenge a State THIRA that inadequately reflects their needs or input.

Provide Flexibility with Accountability.—Any changes to the existing Federal grant programs should allow Federal funding to meet individual local needs, and preparedness gaps as identified at the local level. Effective but sometimes less politically popular programs, like mitigation, must still receive funding.

Protect Local Funding.—Since event impact and response are primarily local in nature, grant funding should support primarily local prevention and preparedness efforts, as is the case under the current program structure. It is important that the vast majority of Federal homeland security grants continue to fund local prevention and response activities, including local emergency managers and first responders, and activities that support their preparedness efforts.

Sustain Terrorism Prevention.—The current emphasis on supporting law enforcement's terrorism prevention activities must be maintained. The Federal grant funds should not be used to support larger State bureaucracies at the expense of operational counterterrorism preparedness, threat analysis, and information-sharing activities.

Provide Incentives for Metropolitan Area Regionalization.—While FEMA's proposal focuses on States and multi-State regions (similar to the FEMA regions), the homeland security grants must also support preparedness in metropolitan intra-State and inter-State regions, such as the National Capital Region.

CONCLUSION

As this committee considers the suite of homeland security grant programs and possible reforms to them, I urge you to increase, not decrease, local involvement and flexibility. Local officials know best the threats they face, and they know best the gaps which exist in community preparedness. The homeland security grant programs should support primarily local prevention and preparedness efforts since disaster impacts and response are local in nature.

I appreciate the opportunity to testify before you today on this issue of vital importance to me, my city, and my region, and to all local officials, emergency managers, port and transit operators, and first responders across the Nation. We look forward to working with you to ensure the transparency, efficiency, and effectiveness of homeland security grants.

Mrs. BROOKS. The Chairwoman now recognizes Mr. Riggs for 5 minutes.

STATEMENT OF DAVID TROY RIGGS, DIRECTOR, DEPARTMENT OF PUBLIC SAFETY, CITY OF INDIANAPOLIS, INDIANA

Mr. RIGGS. Chairman Brooks, Ranking Member Payne, thank you for allowing me to be here today and testify in regards to the National Preparedness Grant. It is certainly an honor to be here and it is also a privilege to represent our 3,200 employees within the Department of Public Safety in Indianapolis, Indiana.

I will have to confess that it seems like a good ideal to combine programs to increase efficiencies and effectiveness, but I have to say that I do not believe this proposal does a good job of meeting the local needs of the city of Indianapolis.

On reflection, if you look at recent years we have lost about \$1.2 billion in funding through Urban Area Security Initiative and the State Homeland Security Grants Program—reduction, once again, of \$1.2 billion. This fluctuation in appropriations has negatively impacted Indianapolis and other cities in recent years.

In 25 years of working in law enforcement and public safety I don't think there was anything as profound as 9/11, and the issues that we faced as a result, and the funding that came because of those issues. Many projects were started using grant funding from homeland security grants, which helped us to advance operation and develop capabilities that we were never able to do in the past.

In Indiana the funding granted enabled us to start up the fusion center, enhance our bomb response capabilities, and allow us to install a video camera system in downtown Indianapolis that oversees major events, including the recent Super Bowl. When the city lost UASI funding in 2011 and 2013 we were left without the financial means to continue to support many of these operations.

The loss of funding created a financial burden on the city that was already experiencing hardships with the budget due to the downturn in the economy. Locally, we could not sustain our operations and we had to make some tough decisions to continue some critical operations.

We also had to make some tough decisions on how we were going to staff our Homeland Security Department and also our Regional Operations Center. The camera system's maintenance agreement and software renewal was in question for 2014 until we heard about the USAI monies which would be freed up in 2014.

In addition, one of our concerns is this proposal mentions that the State will review and approve proposed projects. Now, while the city has a very good relationship with our State friends and government, I can see a time where that could not always be the case and has been in some other positions that I have had.

For instance, one of our concerns at this point is that there is \$4.9 million that will go to the city, most likely—or go to the State, most likely in 2014; \$3.9 million goes to the State to be distributed throughout local governments and be utilized for themselves. Out of that \$3.9 million in 2013, the city of Indianapolis received \$10,000.

For the \$1 million UASI funds that we believe we will receive in 2014, \$200,000 of that will go to the State, \$100,000 will go to the fusion center, and one of our partners has asked for \$400,000 to expand their camera system. If that is approved that means in 2014 the city of Indianapolis, Indiana, the economic giant of Indiana and

the Midwest, will receive a little over \$300,000 out of \$4.9 million that is appropriated, and we would ask for you to look into our concerns.

Thank you for allowing me to testify.

[The prepared statement of Mr. Riggs follows:]

PREPARED STATEMENT OF DAVID TROY RIGGS

APRIL 29, 2014

If you support the proposal why? We do not support the National Preparedness Grants Program Proposal.

If you oppose the proposal why? While it seems like a good idea to combine programs to increase efficiency and effectiveness, we are not sure this proposal does a good job of meeting local needs. On reflection, in recent years combined appropriations for UASI—Urban Areas Security Initiative and SHSGP—State Homeland Security Grants Program were proposed at \$2,250,000,000; under the proposed streamlining of the National grants, those appropriations would be reduced to \$1,043,200,000. A reduction of \$1,206,800,000.

The fluctuation in appropriations has negatively impacted Indianapolis in recent years as we have moved toward using sound business practices in our planning and day-to-day operations.

Following 9/11, many projects were started using grant funding from Homeland Security grants which helped us to advance current operations and develop capabilities to help us better prepare for a response incident. The funding granted enabled the start-up of the Fusion Center, enhanced our bomb response capabilities, allowed us to install a camera system throughout the city on critical infrastructure sites, and paid for staff to monitor those cameras.

When the city lost UASI funding in 2011 and in 2013 due to our THIRA ranking, we were left without the financial means to support operations. The loss of funding created a financial burden on a city that was already experiencing budget shortfalls due to a dwindling tax base and a struggling economy. Locally, we just could not sustain our operations and had to make some tough decisions in order to keep the most critical operations active. We also had to make some tough decisions regarding how we staffed our homeland security department and regional operations center. The camera system's maintenance agreement and software renewal was in question of happening in 2014 because of funding uncertainties until YR2014 UASI monies were announced. We are still pursuing other ways to sustain equipment purchased previously with grant funds in case we lose funding again.

In addition, the proposal has added the language that the State “will review and approve the proposed projects” on page 34. While the city has a good relationship with the State, one has to wonder how any future political climate could affect critical projects the city needs to complete if the State has to approve them. The proposal also seems to give the State more control over local projects just based on the required approval. This language is very similar to the previous grants program but adds the approval from the State.

The Metropolitan Statistical Analysis explains how we are evaluated. These new programs require us to manage the risk from significant threat and hazards to physical and cyber critical infrastructure utilizing an integrated approach across our diverse community:

- Identify, deter, detect, disrupt, and prepare for threats and hazards to the National Critical Infrastructure;
- Reduce vulnerabilities of critical assets, systems, and networks; and
- Mitigate the potential consequences to critical infrastructure of incidents or adverse events that do occur.

The success of this required integrated approach depends on leveraging the full spectrum of capabilities, expertise, and experience across the critical infrastructure community and associate stakeholders. However, when the city of Indianapolis goes one funded, the next year unfunded, and the following year funded, truly makes it difficult to create a solid business plan with goals and objectives. The on and off years of funding limits our capability to Incorporate Resilience into Critical Infrastructure Projects and execute a Critical Infrastructure Risk Management Approach.

Currently we only have 12 sites within the National Infrastructure Index within Indianapolis Urban Area. This does not include places like Eli Lilly's, Roche, Morse Reservoir, and JW Marriott. A level 1 and 2 critical infrastructure sites is now being

evaluated by the Homeland Infrastructure Threat and Risk Analysis Center as part of the National Critical Infrastructure Prioritization Program.

To be a level 1 Site, the infrastructure has to meet at least two of the four:

- Greater than 5,000 prompt fatalities,
- Greater than \$75 billion in first-year economic consequences,
- Mass Evacuations with prolonged absence of greater than 3 months,
- Severe degradation of the Nation's National security capabilities.

To meet level 2 criteria must meet 2 of the 4:

- Greater than 2,500 prompt fatalities,
- Greater than \$25 billion in first-year economic consequences,
- Mass Evacuations with prolonged absence of greater than 1 months,
- Severe degradation of the Nation's National security capabilities.

Level 2 Catastrophic Economic Impact criteria allows Indianapolis to nominate infrastructure that, if disrupted, could result in greater than \$50 billion in first-year economic impacts. The convention business is not currently under this criterion as we don't know the first-year impact and would it meet the \$50-billion-dollar impact.

What alternative reforms, if any would you suggest? We would recommend more funding and the deletion of the approval from the State. Their review of the plan should be sufficient. In addition, it would be more efficient to award directly to the High-Risk areas instead of having the State add a level of bureaucracy to the process. It also delays funding being made available to Jurisdictions quickly. Our State tends to utilize funds equally throughout the State, without consideration to threat, risk, and vulnerability, so, having all funds in one will create less opportunities for Urban Areas for funding prevention, investigation, and mitigation.

A recommended change would be to have UASI setup similar to how Urban Search and Rescue Task Forces are funded. Having the funds go through the State creates levels of bureaucracy. It also means the urban will not get the full funding allocated. The State takes 20% and takes additional funds for the Fusion Center, versus using State Homeland Security Grant Funds.

Are there any reforms that could be made to the current grants structure that would make it more efficient and better able to meet your needs? The current system seems to work well. However, it would be more efficient to award directly to the High-Risk Areas. This would eliminate a level of bureaucracy and would get funding to the local jurisdictions faster.

The THIRA process needs to be improved. UASI funding is disproportionate throughout the United States based on rankings based on one report. There are some cities that rank higher than Indy and we just have to wonder whether or not the THIRA really assesses our threat level accurately. For example, Pittsburgh and Kansas City were ranked higher than Indy.

I am also interested in your perspective on how the Threat and Hazard identification and Risk Assessment (THIRA) and Capability Estimation processes are working. Have the addition of these requirements helped you to better address your security needs?

Integrated Picture of Risk. Risk management is one of the most underappreciated aspects of preparedness, but could be one of the most important. This is not specific to Indianapolis, but Nation-wide. Threats cannot be isolated into singular events. Rather, the full range of threats and hazards must be considered particularly how they relate to resource allocation, gap assessment, and planning. The Federal Emergency Management Agency (FEMA) has enhanced the efforts to address risk through the Threat Hazard Identification and Risk Assessment (THIRA) process. Local officials can not only participate in the larger THIRA process, but smaller-scale efforts could be utilized to assess and add more emphasis on special events, along with short- and long-term economic effects of an attack to natural disaster to the entire region.

Local officials understand the risk picture, but the THIRA only attaches risk to specific events. While the THIRA can aid in assessing risk locally, such a process cannot be the sole prism through which risk is viewed. The vision must be broad and integrated so as to consider the full range of threats and hazards beyond singular events. This issue expands beyond event-specific challenges as well.

Indianapolis is known as the No. 1 conference city in the United States. We must consider the amount of revenue and job creation the region receives, what would be the long-term impact and recovery after an attack. How many conventions would consider changing locations? If conventions moved then how many jobs would that impact? We could possibly see a downturn that would not only affect the city, but also the entire region. Indianapolis has a lot of commuters that live in surrounding counties; if we seen a downturn and companies/hotels/restaurants closed, we then would start to see vacant housing the entire 9-county region.

Local police departments and their officers have played a crucial role in preventing acts of terrorism since 9/11. State and local police departments have been able to build and maintain capabilities through the 25% set-aside for law enforcement terrorism prevention activities. However, the National Preparedness Grant Program (NPGP) proposal would eliminate this 25% set-aside. How would this impact public safety in your jurisdiction? The deletion of the 25 percent required law enforcement takes away for prevention and investigation requirements and first responders become responders only with very little funding for prevention initiatives and training.

According to NPGP documents and in FEMA response to Ranking Members Payne and my letter, the dedicated investment jurisdiction for the sustainment of fusion centers will be a policy decision left to the discretion of the Secretary. As we have seen in recent events and especially in the Boston Marathon bombing there is a lack of intelligence and information sharing between Federal law enforcement agencies and States and locals. I have visited my State's fusion center and have seen how these centers can play a role in mitigating this gap. Can you please explain how you utilize your State's fusion center?

We, Indianapolis-Marion County provide the most support with Intel Operators (1-IMPd-Indianapolis Metropolitan Police Department, 1-IFD-Indianapolis Fire Department, 2-MCSO-Marion County Sheriff's Office). We are also the highest users of the fusion center for day-to-day criminal investigative work. District officers and detectives call upon the fusion center several times a week for CLEAR Reports, BMV pictures and reports, other State and Federal database request.

As part of the MET table-top exercise, I attached the summary that the Naval Postgraduate School put together. Within the document it talks about the fusion center being robust and supportive of information sharing. However, it also identified questions among multiple agencies who participated on the information sharing with the FBI JTTF. The fusion center also provides us with a private-sector liaison that works to share information and gain intelligence or information. This has shown to be success during the last table-top with the Naval Postgraduate School and the Joint Counter Terrorism Awareness Table top completed in 2011.

The Fusion Center also provides us direct access with a U.S. DHS Intel Officer that we work with weekly. The Intel Officer provides bi-weekly secure briefings as part of the National information-sharing and terrorist screening center reports for Indiana.

FOLLOW-UP: You have expressed how critical your State's center is to the State and local law enforcement officials, if the dedicated investment jurisdiction was eliminated, would the State be able to maintain the center and if not, how would this affect your operations?

This question would be hard to answer as we don't know if the State would maintain funding for the fusion center.

Thank you for the opportunity to share testimony on the proposed National Preparedness Grants Program and we look forward to working with you to ensure all localities will be able to continue to enhance the safety and security and quality of life for residents and guests alike. Please do not hesitate to contact me if you should require further information.

Mrs. BROOKS. Thank you, Mr. Riggs.

The Chairwoman now recognizes Chief Metcalf for 5 minutes.

**STATEMENT OF WILLIAM R. METCALF, EFO, CFI, FIFIREE,
FIRE CHIEF, NORTH COUNTY FIRE PROTECTION DISTRICT,
STATE OF CALIFORNIA, TESTIFYING ON BEHALF OF INTER-
NATIONAL ASSOCIATION OF FIRE CHIEFS**

Chief METCALF. Good morning, Chairman Brooks, and Ranking Member Payne, and Members of the committee. I am Chief Bill Metcalf from the North County Fire Protection District, located in the San Diego suburb of Fallbrook, California, and today I am representing the International Association of Fire Chiefs as its president and chairman of the board. I thank the committee for the opportunity to testify today.

The IAFC is committed to ensuring that America's first responders have the necessary equipment, staffing, and training to protect our communities. In any discussion of grant reform, local first responders must be an equal participant with the States in identi-

fyng threats, risks, and vulnerabilities. We also must have an equal voice in allocating resources to address them.

This year FEMA has again included a proposal to consolidate the 16 homeland security preparedness grants into one program, and the IAFC continues to have serious concerns with the revised NPG proposal. We commend the subcommittee for consulting with all stakeholders in this discussion about grant reform and we thank Congress for not implementing past versions of the plan.

The homeland security grant programs were created by Congress to fill the gaps in our National preparedness system that were exposed by the terrorist attacks of September 11, 2001, and Hurricanes Katrina and Rita in 2005. In past years, resources developed with homeland security grants have been used to respond to incidents as varied as last year's Boston Marathon bombing, active-shooter incidents, and natural disasters.

In my own agency we have used State homeland security grants and UASI funds to improve communications interoperability, improve fire station security, and train our leadership to manage large-scale and complex incidents. The success of FEMA's grants is that they provide an incentive for local fire chiefs, law enforcement officials, emergency managers, public health officials, State and Federal officials, and other stakeholders to plan, train, and conduct exercises together.

In April 2012, Chief Hank Clemmensen, my predecessor as IAFC president, laid out seven principles for an effective homeland security grant program. Those principles included concepts such as sustainment of existing capabilities, transparency, and local engagement. Using these criteria, the new NPG proposal continues to have major problems.

For example, the IAFC is concerned that the NPG relies on THIRAs to identify threats, risks, and vulnerabilities. In addition, the NPG will use THIRA results to allocate funding.

However, throughout the Nation, local involvement in State THIRAs is extremely uneven. In my case in California I can tell you that local fire chiefs were not involved in the creation—or have not been involved in the creation of the State's THIRA.

We also are concerned by the NPG's State-centric focus in many regions. Preparedness depends on a multi-State disciplinary approach. The National capital region is a good example of this approach, and the NPG's State-centric approach could build barriers to cooperation in multi-State regions.

The NPG is aimed at building and sustaining core capabilities defined by the National Preparedness Goal. The IAFC would like to see fire-fighting spelled out as a specific core capability.

Overseas terrorists have used fires to sow confusion and draw media attention and there is evidence that al-Qaeda's adherents are looking to use fire as a weapon in the United States. Fire-fighting must be recognized as a core capability at the beginning of any response to an act of terrorism.

Additionally, the IAFC is concerned how the NPG will deal with cities that are part of the UASI program. FEMA indicated that there will be a process to sustain capabilities in UASI cities. However, this process is not described in FEMA's draft authorizing legislation for the NPG.

We are also concerned about the elimination of the 25 percent set-aside for law enforcement terrorism prevention program. This funding acts as an incentive for law enforcement agencies to adopt NIMS and engage in multi-disciplinary planning and exercises.

In addition, we are concerned by FEMA's proposal to expand the definition of "local unit of government" to include non-Governmental and potentially not-for-profit entities. This proposal would create a dangerous precedent in law for expanding the definition of local government.

Finally, the IAFC is concerned that FEMA's fiscal year 2015 budget proposal would cut funding for homeland security preparedness grants by approximately 18 percent. In light of the continued terrorist threat, we ask Congress to sustain the fiscal year 2014 funding levels for these programs.

Instead of the NPG program, simpler measures could be taken to improve the effectiveness of DHS grant programs. For example, FEMA could develop a system to allow grant recipients to share information about successful uses of grant funds to build and sustain capabilities. This proposal would allow grantees to learn from each other and allocate resources more effectively.

In conclusion, I would like to emphasize the importance of assuring that local, State, and Federal partners are all equal participants in the National preparedness system. From the perspective of a local fire chief, both staffing and equipment are locally owned. Local fire chiefs need to be involved in the THIRA process.

On behalf of America's fire and EMS chiefs I would like to thank you for holding today's hearing. As Congress considers the issue of grant reform, we look forward to working with you, FEMA, and other stakeholders to better protect our communities, and I look forward to answering any questions you may have.

[The prepared statement of Chief Metcalf follows:]

PREPARED STATEMENT OF WILLIAM R. METCALF

APRIL 29, 2014

Good morning, Chairman Brooks, Ranking Member Payne, and Members of the subcommittee. My name is William R. Metcalf, EFO, CFO, FIFireE, chief of the North County Fire Protection District, located in Fallbrook, California. Today, I am representing the International Association of Fire Chiefs (IAFC) as its president and chairman of the board. I would like to thank the subcommittee for this opportunity to represent the views of local firefighters and EMS responders in the discussion about the Federal Emergency Management Agency's (FEMA) National Preparedness Grant (NPG) Program proposal.

The IAFC is committed to ensuring that America's first responders have the necessary equipment, staffing, and training to protect their communities. In any discussion about grant reform, local first responders must be an equal participant with the States in determining threats, risks, and vulnerabilities and in allocating resources to address them.

We remain greatly concerned by the NPG proposal. Twice previously, FEMA has proposed the consolidation of the 16 homeland security grants. The IAFC and other groups representing the fire and emergency service, law enforcement, local governments, and other stakeholders have expressed concern with this State-centric approach. The IAFC commends Congress for asking FEMA for more details and not implementing past versions of this proposal.

This year, FEMA submitted authorizing language with its new version of the NPG proposal. While this proposal includes more details, we continue to have serious concerns about the NPG proposal. The IAFC believes that any successful grant reform proposal must treat Federal, State, and local stakeholders equally in deter-

mining risks and threats and in allocating resources and funding to meet these risks.

The homeland security grant programs were created by Congress to help fill gaps in our National preparedness system as identified by the terrorist attacks of September 11, 2001, and Hurricane Katrina. Events over the past years, including the Boston Marathon bombing last year, the deadly 2011 tornadoes in Alabama and Missouri and the January 2011 active-shooter incident in Tucson, Arizona, all have demonstrated how FEMA's homeland security grant programs have improved our Nation's preparedness.

My agency is located immediately adjacent to Marine Corps Base Camp Pendleton, and it responded to the massive fires in southern California in 2003 and 2007. Using the State Homeland Security Grant Program and the Urban Areas Security Initiative (UASI), we were able to improve regional radio interoperability and develop resilient internal communications, improve the security of our fire stations and train our chiefs and company officers to lead in large-scale and complex incidents.

The success of the FEMA homeland security grants is that they provide an incentive for local fire chiefs, emergency managers, police chiefs, public health officials, and State and Federal officials to plan, train, and exercise together. This preplanning and coordination prevents confusion and saves lives during an incident.

CONCERNS WITH THE NATIONAL PREPAREDNESS GRANT PROGRAM

In April 2012, Chief Hank Clemmensen, my predecessor as IAFC president, testified before this committee. He laid out seven principles for an effective homeland security grant program. These principles included concepts like sustainment of existing capabilities, transparency, and local engagement. Using this criteria, the new FEMA proposal continues to have serious problems.

One of our greatest concerns is that the NPG still continues to rely on the Threat and Hazard Identification and Risk Assessment (THIRA) to identify risk, threats, and vulnerabilities and to allocate funding. Throughout the Nation, local involvement in the State THIRAs is sporadic. For example, I have not been involved or consulted in the California THIRA. Local officials and first responders best know the emergency response capabilities and risks to their communities. THIRAs will continue to be flawed without active local involvement.

In addition, we remain concerned that the NPG program focuses on increasing the State administration of the FEMA grants. In many urban areas, the preparedness system relies upon a multi-State, multi-disciplinary approach. By focusing on a State-based system, the NPG creates stovepipes where current cooperation exists. In the Washington, DC, area, the National Capital Region incorporates the city of Washington and the States of Maryland and Virginia. While the proposal would create links between the Urban Area Working Groups and the State Administrative Agencies, we are concerned that the NPG's State-centric approach will build barriers between multi-State regions.

Additionally, the IAFC is concerned about the capabilities of the UASI cities that have been developed over the years. The administration has indicated that there will be a process to allocate sustainment funding to existing UASIs. However, this process is not described in the authorizing legislation that accompanied the fiscal year 2015 budget request. We are concerned by FEMA's proposal to eliminate the existing legislative language authorizing UASI funding without having clear language that will replace it.

The NPG proposal is designed to build and sustain the core capabilities defined by the National Preparedness Goal. However, the IAFC remains concerned that fire fighting is not specifically listed as a core capability in the National Preparedness Goal. Other missions of the fire service are covered, including emergency medical response, hazardous materials response, and building code enforcement. However, terrorists deliberately used fire as a weapon during the 2008 Mumbai incident and the 2012 incident in Benghazi to cut access and draw media attention. In addition, the Al-Qaeda magazine, *Inspire*, urged its followers to use wildfire as a weapon here in the United States to cause damage and spread fear. Fire fighting will remain a core capability in an effective National response system and must be recognized as such.

The IAFC also is concerned by the elimination of the 25 percent set-aside for the Law Enforcement Terrorism Prevention Program. Currently, FEMA's homeland security grants support intelligence fusion centers and information sharing between Federal, State, and local officials. Federal funding acts as an incentive for local law enforcement to share information and coordinate activities with local fire and EMS departments. In addition, this Federal funding incentivizes law enforcement agen-

cies to adopt the National Incident Management System and engage in multidisciplinary planning and exercises.

One problem with the proposed authorizing language is that it would expand the definition of “local unit of government” to include nongovernmental organizations and potentially for-profit entities. FEMA was forced to expand this definition, as it consolidated grants for port authorities, nonprofit organizations, and transit agencies into the NPG. However, we think that it creates a dangerous precedent to redefine local governments to include nongovernmental and for-profit organizations.

The IAFC also is concerned by FEMA’s proposal to cut funding for the homeland security grant programs. For fiscal year 2014, Congress appropriated \$1.266 billion for the homeland security grants. FEMA proposes \$1.043 billion for fiscal year 2015. This would result in an approximately 18 percent reduction to homeland security grant funds. In light of the continued terrorist threat to the United States, the IAFC recommends that Congress continue to sustain the fiscal year 2014 funding levels for the FEMA’s homeland security preparedness grants.

IDEAS FOR IMPROVEMENT OF THE EXISTING GRANTS

Taxpayer funds should be used effectively to improve National emergency preparedness. There are administrative changes to the current grants that FEMA can implement. For example, as Chief James Schwartz, the chair of the IAFC’s Terrorism and Homeland Security Committee, testified last year, FEMA could develop a system for grant recipients to share information about the successful uses of grant funds to develop capabilities. Then, instead of having to reinvent the wheel across the Nation, local jurisdictions could learn from each other’s projects to allocate their resources more effectively.

Also, it is important that local stakeholders be treated as equal partners in determining threats, risks, vulnerabilities, and capabilities. From a fire and emergency service perspective, all of the resources—both equipment and personnel—are owned by local jurisdictions. Local fire chiefs must be involved in the THIRA process. The IAFC welcomes language in the latest THIRA Guide (Comprehensive Preparedness Guide 201), which urges State emergency managers to use a whole-communities approach to complete their THIRAs by consulting local fire, EMS, law enforcement, and public health departments. Unfortunately, there still is a mixed record on local involvement in the THIRAs.

CONCLUSION

On behalf of the leadership of America’s fire and EMS departments, I would like to thank the subcommittee for the opportunity to testify at today’s hearing. While we think it is good that FEMA has released more information about this year’s NPG proposal, it continues to have many of the problems that we have identified in the past. As Congress considers the issue of grant reform, we encourage you to consider directing FEMA to work with all State and local stakeholders to develop a detailed plan. I look forward to answering any questions you may have.

Mrs. BROOKS. Thank you, Chief Metcalf.

Chairwoman now recognizes Mr. Parsons for 5 minutes.

STATEMENT OF RANDY PARSONS, DIRECTOR OF SECURITY, PORT OF LONG BEACH, TESTIFYING ON BEHALF OF AMERICAN ASSOCIATION OF PORT AUTHORITIES

Mr. PARSONS. Good morning. Thank you for inviting me as a witness on behalf of the American Association of Port Authorities, an alliance of the leading public ports in the Western Hemisphere.

I am Randy Parsons, director of security for the Port of Long Beach, where I oversee the security division for the Nation’s second-busiest container seaport. I also serve as a co-chair of AAPA’s Port Security Caucus, which crafts recommendations on U.S. Government policy related to security for the association’s leadership.

Today I am here to discuss thoughts on the administration’s National Preparedness Grant Program proposal. AAPA and its staff members have been engaged in discussions with the administration and FEMA on this proposal for the last few years and we are interested in further discussions to properly address our concerns.

Our fundamental philosophical difference with the administration is over who should be in control of the Port Security Grant Program. In the proposal the administration calls for funding to be determined at the State level, consolidated with other homeland security grants. We strongly believe the Port Security Grant Program should be maintained at the Federal level.

In the past, the Port Security Grant Program has distributed funds through a fiduciary agent that then funded sub-grantee projects. FEMA abandoned this model and moved to direct grants in order to speed up the draw-down of funds and get projects done more quickly. This change was also made in response to extreme displeasure from Congress over the slow spending of funds. Why would we return to a discarded model?

Since 9/11 a key component of our Nation's effort to harden the security of seaports has been the Port Security Grant Program, currently managed by FEMA. These funds have helped port facilities and regional agency partners to procure vessels, vehicles; install detection systems such as cameras and sensors; provide equipment, operations, and sustainment for the systems recently installed.

At the Port of Long Beach we spent more than \$280 million to upgrade our security infrastructure, over \$98 million of which was provided by the Port Security Grant Program. The Maritime Transportation Security Act and the subsequent SAFE Port Act also carefully laid out a system to identify risks and fund projects accordingly, with both National and local input. FEMA, the U.S. Coast Guard, and the National intelligence community determined which ports should be in each risk category.

State officials are invited to sit on these local area committees and often do, but the responsibility to determine who gets a grant resides with the Secretary of the Department of Homeland Security. This is where we believe the authority should continue to reside—at a Federal level, where the expert knowledge of the risk environment and mitigation strategies exists.

Seaports are international borders. Seaports must comply with numerous Federal regulations, including those instituted by TSA, CBP, the Department of Agriculture, and the U.S. Coast Guard. Often States are not aware of these requirements and may not have the expertise to determine maritime risks and mitigation strategies to these international seaport borders.

If ports are lumped into the larger homeland security equation, efforts to date will be marginalized and the focus on ports will be lost. The separation of the grant funding served to highlight the need to focus on the component of the Nation's critical infrastructure and international border that was largely ignored prior to 9/11.

Additionally, the proposal calls for decreases to overall funding. Currently, the Port Security Grants are funded at 25 percent of their authorized level of \$400 million. We would hate to see a continued degradation of these efforts as a result of additional grant funding restrictions.

We ask that as you assess this proposal, the Port Security Grant Program be excluded from this consolidation and merger.

Due to limited time, I want to highlight additional recommended program improvements that we strongly urge the committee to consider, that include: Keep the funding separate at the Federal level, similar to Firefighter Assistance Grants; restore the port security funding to a healthier level—\$100 million barely allows us to sustain what we have; the return of the term of grant performance to a 3-year performance period with extensions allowable to a maximum of 5 years—the current grant term of 2 years is unworkable; provide a uniform cost-share waiver of past grant funds and consider waiving the cost-share overall.

Thank you, Chairman.

[The prepared statement of Mr. Parsons follows:]

PREPARED STATEMENT OF RANDY PARSONS

APRIL 29, 2014

Thank you for inviting me as a witness on behalf of the American Association of Port Authorities (AAPA). AAPA is an alliance of the leading public ports in the Western Hemisphere and our testimony today reflects the views of our U.S. members. I am Randy Parsons, director of security for the Port of Long Beach, in California, where I head up the Security Division for the Nation's second-busiest seaport. I also serve as the co-chair of the AAPA's Port Security Caucus which crafts recommendations on U.S. Government policy related to security for the Association's leadership.

Today, we are here to discuss AAPA's thoughts on the administration's National Preparedness Grant Program proposal. As you well know, this proposal was made several years ago, but just recently the administration sent over an authorization bill to outline specifically how the various programs would be changed and outline in more detail how the new program would work. AAPA has been engaged in discussions with FEMA over the last few years and our concerns still have not been properly addressed in the proposal.

AAPA has a fundamental philosophical difference with the administration over who should be in control of the Port Security Grant Program. The administration in its National Preparedness Grant Program calls for funding for the program to be determined at the State level, along with other homeland security grants. AAPA strongly believes that the Port Security Grant Program should be maintained at the Federal level. In short, moving Port Security Grants to the State level is a bad idea and is likely to result in a significant decrease in security funds going to seaports, and ultimately putting our Nation at greater risk.

In the decade since 9/11, a key component of our Nation's effort to harden the security of seaports has been the Port Security Grant Program, currently managed by FEMA. Port Security Grant funds have helped port facilities and port areas to strengthen facility security and work in partnership with other agencies to enhance the security of the region. Port Security Grant funding has been used to procure equipment such as vessels and vehicles, install detection systems such as cameras and sensors, and provide equipment maintenance for the systems recently installed.

The Maritime Transportation Security Act, passed soon after 9/11, and the subsequent SAFE Port Act carefully laid out a system to identify risks and fund projects accordingly, with both National and local input. FEMA, with input from the U.S. Coast Guard and National intelligence information determines which ports should be in each risk category and the local area committees develop plans to decrease these risks. State officials are invited to sit on these local area committees, but the responsibility to determine who gets a grant resides with the Secretary of the Department of Homeland Security, based on evaluation from the local and National U.S. Coast Guard offices, FEMA, and other Federal partners. This is where AAPA believes the authority to determine grants should continue to reside—at the Federal level, where the expertise exists.

In order to continue to be effective, the grant process must evolve in conjunction with port needs and vulnerabilities. Working with DHS, efforts have been made to keep pace with this evolution. We fear that if ports are "lumped" into the larger Homeland Security equation, efforts to date will be marginalized and the focus on ports will be lost. The separation of Port Security Grant funding served to highlight the need to focus on a component of the Nation's critical infrastructure and international border that was largely ignored prior to the tragic events on 9/11. We have

a significant fear that this focus will be lost if the Port Security Grant Program does not remain separate and fails to continue to evolve to meet emerging security needs.

Seaports are international borders and must comply with numerous Federal regulations including those instituted by TSA, Customs and Border Protection, the Department of Agriculture, and the U.S. Coast Guard. The Port Security Grants are often used to help facilities address these Federal mandates. Often States are not even aware of these requirements and do not have the expertise to determine risks to these international seaport borders. AAPA strongly believes that the responsibility for the grants should stay at the Federal level, since border security (land, air, and maritime) is a National, not a State, responsibility.

There are other concerns about this proposal. It expands the grants to all hazards, cuts overall funding, and is likely to return to a slower draw-down in funds. With the expansion of the grants to all hazards, it is likely that far more projects will be eligible. We are concerned that National disasters preparation and response would be a high priority for certain States, resulting in even less for port security. Additionally, the proposal calls for a significant decrease in funding overall. Currently, Port Security Grants are only funded at 25 percent of the authorized level of \$400 million. Merging the program into other homeland security grants is likely to result in even more of a decrease.

AAPA has fought hard to ensure the program makes all seaports that serve as international borders eligible for the program. FEMA has provided grants to sea-ports at all levels in order to ensure that we do not have a soft underbelly of under-protected ports. We must not allow for a weak spot that terrorists can capitalize on. There is no mandate in the administration's proposal requiring States even to fund port security and it is likely to result in some ports not getting funding for needed projects.

The National Preparedness Grant Program proposal calls for all funds to be distributed through the States, a model that resulted in significant slow-down in fund use in the past. At one point the Port Security Grant Program distributed the funds through a fiduciary agent that then funded subgrantee projects. But, FEMA recently abandoned this model and moved to direct grants in order to speed up the draw-down of funds and get projects done more quickly. This change was made in response to extreme displeasure by Congress over the slow spending of funds. So, why return to this broken model?

Ports are already struggling to maintain their capabilities, much less meet new and emerging concerns in such areas as infrastructure protection, continuity of services such as power and water, protection of our information technology capabilities, and response to the ever-growing cyber threat. In a constantly-changing threat environment, any further decrease in funding will make it difficult to maintain current capabilities. At many ports, Port Security Grant funding has been a critical component in their efforts to build a resilient port, and we would hate to see a degradation of these efforts as a result of grant funding reductions. Additionally, the proposed legislation highlights the importance of core capabilities and the need to share capabilities and drive funding to these capabilities. When States developed core capabilities, however, they did not incorporate port needs and it is unclear how the needs would be addressed in the future. It is, therefore, unlikely that port needs would be funded properly.

While there might be good reason to merge other homeland security grants, AAPA strongly believes that the Port Security Grant Program should be maintained at the Federal level. That is where the expertise resides and it corresponds to the Federal responsibility to control and protect our international borders. Should you move this legislation, we urge you to exclude the Port Security Grant Program from this consolidation and merger.

Due to limited time, I have not included some needed improvements to the program but include them in the recommendations below. In conclusion, we strongly urge the committee to:

1. Keep the funding separate and at the Federal level, similar to Firefighter Assistance Grants;
2. Restore port security funding to a healthier level; \$100 million barely allows us to maintain what we have;
3. Return the term of grant performance to 3 years with an extension allowed to 5. The current grant term of 2 years is unworkable;
4. Provide a uniform cost-share waiver of past grant funds; and consider waiving the cost-share overall.

Mrs. BROOKS. Thank you very much.

We will now begin the questioning, and I will recognize myself for 5 minutes.

This actually is for each of you. FEMA has shared with us in their response, which we received Friday, a fairly lengthy list indicating that they had conducted significant stakeholder outreach in the development of this proposal, and I am curious whether or not—beginning in 2013 through 2014—and I am curious whether or not you personally or your organization that you represent had an opportunity to share your thoughts on the consolidation proposal with FEMA, and if you were consulted, whether or not any of your recommendations were incorporated.

Ms. Eide, I don't know if you would like to begin?

Ms. EIDE. Thank you, Madam Chairwoman.

FEMA did outreach to both the Governors Homeland Security Advisory Council and to the National Emergency Management Agency, and I was personally involved in several of these, both face-to-face and webinars, teleconferences. We continue to evaluate the NPGP proposal.

My colleagues across the State have been very vocal about some changes to the management administrative costs of—from current level of 5 percent to 3 percent. FEMA is taking that back and going to be looking at the issue of that decrease in the M&A costs.

Some of the other things that we have talked about—excuse me—has been the governance structure, and I think that the NPGP proposal can only be successful with a good governance structure at the State level, which is inclusive of the current grant program representatives. The FOA has included the members that should be on a senior advisory committee at the State and we continue to work with FEMA on some of those issues that we have had concerns with.

Thank you.

Mrs. BROOKS. Don't know, Chief Metcalf, as president of your organization, were you involved personally and were any of the recommendations you made included?

Chief METCALF. Thank you.

I have been involved in a number of those meetings personally, and our staff was also engaged in a number of meetings with FEMA. I think it is fair to say that most of those interactions were one-way, and in our attempts to better understand the proposal, in many cases we were seeking additional detail, additional clarification of what was going to be contained in the proposal, and as you are aware, we have only just received some of that additional clarification here very recently.

In the absence of not really understanding the details of the proposal we were hard-pressed to provide specific suggestions, so we have not seen any of our concerns addressed in the proposals—the iterations of the proposal to date.

Mrs. BROOKS. So is it fair to say the International Association of Fire Chiefs is continuing to make suggestions to FEMA or is beginning to?

Chief METCALF. We are glad to take every opportunity to provide suggestions, yes.

Mrs. BROOKS. Thank you.

Mayor Fulop, wondered whether or not the mayors have been involved, or if you have been?

Mr. FULOP. I can't speak on behalf of all mayors. My administration transitioned in in 2013. In the last year, to the best of my knowledge, the answer has been "no" to your question as far as outreach.

Mrs. BROOKS. Okay. Thank you.

Mr. Riggs.

Mr. RIGGS. I have not personally met but we have a chief that is over homeland security that meets with them quite regularly, brought up a lot of our concerns regarding local issues, didn't see a lot of movement there. But he has been in contact with them.

Mrs. BROOKS. Okay. Thank you.

Mr. Parsons, on behalf of ports.

Mr. PARSONS. We have received numerous e-mails from AAPA that shows they are engaged at the National level. At the local level we did receive a notice of the proposal that, as the chief said, it was a fairly generic description. We participated in a conference call with FEMA, and additionally, we have reached out as a local port. I have made two trips back to speak with our representatives personally and the FEMA representatives that service our area.

We have not had any movement on the proposal positions that we have seen here.

One comment I would like to make is the FEMA staff that we have interacted with with grant applications, guidance, direction, and extensions have been extremely helpful and educational in providing guidance. In this arena it has taken on a generic level. We haven't received information that we feel we are capable of making detailed, informed decisions other than some of the issues we have talked about here this morning.

Mrs. BROOKS. Well, I am pleased to hear that the staff has been so helpful if you don't understand what you are required to submit in those grant applications, so that is good.

My time is up.

The Chairwoman now recognizes the gentleman from New Jersey, Mr. Payne, for 5 minutes.

Mr. PAYNE. Thank you, Madam Chairwoman.

Mayor Fulop, in your testimony you expressed concern that the proposed National Preparedness Grant would consolidate decision-making for homeland security investments at the State level. Now, I have raised similar concerns, particularly given, you know, how certain Federal Sandy recovery funds were administered by the State.

Can you speak in more detail about your concerns related to how the homeland security grant funds would be invested if investment decisions were ultimately made by the State?

Mr. FULOP. Well, to expand on that, I think that it has been well documented in most of the New Jersey newspapers and publications about concerns over how these Sandy dollars have been administered and to what municipalities and the timeliness of that administration. The concern that we expressed here is when we are dealing with something as critical as infrastructure and homeland security, that local municipalities often know best and that flexibility and speed is critical, and so we expressed concerns via the proposal here that that would have an impediment on that process. I think that Sandy is a good example of that.

Mr. PAYNE. You know, also, following up on that, why is it important that local governments and first responders continue to have a strong voice in how those security dollars are invested?

Mr. FULOP. Yes. I would just reiterate that we collectively are closest to the needs of the constituents and the infrastructure needs. That is not to say that the States are not aware, but I think that the speed and access at the local level is critical.

Mr. PAYNE. Thank you. You know, as you have mentioned, you know, we have had a very interesting situation in New Jersey in reference to how these dollars have been allocated so, you know, we have a clear example of what the concerns are if it comes down from the State as opposed to the local levels. Our UASI grants in our area regionally have been very successful, and the municipalities of Newark and Jersey City have worked well in that area. So thank you for those answers.

Along those lines, Ms. Eide, how do you respond to those who share concerns I have about the States being the final arbiter of the homeland security grant investments?

Ms. EIDE. Congressman Payne, I certainly understand the concern of our local units of government and I would, again, get back to the governance structure that is set up at the State level, and the inclusion of current grant program representatives in addition to the different disciplines that are part of any senior advisory committee. In Minnesota we have a senior advisory committee that includes members from our UASI area, it includes members from our area maritime security committees, it includes members from our transit working groups, and it includes local emergency management, fire, law enforcement.

We, as a committee, review the grant applications from local governments. We actually require THIRA at the local levels. We also have six homeland security and emergency management regions within our State that have a regional THIRA and then we roll it up into a State-wide THIRA.

We look at those. We look at the priorities of our communities, both urban and rural, and we make our funding decisions as a collective group. I think through the flexibility of a program such as the NPGP, a governance structure really is the key to making sure that we own our preparedness programs from local level up to the State.

Mr. PAYNE. So you feel to this point that the program has not worked effectively based on how it is structured now?

Ms. EIDE. That is correct. I think there is the opportunity for disparate organizations to be able to work within their silos in the way that it is now. If we were to have a consolidated grant program with this flexibility built into it based on local THIRAs, based on a good governance structure, that it will eliminate a lot of the stovepipes that we have been seeing.

Mr. PAYNE. Okay.

Very quickly, Mr. Riggs, you know, I believe in your testimony you mentioned or intimated that you had concerns of potential relationships between local and States have sometimes not necessarily being on the same page or used in a manner which would not be conducive to affording your municipality its allocation properly.

Mr. RIGGS. Yes, sir. That is correct.

I will say that every State is different in many ways and responsibilities for initial emergencies are handled differently in different States. I have worked in three different States now. I can tell you in Indianapolis we do work closely with the State with our fusion center, but at the end of the day, my interpretation of homeland security grants and UASI and all these different grants we talk about were for a major metropolitan area that had the most critical infrastructure needs and the most difficult financial needs that could actually hurt our economy.

Generally, when we see so much money going to the State and going to rural areas—which we are not saying there is not a threat there—but when we have 1.7 million people in our geographical area and we respond outside of our city we think that it makes a lot more sense to target those major cities that have seen the brunt of terrorism and be prepared not just for traditional measures but also for nontraditionals like cyber crime.

Mr. PAYNE. Okay.

Thank you, Madam Chairwoman. I yield back.

Mrs. BROOKS. Thank you.

The Chairwoman now will recognize other Members of the subcommittee for questions they may wish to ask the witnesses. In accordance with committee rules and practice I plan to recognize Members who were present at the start of the hearing by seniority in the subcommittee, and those coming in later will be recognized in the order of their arrival.

At this time I will recognize the gentleman from Pennsylvania, Mr. Perry, for 5 minutes.

Mr. PERRY. Thank you, Madam Chairwoman.

Ladies and gentlemen, thanks for your attendance and the information today. I think maybe I will start out with Ms. Eide.

You know, we have a limited amount of resources, right? Everybody does. So, you know, I am looking—I listened to your testimony and I can certainly understand each one of you has the priority as you see it, as you should. You represent, whether it is the port, whether it is your city, that is who you represent in this regard and that is appropriate.

At the same time, somebody has to be the honest broker, so to speak, that looks at the entire picture and prioritizes. This is not about taking taxpayer money and just making sure everybody gets their portion of it or a portion of it.

We have a mission here and a goal, which is to protect the country in that regard and to secure it, and so I would imagine there are certain threats that are higher at certain locations and certain threats that don't happen at certain locations, as best as we can tell. So we are trying to figure a way to most efficiently mete that out—get that funding out and get those projects taken care of and move on to the next one.

So with that having been said, is there any way to know how individual grant recipients coordinate with—are coordinated with other ones to make sure that duplication doesn't occur? Is there any way currently to know that right now?

Ms. EIDE. Congressman Perry, I—as a built-in process I believe there is less of a chance of duplication in a consolidated fashion. A very small example is we have a fairly robust area maritime se-

curity committee within the cities of Minneapolis and St. Paul for the port there. Because the grant applications did not go through the State either as a fiduciary agent or as a decision maker, it went to the Federal Government. None of the communities in our AMSC were given port grants. It went down river into communities—two communities that were not part of our port.

So not only duplication, but what we see is the lesser priorities—

Mr. PERRY. It would be misapplication at that point.

Ms. EIDE [continuing]. Would be—that is the way that we may see something like that. They have jurisdiction on the Mississippi River in certain areas; they obviously identified a need that they had. But it was not part of the area maritime security committee. So those are the types of things that we see by not having that close State coordination.

We have been working through our homeland security regions within the State, and so we have a good handle on how a lot of our locals are communicating with our border and our Operation Stonegarden grants. We have a good handle on that because those are a lot of—coordinated through our emergency management committees and organizations.

Mr. PERRY. I mean, I think that consolidation is the right way to go, but I understand that there will be winners and losers in this thing. I mean, again, we have scarce resources and we must prioritize, and nobody likes to hear that but it—I think it, unfortunately, it is the fact of the matter. It is the reality.

While, listen, Mr. Parsons may be right. I mean, Long Beach is a—it is a huge concern. Mayor, right outside of Newark with New York City; maybe most of the resources should go there. Maybe they really should, and that is going to disaffect some other folks, wherever they are.

But I think a close collaboration with the people on the ground, and each of your concerns is important, and then that all has to be—come through one central clearinghouse and somebody has to be a decision-maker and say, “This is the threat, this is the risk, and this is the highest one and here is where I need you to put your resources. And when we are done with this we will move on to these other things.”

One final question while I have a little bit of time left. A number of local organizations expressed concern about the definition of “local unit of government,” and that it would greatly expand the eligibility for grant programs.

Personally, I see that as a good thing—I mean, expand eligibility based on the fact that we want all the information—but if somebody on the panel wants to answer the question why we should be concerned about that, maybe that would help us see the picture more clearly.

Anybody? Anybody feel comfortable, interested?

Mr. Mayor.

Mr. FULOP. Yes. I would just go back to the fact that—recognizing there are scarce resources and the overlapping. I can just speak anecdotally from the Jersey City standpoint, with Newark and some of our regional partners, that there hasn’t been overlap,

that the Government applicants have been working, that this has been a process that has worked effectively since 2002.

Recognizing that it has been effective and it is done and served its purpose, I would just go back to the fact that there isn't a reason to do a drastic changeover here, and that is something that is scary from our standpoint, whether it is increased number of applicants, whether it is an individual person having more flexibility or discretion on where the dollars go and taking it away from the people who know best at the ground level. I think that a drastic change like what is proposed here can have a huge impact on a program that has worked effectively since 2002.

Mr. PERRY. I thank you, Madam Chairwoman.

Just one closing thought. It is great that it has worked effectively, Mr. Mayor, for your town, for your concerns, but I think the broader sense is that there have been some shortcomings and there have been some misapplications and maybe fraud, maybe some abuse, and we are the—you know, we are the stewards, as you are, of the taxpayers' money and we owe it—that is our duty to make sure that we are doing the best we can. I might not agree with everything in this but I think that it is worth a look.

I thank you, Madam Chairwoman. I yield.

Mrs. BROOKS. Thank you.

The Chairwoman now recognizes Ms. Clarke from the State of New York for 5 minutes.

Ms. CLARKE. I thank you very much, Madam Chairwoman, Ranking Member. I would like to thank you for having this hearing and I would like to thank our panelists for sharing their expertise with us this morning.

Before I start my questioning I would like to submit a letter from the mayor of the city of New York, Mayor Bill de Blasio, who knows first-hand the devastation of terrorist attacks. Our city has been hit twice and has thwarted multiple attempts and is still recovering from Superstorm Sandy, where millions were impacted.

So I think that we can help provide some insights and just reminding folks that when we were hit in 9/11 it was the local first responders that had the obligation. If we had to wait for the State of New York to respond we would still be at the pile today.

So I just wanted to put that on the record.

[The information follows:]

LETTER FROM MAYOR BILL DE BLASIO, CITY OF NEW YORK

APRIL 28, 2014.

The Honorable MICHAEL MCCAUL,
*Chairman, Committee on Homeland Security, H2-176 Ford House Office Building,
Washington, DC 20515.*

The Honorable BENNIE THOMPSON,
*Ranking Member, Committee on Homeland Security, H2-117 Ford House Office
Building, Washington, DC 20515.*

DEAR CHAIRMAN MCCAUL AND RANKING MEMBER THOMPSON: I write to express my concerns with the proposal to consolidate the current suite of homeland security grant programs into a single state-administered block and competitive grant program, in which funding decisions are based on state and multi-state threat assessments and population-driven formulas. As federal budgets and resources grow tighter, I believe we can maximize the nation's investment in homeland security by targeting those areas most at risk. This is what the 9/11 Act set out to do.

Since the events of September 11, 2001, the Federal government has made significant investments in our nation's homeland security to keep our communities and

citizens safe. In New York City, we have utilized Homeland Security Grant Program funds to build many new capabilities to prevent, prepare for, mitigate, respond to, and recover from acts of terrorism and catastrophic events.

Crucial to these efforts has been the Urban Areas Security Initiative (UASI) grant program—a stand-alone high-threat-based funding source—that has funded many new regional preparedness capabilities and strengthened regional collaborations and partnerships among state and local entities. DHS’s most recent proposal to consolidate these and other grant programs into a uniform competitive grant program threatens the successful efforts we have made in guarding against threats.

As Mayor of the City of New York, I take national security concerns very seriously. In our city, where more than 8 million people live, we are protecting not only the nation’s largest city, but also its financial, communications, information, and cultural capital. And we are doing this in coordination with the New York City Urban Area Working Group that includes members from Nassau County, Suffolk County, Westchester County, the City of Yonkers, the Port Authority of New York and New Jersey, the Metropolitan Transit Authority, along with representatives from New York State, DHS, and FEMA. Together we coordinate regional planning, equipment use, joint training, and development of response protocols.

The current framework for UASI and other programs works well and reflects the principles of the “Threat and Hazard Identification and Risk Assessment.” The structure of UASI requires that urban areas work closely with other jurisdictions to develop capabilities that serve multiple purposes and that can be quickly deployed; this information is used to make well-informed, cost-efficient, and risk-based decisions about resources.

UASI, Securing the Cities, Port, and Transportation grants should continue to be funded as stand-alone programs allocated based on risk. Making cities, states, and sub-units of government compete against one another for the same dollars does a disservice to the collaborative approaches developed and refined over the years. It also creates the potential for programmatic gaps, where areas previously funded are now left with insufficient resources. I thank Congress for their foresight on this issue in understanding that a range of program options offers flexibility and the best defense against new and emerging threats.

I urge you to continue to preserve UASI and the array of homeland security grant programs in their current form. Public safety and homeland security are top priorities for municipalities, and the need to prepare and train for emergencies, whether a man-made or natural disaster, is a necessity for every jurisdiction. The proposed consolidation threatens to upend much of the good work cities, states, and federal partners have accomplished.

Sincerely,

BILL DE BLASIO,
Mayor.

Mrs. BROOKS. Without objection, it is ordered.

Ms. CLARKE. Thank you very much, Madam Chairwoman.

My first question is to Mayor Fulop and Director Riggs. As you are aware, the current 25 percent set-aside for the Law Enforcement Terrorism Prevention Act would be eliminated under NPGP. What law enforcement terrorism prevention capabilities have been enhanced in New Jersey and Indianapolis as a result of this program, and would such programs have the resources to be implemented without the 25 percent set-aside?

Mr. FULOP. I can’t speak to whether it would have the opportunity to continue to be implemented. What I can speak to is that we have had critical infrastructure supplied from these grants, whether it is the ability to work with regional partners in the Hudson as it relates to water vessels that have been provided by the Federal Government to provide homeland security that Jersey City and some of the other partners in Hudson are responsible for, or whether it is equipment for—basic equipment for our fire department or our police department, both of which have been supplied via these 13 different Federal grant programs.

I would go back to the fact that I share, as the mayor of Jersey City, the same concerns you do, whether it is the terrorism con-

cerns via my proximity to New York City or it is Superstorm Sandy. We have leveraged all of these programs to the maximum, and it has worked for us.

Mr. RIGGS. I would just add, I think this is critically important. It could significantly erode our capabilities. Just recently we held a table-top exercise involving State, Federal, local officials, very good, about coordinating activity.

What we are trying to do in Indianapolis is really be ahead of other cities to really start thinking about, what does terrorism look like in the future? In a recent conference I attended here with the Police Executive Research Forum we talked about that very thing with Secret Service, Homeland Security. We think about traditional terrorist attack, our fear and what we are trying to prepare for and what we have used this money to do is prepare for a traditional-type terrorist attack or some type of cyber attack or a simultaneous attack, which is kind-of the worst scenario.

I know that New York City has done a great deal along these lines. We want to learn from your city as well, and start enacting some of that in Indianapolis. The 25 percent helps us do that.

Ms. CLARKE. So the question for me is maintenance of effort. So these funds get cut, do you have—or does your State then pick up where these cuts are eliminated—or these funds are eliminated?

Mr. FULOP. I can speak to the UASI grants as an example of—that grant provided the city of Jersey City a water vessel, which I mentioned earlier, which is state-of-the-art, has the ability to detect biological, nuclear, any type of weapons. It is responsible for the entire region and we partner with all of the municipalities along the Hudson on our side of the river.

It is within our fire department is responsible for it. It was provided by the Federal Government. Programs like that would be a concern if we had to go through the entire State process and another layer of government. It was something that worked very, very well in the years following 9/11 and is critical.

Mr. RIGGS. When we lost UASI funding in 2011 and 2013 we did not see any assistance. As a result, we don't believe we would get assistance if we lost this.

The State has some very difficult decisions to make, as well. What we have done to try to make sure this does not become an issue is we started a 501(c)(3), a Department of Public Safety Foundation, modeled after many police foundation and fire foundations. We are using that money that is received for training so if we lose Federal funds or we lose State funding, we will try to use that funding to continue the training; it is that important to us.

Ms. CLARKE. I thank you for your testimony once again.

I yield back, Madam Chairwoman.

Mrs. BROOKS. Thank you.

Chairwoman now recognizes Mr. Higgins, from New York for 5 minutes.

Mr. HIGGINS. Thank you very much.

You know, the administration has proposed a grant consolidation three times now. I suppose the distinction with this proposal is that it comes with a legislative resolution to advance the same.

You know, I think when you look at the origins of the Urban Area Security Initiative, it was established for a purpose. It recog-

nized that mayors, that police chiefs, that fire chiefs were at a place where they could make a determination, so long as they were coordinated well, as to the highest and best use relative to the program's objectives.

I represent Buffalo. Buffalo was lobbed off the list because of budget constraints.

Now, you know, Buffalo didn't ask to be put on the list. You know, we met a criteria that we didn't want to meet, and since the establishment of the program the Buffalo area, much, probably, like Jersey City and others, have tried to use these program resources in the most responsible way toward the goal of mitigating potential terrorist attacks.

When you look at this proposal you are basically taking 18 programs, throwing it to the States, which creates another layer of bureaucracy, which I think moves the program further away from the areas that it was supposed to benefit in the first place. Now you are left with folks who have been engaged in this process for a half a decade. In many cases—in Buffalo they are still meeting even though they don't get funding under the program because they realize that based on their experience when there was program funding, that it is better for the law enforcement agencies and the first responders to coordinate.

So, you know, I don't think this is a solution; I think this is a solution looking for a problem. I think the real problem is getting funding back to the urban areas that are vulnerable because of a formula established by the Department of Homeland Security that made them vulnerable.

You know, not once, not once, not once did the Department of Homeland Security say that, "Well, because you took these measures using the UASI program the threat of terrorist attack is mitigated." I would argue that, you know, that is not the case and these areas are more vulnerable.

In fact, *Inspire* magazine—it originates out of al-Qaeda in the Arabian Peninsula—says in their magazine, last issue, that Buffalo is more vulnerable. Why? Because they are no longer getting funding.

Well, let me tell you something: If that is a magazine that goes out and encourages homegrown terrorism, that in and of itself should urge the Federal Government to restore funding to that area that has been identified by a terrorist publication—the only area in the entire country.

So, you know, I would ask for your input, based on what I just outlined there.

Particularly the mayor, first I would like to hear from the mayor.

Mr. FULOP. Yes. I think you hit the nail on the head. What I said earlier was that the program at the State level, as proposed today, creates a culture of competition between municipalities and cities as opposed to cooperation, and that is a huge difference that should not get lost here.

I would say that the Congresswoman to your right and people in New Jersey share the experience of Sandy last year, when the funds were administered via the State and there still are many concerns via that process. I think that lessons can be learned from that which are very relevant to not repeat here.

So I think all your comments were exactly spot-on, and I think that the flexibility is crucial at the municipal level.

Mr. HIGGINS. We should be listening to the mayor.

Thank you.

I yield back.

Mr. PAYNE. Madam Chairwoman, I ask unanimous consent that the gentledady from Texas, Ms. Jackson Lee, be permitted to participate in today's hearing.

Mrs. BROOKS. Without objection, so ordered.

Would the gentledady from Texas, Ms. Jackson Lee, like 5 minutes?

Ms. JACKSON LEE. Let me thank the Chairwoman and the Ranking Member for being courteous on my somewhat frequent visits. You have a very important committee, and as you well know, we are now in the backdrop of seeing what you as local officials go through looking at the landscape from Arkansas through Mississippi, Tennessee. I know that my State, the State of Texas, was on alert, and certainly you know that as I just heard the word Hurricane Sandy you know that, coming from the Gulf region, it is a normal state of affairs to face hurricanes.

I, too, am interested in this focus of uniting all of the grants, and I am also interested in an issue that I probably will have long years to overcome, and that is to be able to directly give these Federal dollars to local municipalities and to directly get the monies where they are most needed. So I think I am going to stay focused on that area with one or two other questions.

Mayor, you were the last to speak as I came in and I would just like to hear your thought on the State, the Federal—and this is by law, so I am not suggesting that this is done without authority, but we have structured it where we do Federal, State, and then the local government. In times of emergencies like a hurricane, a tornado, and the local jurisdiction is right in the eye of the storm, if you will, share with me the impact of having that process in place as opposed to monies directly coming to the local municipality.

Mr. FULOP. You are asking what would be a difference from our standpoint when the money goes to the State as opposed to the local municipality?

Ms. JACKSON LEE. Right. If it was to be structured where those grants or those dollars would come directly to the local municipality.

Mr. FULOP. The more direct contact, I think generally from my standpoint, the better and more efficient the process is. I think that as it relates to Superstorm Sandy, that it has been well-documented in most of the publications in New Jersey and in New York that there have been many, many concerns about the timeliness and the process for administration of the dollars that came from the Federal Government that were initially intended for the local municipalities—what locations they were given to, how they were given, and the timeliness of that.

So this goes back to—look, you all have a very important job. There is a lot to fix, obviously, in Washington. This is a program that, at least from the local level, I can tell you that, granted it can always be improved, but it is something that has worked relatively well from our standpoint.

So just to reiterate what I have said earlier, since 2002 this has been a process that has worked, from our standpoint, and we just ask you not to do something drastic in reforming it, like you are proposing over here—or what is proposed over here.

Ms. JACKSON LEE. Do you think that the reporting process coming from the local government has been accurate and timely so that you would—so you raised the question, “Why consolidate?” Do you think there has been a problem with local jurisdiction reporting on how the money has been used promptly or giving details in terms of this move toward consolidation?

Mr. FULOP. I can’t speak for every municipality. I think that Jersey City tries to be as timely as possible with all of our paperwork. We are fortunate that we are large enough that we have the resources for that. Going back to what the Congressman on your right mentioned is that many of the areas that these are targeted at, these grants, are higher profile areas across this country and most of those areas fortunately would have the resources to report back to you in a timely manner, so I don’t really see it as a concern because they are mostly larger urban areas.

Ms. JACKSON LEE. But you do—well, let me not put words in your mouth. The consolidation, would that, in your mind, create a breach or a break in the flow of dollars in a timely manner for the emergency?

Mr. FULOP. I think it could potentially create a break.

Ms. EIDE. Representative, may I also answer that question?

Ms. JACKSON LEE. Yes, you may.

Ms. EIDE. The Governor has unique authority in every State. They have unique authority in things like activating the National Guard and through their states of emergency. As we have seen this week with the devastating tornadoes, there has to be some decisions that are made at a higher level as to the priorities. I think when you consolidate the grant programs you are also looking at things from a larger picture and the perspective of your State-wide and the Nation-wide protection and security.

Obviously the urban areas have some very unique issues, and I think through the cooperation of the UASI areas as they are, and their communication with each other and their communication with State emergency management and homeland security offices, it shouldn’t put that burden with—at the local level because we have to make sure that through the sharing of resources we can protect our entire State, whether it is urban, rural, border, or on a—

Ms. JACKSON LEE. Thank you.

Ms. EIDE [continuing]. On a port.

Ms. JACKSON LEE. Thank you. Let me get Mr. Parsons.

For a long time States have complained that they lack visibility of a port grant investments and port security plans. Can you describe some of the efforts port authorities have undertaken to improve coordination with State and local governments?

Now, I will put a little bit of humor in it: Are you making sure you have got press conferences to make sure the State is seen at the press conference, as well? I am being a little bit humorous, but is there an outreach that ports do to ensure that coordination?

Mr. PARSONS. Thank you, Congresswoman.

I haven't seen a place that plans and cooperates like southern California. It is truly amazing. The venues for that are many and varied; the area maritime security committees that meet quarterly—there are State representation at those meetings. California has its own maritime security committee that meets at least biannually. There is interplay with subcommittee of the AMSC.

I will tell you, again, I have never seen anything like the number of planning meetings and the number of agencies that are involved in every aspect of grant collaboration, and it is truly amazing to go to one of these meetings. It is collaboration.

The fire departments, law enforcement, everybody sits down and lays their cards on the table and everybody understands, as Congressman Perry said, that there isn't enough money to go around to meet everybody's wishes, but it is a very collegial, professional environment that understands mainly risk priorities, and that is the principle driver in the decision-making product. So you see agencies stand down from their requests in reference to other agencies' requests.

The American Association of Port Authorities that I represent here this morning do a great deal to promote that kind of environment. We have conferences at least twice a year. Local and State partners attend those conferences. The police commander who sits in our building, the fire battalion chief who sits with us, we work shoulder-to-shoulder.

So at least in our environment, the environment I am aware of, which is California—and that is a pretty big playing field—the State is very involved, they are invited, they participate, and we listen to their input. I think that the chance for duplication in our environment is not very likely.

Ms. JACKSON LEE. Madam Chairwoman, thank you for your indulgence. Are you all having a second round?

All right. Thank you.

Mrs. BROOKS. Thank you.

We will now begin our second round of questions, and I will recognize myself for 5 minutes.

As we talked about earlier, I am interested in your perspective on the Threat and Hazard Identification Risk Assessment, the THIRAs, and the capability estimation processes and how they are working.

So while we have talked about tremendous collaboration and work, Chief Metcalf, and I just want to find out from all of you at the—really the State level and very concerned about your comment that local fire departments are not consulted as these THIRAs, the Threat and Hazard Identification and Risk Assessments, are being put together, which are critical, according to FEMA, in determining the level of funding that different jurisdictions receive.

Chief, would you like to comment on THIRA?

Then would, you know, like to hear from a few others how it has worked in your jurisdictions.

Chief.

Chief METCALF. Thank you.

First of all, to be clear, we don't have any objection at all to the business of threat assessment. That is a core part of how we do business in the fire service every day is understanding the specific

threats in our communities and prioritizing our resource applications, to meet those threats. We get that.

What we don't see, or we—there is a process that has been created here of trying to do this threat assessment and allocation of resources at a macro level, at the State level, that in many, many places around this country only happens at the State level and there isn't an effective mechanism for local jurisdictions to provide input. I think that when it comes to our members, the greatest frustration is not that they had the opportunity to have input and there—and we fell short on our prioritization; it is that there hasn't been the opportunity for input, period.

I was impressed to hear about the governance structure that was put in place in Minnesota that sounds like it has a robust way of providing input from the local all the way up to the State level, but I can tell you that that is not the case across the country in many, many places, and that is the source of the frustration.

So I think that it is not an objection to the—we don't have an objection at all to the business of threat assessment and prioritization. It is making sure that we have an effective way that local communities have input into that process.

Mrs. BROOKS. Before I go to Ms. Eide to explain the Minnesota process in a little bit more detail, are there any other local officials that would like to comment on involvement with the States' interaction with you with respect to THIRA, whether your fire departments or yourselves? Either of you?

Director Riggs.

Mr. RIGGS. I will just add that we had a very good process. It was very close with the State, with our—for example, we looked at the—a tornado was the situation we looked at. It is a very real threat in Indianapolis and the surrounding areas.

One of the reasons it was such a good protocol for us was it familiarized ourselves with each other, but also we were able to reiterate we are the capital city in Indiana, we have the largest police department, fire department, we have a responsibility to our region and to our State. So we wanted to make sure that we had a robust plan enough to respond to anywhere in the State of Indiana when needed.

Mrs. BROOKS. Thank you.

Ms. Eide, would you please talk a little bit more about your process in Minnesota? Because it is not a National process but maybe—and maybe should be a National model.

Ms. EIDE. Thank you, Madam Chairwoman.

In a recent conference call there are several States that also start at the local level, but we saw that the THIRA was really the building block for good financial decision making. Not much different than the current hazard mitigation planning that goes on in every county in the country as far as identifying what your risks are; this adds the threat component to it.

We assigned a person full-time to creating some additional tool kits from what FEMA did. We took three different scenarios—one natural scenario, one technological hazard, and one human-caused hazard—and we started at the large cities over 100,000 population, and in every county.

Some of our counties only have 3,000 people who live in the entire county, but every county has a local THIRA and they were required to have the whole community participate—their large employers, their critical infrastructure, not-for-profit organizations, and different levels of Government and multi-discipline departments in there.

Then when we went through these three scenarios then we went into the capability estimation, and that is a little bit more difficult and needs quite a bit of technical assistance not only from our State level but also from FEMA. We then moved it into the regions, so we rolled these—we rolled the county THIRAs into a regional THIRA, and I have mentioned that we have six homeland security regions.

So we used that information and the different types of capability estimations so that we could look at our State-wide region, and the cities within our UASI area did individual—the counties in our UASI did individual, rolled up into our UASI THIRA. It is going to be used as a best practice to be taught to other States out at the Emergency Management Institute in Emmitsburg, Maryland, and we are very proud of what we have done.

Mrs. BROOKS. Thank you very much.

I will just take a personal point. I have some friends in the audience, two of whom are from Minnesota, so I am sure they appreciate your efforts. Thank you.

Ms. EIDE. Thank you, Madam Chairwoman.

Mrs. BROOKS. With that, I will turn it over to 5 minutes of questions from Ranking Member Payne.

Mr. PAYNE. Thank you, Madam Chairwoman.

You know, before I ask my next question, I was interested in the questions that the gentleman from Pennsylvania raised and, you know, I think the key point he made was having honest brokers. In New Jersey we have seen how potentially, you know, these funds that were allocated for Sandy weren't necessarily allocated in the manner and in a timely manner as they were needed.

He also talked about fraud and waste. Well, if there is a recipient that we find has those issues then the dollars should be withdrawn. But to say that when Mayor Fulop talked about having a program that worked in the region, you know, it is like saying, "So your UASI program is working well. We will just subtract dollars from that since it is working and allocate them somewhere else." It doesn't make too much sense to me, but what do I know?

So I have a question for all the witnesses. In your opinion, what about the existing homeland security grant structure most significantly undermines its potential and what solutions would you offer to fix it?

Chief Metcalf.

Chief METCALF. Thank you.

I think the most—the factor that is most undermining today is the uncertainty associated with the grant programs, that every year there is a threat to one or more of them, every year there is a—funding that doesn't come through that has been appropriated or is—that doesn't make it to the local level. There are UASIs that are in and out, changing eligibility requirements, and it makes it very difficult for us to engage in coherent planning efforts at the

local level when there is that degree of uncertainty around the programs, especially for the last 3 years, where there has been this proposal on the table that is a constant threat.

I think that one of the biggest suggestions that—or the two suggestions that we would make is to increase or do a better job of sharing best practices among grant recipients, that there are great things being done out there that many of us just don't hear about unless we happen to know someone in those communities. So formalizing that process of sharing best practices and sharing the success stories and the governance structures that are working in the States and in the local communities.

Mr. PAYNE. Thank you.

Mr. Riggs.

Mr. RIGGS. Well, obviously coming from a large urban area, we would like the focus to be on local municipalities and the threats. But I am also a realist as well and understand that the money is probably going to continue to come through States in many ways, but if there are guidelines to make sure that our critical infrastructure in cities are addressed, I think that is important.

For instance, we have 1.7 million people in our region but people come to our community every day. We are one of the top convention areas in our Nation. We have millions of visitors each and every year. There are tremendous threats.

Last week 70,000 guests in town; 2 weeks before, 40,000 fire-fighters. We are always doing assessments, we are always planning for that. We would like to see a little bit more attention put to the local municipalities.

Obviously we understand that there are major cities larger than ours—New York, Houston, and others—that have other issues. We understand that. But as New York has an issue it affects the Nation, if Indianapolis has an issue it affects the Midwest. We want to take our responsibility seriously.

Mr. PAYNE. Okay. Thank you. Plus, next year the Final Four, right?

Mr. RIGGS. That is correct.

We are hopefully going to have, Congresswoman, an Indiana team in there this year.

Mr. PAYNE. All right.

Thank you, Madam Chairwoman. I yield back.

Mrs. BROOKS. Thank you.

At this time I would recognize the gentlelady from New York for 5 minutes.

Ms. CLARKE. I thank you once again, Madam Chairwoman.

Ms. Eide, in your testimony you made the case that a strong State role in management of grant funds will make—will better ensure transparency and efficient investment, and so I have a couple of questions for you. One, how do you create a—competitive process for distribution of funds, or do you, among your counties or municipalities? How do you avoid the one-size-fits-all inclination that comes from trying to administer such a program?

No. 2, how do you respond to concerns that have been expressed by local governments and first responders that States do not distribute funds in a timely manner? Then what safeguards and oversight tools will be used to enhance transparency and efficiency?

Ms. EIDE. Representative Clarke, those are very good questions. By creating the governance structure with grant allocation committee on there to actually look at all the grant applications that come in, throughout the year your governance structure has to make sure that you are addressing the priority areas. Then when it comes time for the grant funding applications to come in, then we know what general buckets we are going to be putting funding in to sustain what we have already built and then to increase what needs to be increased.

Then taking those areas and making sure that we have a mix of levels of government, a mix of disciplines on a grant allocation committee so that, as Chief Metcalf said earlier, or Mr. Parsons said earlier too, that we are all working together and there will be less competition because they can see how certain things will affect the State-wide safety and security for the people that live there.

We feel that through something like the NPGP we can avoid the one-size-fits-all because if—particularly if there continues to be 2-year performance period, it can be very difficult to spend that money in a 2-year period, particularly if you have overlapping grant years. That can be difficult for a grantee or a sub-grantee, particularly those that don't have full-time staff, full-time grant staff to be dealing with a lot of those. So we feel that this will be less of a one-size-fits-all.

If we cannot spend the money in one area, such as the Duluth Superior, the Minneapolis/St. Paul ports, then they can be part of that decision that this should go into another area that is a little bit more vulnerable at this particular time. So I think it eliminates a lot of the competitive process.

Timely distribution is always going to be an issue whether we consolidate grants or not. It is an issue now. A lot of it has to do with the fact that there is uncertainty with reporting requirements; there is overlapping timelines; we are working under 3 fiscal years which crossed State and local fiscal years.

It just is a very labor-intensive process for a lot of the reporting and accountability. I think we have to build in performance measures, and that is what we as the Governors Homeland Security Advisory Council and the National Emergency Management Association are really going to be focusing on is the performance measurements and how do we determine how we are buying down our risk or making our Nation more secure by using these homeland security grants.

Ms. CLARKE. I thank you.

I just have one more question, and this is to all of the witnesses. The FEMA grant consolidation proposal relies on a peer review process. Do you have any concerns with FEMA's description of how these peer reviews will be implemented—for those of you who—Chief?

Chief METCALF. Yes. The fire service has a direct experience of an existing peer review grant process through the Assistance to Firefighters Grant, and we have found that peer review process to work extraordinarily well. We are pleased with that process and feel that it allows people that understand the issues, understand the profession and are able to see through the applications to make wise decisions.

So the concept of a peer review process we feel is an excellent one. There is still not quite enough detail yet to understand how the process would work as proposed by—in this FEMA proposal, but in general, I think the fire service has a positive track record with peer review grants.

Mr. PARSONS. Thank you, Congresswoman.

A couple of points. I think that the peer review process has worked well in the past. I think there has been a great learning curve that has been worked through by the agencies in terms of being more efficient and more effective. The days of the big money pipeline are gone.

In my experience, people have got—the thing that concerns myself, the AAPA, is the peer review process—and again, I speak from a ports perspective who has received direct funding. We protect an international border, which we support is a Federal responsibility.

“One size does not fit all” definitely applies to ports. We have a different threat environment. We have different adversaries; there are different ways they will attack us. We have different assets as to how to mitigate that threat. We have different databases that we use.

So I think to clarify the competition comment, ports, which are substantial economic drivers to our Nation, would be significantly disadvantaged by being consolidated and merged into the overall picture. The best example is the ports of Long Beach and Los Angeles. We are contiguous. There is no line in the water.

The two ports accept approximately 40 percent of the containerized cargo that comes into the United States. That is a formidable critical asset to protect, and I would present that—and I am with the chief—vulnerability assessments make sense. Obviously in an environment like ours we have had a lot of them. To develop and build capabilities off of those also makes a lot of sense.

But to lump us in a category where there is such diverse elements that go into the decision-making process—L.A. and Long Beach are fierce competitors economically. As a security philosophy we move as one. So in an environment like that the peer review could have a substantial detriment for us.

Mrs. BROOKS. Thank you.

The Chairwoman now recognizes Ms. Jackson Lee for 5 minutes.

Ms. JACKSON LEE. Again, let me thank you for your courtesies. More and more as I listen to the testimony it has become clearer and clearer—I have been on this committee since the heinous tragedy of 9/11, on the select committee that helped formulate the Department and this committee, and I am reminded of how stark the needs are of the local communities when a tragedy hits.

Actually, FEMA was engaged during 9/11 because there were people impacted and businesses, there were homes that were impacted—apartment homes, there were people who were left longing in their apartments with no resources. So FEMA goes right in to the heart of the crisis. When we had Hurricane Ike, combination of FEMA and others came in with points of distribution for food and water right to the local neighborhood.

So I am trying to find out how we have this balance and how consolidation may be helpful, and I would say to Ms.—to the director from the State of Minnesota, Ms. Eide, that your vigorous struc-

ture seems valuable and I support it in your State. I think my concern is whether it would be even-handed across 50 States.

So I want to ask just a quick question, Mr. Parsons. Do you have any confrontation or lack of respect for the State of California between the Port of Long Beach? Do you hear the State complaining because you get Port Security Grants?

Mr. PARSONS. No. Madam Congressman, I have heard no such comments.

Ms. JACKSON LEE. You feel that you are keeping them abreast, coordinating with them in an appropriate manner?

Mr. PARSONS. I believe that we are. Frankly, there are some logistical challenges. They are in Sacramento, 8 hours away by vehicle, and in an airplane ride, and it does take extra effort to do that, but I think—

Ms. JACKSON LEE. But you do do it, and the port grants coming to you directly makes a more efficient utilization, in your opinion?

Mr. PARSONS. No question—

Ms. JACKSON LEE. Chief, I work with a lot of fire fighters and I thank you very much for your service. I am going to ask you the question as well, because I know my fire fighters—in fact, my homeland security director is a former assistant chief of the Houston Fire Department. Tell me whether or not—you said one of the successes of FEMA homeland security grants is that they provide incentives for local and regional entities. If you lose that funding, what happens?

Chief METCALF. Thank you.

I believe as much as Mr. Riggs has stated that the grants today have fostered an environment of collaboration at the local level, where we now come together and communicate and share information in ways that we probably may have taken a much longer time to get there without those incentives. I think that if that goes away the value of that collaboration is still appreciated—we still understand it; we still understand the value, but as there is increasing competition for time and resources and as a competitive nature may grow between communities, I think we would—I fear we would see some of that collaboration decline.

Ms. JACKSON LEE. Let me ask two last questions. One of the comments that have been made—and I will use “comment” as opposed to “criticism”—is our local communities buy trinkets and so we need to have oversight over that. That is one. I would like a response.

When I say that I think you understand what I am saying—buy vehicles and other things, which I think are valuable. My port has been able to buy fast-speed boats, et cetera, but—and they have been utilized. But I want that—let’s lay it out on the table. Let’s not be frightened of that.

The other point is, as I said, Minnesota has a vigorous program. My concern is that that kind of leadership, with no discounting of other States, may not be even-handed across 50 States. What may be good in one State may not be good in others, but we know if it gets to the local jurisdiction that is where the pain is.

Anyone can answer that question. I am going to go to Chief first about the criticism of buying things and that there should be more oversight over that.

Chief METCALF. Thank you. Thanks for giving us the opportunity to address that concern.

I believe there have been well-publicized instances of perhaps inappropriate spending of these grant dollars, but in the larger scheme of things they represent a tiny, tiny fraction of the number of entities that are out there putting these funds to excellent use. There are more than 35,000 fire departments in this country that are doing excellent, outstanding work every day on these issues.

In that have there been perhaps a few where there may have been inappropriate spending? Clearly yes. But I believe that we solve that problem by fostering and encouraging the collaboration, by having fire—their fire service peers, in our case, working to stamp out those inappropriate expenditures.

I think having structures like what was described in Minnesota, where folks have the opportunity to defend their purchases or explain their priorities to their peers in other places is an excellent way to accomplish that.

So have there been inappropriate expenditures? Absolutely. But I believe that what gets lost in that is the vast number of places where good work is being done.

Mr. FULOP. Could I just add that yes, it is a valid criticism. Municipalities often buy trinkets, unfortunately, with a lot of these dollars. I think that is valid.

The point, though, is that aggregation of these programs as proposed here won't solve municipalities purchasing trinkets. They are not directly related.

Ultimately, what you will get out of this is a State deciding who gets the trinkets instead of the Federal Government deciding who gets the trinkets. So that portion needs to be solved, but this is not a solution for that.

Ms. JACKSON LEE. Well, I thank Madam Chairwoman. Thank you very much.

If I was unclear, I am not for the consolidation and I appreciate the answers that the—and I appreciate Ms. Eide, as well. I appreciate the answers that have been given and I think there are other ways of oversight and I hope that we will have a way of working through this.

I thank you.

Mrs. BROOKS. Well, I thank you. Thank you for your interest—continued interest in the committee, since you were here at the beginning and standing up this important subcommittee and committee in Congress.

At this point that concludes our testimony and I want to thank the witnesses for their valuable testimony and while—and the Members for their questions and participation. While I appreciate these are incredibly difficult issues and discussion, there might not be complete consensus among all of our committee Members today, we take our role very seriously in advising and in making determinations with respect to FEMA and their proposal.

While we appreciate all the outreach that they have done with the various associations that you all represent and your organizations, I think there is obviously still a lot of concern about the proposal. We appreciate that they submitted on Friday lengthy re-

sponses to questions that we had and we will continue to explore this.

But we also just want to thank all of you. I think that in Government there is no role more important than the safety of its citizens, and so each of you play incredibly critical roles in the safety of the citizens that you protect and we all thank you so very much.

The Members of the subcommittee will have—may have additional questions for you, and we will ask you to respond to those in writing if you should receive any of those questions from our committee. Pursuant to committee rule 7(c), the hearing record will be open for the next 10 days.

Without objection, the subcommittee stands adjourned.

[Whereupon, at 11:55 a.m., the subcommittee was adjourned.]

