

HURRICANES KATRINA AND RITA RECOVERY  
FACILITATION ACT OF 2007

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OCTOBER 18, 2007.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. OBERSTAR, from the Committee on Transportation and  
Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 3247]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom  
was referred the bill (H.R. 3247) to improve the provision of dis-  
aster assistance for Hurricanes Katrina and Rita, and for other  
purposes, having considered the same, report favorably thereon  
with an amendment and recommend that the bill as amended do  
pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Hurricanes Katrina and Rita Recovery Facilitation  
Act of 2007”.

**SEC. 2. DEFINITIONS.**

In this Act, the following definitions apply:

(1) COVERED HURRICANE DAMAGES.—The term “covered hurricane damages”  
means damages suffered in the States of Louisiana and Mississippi as a result  
of Hurricanes Katrina and Rita.

(2) PRESIDENT.—The term “President” means the President acting through  
the Administrator of the Federal Emergency Management Agency.

(3) STAFFORD ACT.—The term “Stafford Act” means the Robert T. Stafford  
Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

**SEC. 3. SPECIAL RULES FOR COVERED HURRICANE DAMAGES.**

(a) IN LIEU CONTRIBUTIONS.—In providing contributions under section 406(c)  
of the Stafford Act (42 U.S.C. 5172(c)) for covered hurricane damages, the President  
shall substitute 90 percent for the otherwise applicable percentage specified in para-  
graphs (1)(A) and (2)(A) of such section.

(b) PARTICIPATION IN PILOT PROJECTS.—The States of Louisiana and Mississippi  
and local governments in such States shall be eligible to participate in the pilot pro-

gram established by section 689j of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 777) with respect to covered hurricane damages.

(c) ALTERNATIVE DISPUTE RESOLUTION PROCEDURES.—

(1) IN GENERAL.—Notwithstanding section 423 of the Stafford Act (42 U.S.C. 5189a) or any regulation, the President is authorized and encouraged to use alternative dispute resolution procedures for appeals of decisions made under sections 403, 406, and 407 of the Stafford Act (42 U.S.C. 5179b, 5172, and 5173) regarding the award or denial of assistance, or the amount of assistance, provided to a State, local government, or owner or operator of a private facility for covered hurricane damages.

(2) DENIALS OF REQUESTS.—

(A) WRITTEN NOTICE.—If a State, local government, or owner or operator of a private facility requests the use of alternative dispute resolution procedures for an appeal pursuant to paragraph (1) and the President denies the request, the President shall provide to the State, local government, or owner or operator written notice of the denial, including the reasons for the denial.

(B) QUARTERLY REPORTS.—The President shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate, on at least a quarterly basis, a report containing information on any denial described in subparagraph (A) made by the President during the period covered by the report, including the reasons for the denial.

(3) APPLICABILITY.—Paragraph (1) shall apply to an appeal made by a State, local government, or owner or operator of a private facility within 60 days after the date on which the State, local government, or owner or operator is notified of the decision that is the subject of the appeal.

(4) REPORT TO CONGRESS.—Not later than one year after the date of enactment of this Act, the President shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Governmental Affairs of the Senate a report containing a description of how alternative dispute resolution procedures are being used pursuant to this subsection and recommendations on whether the President should be given the authority to use such procedures under the Stafford Act on a permanent basis.

(d) ESSENTIAL ASSISTANCE.—In providing assistance under section 403 of the Stafford Act for covered hurricane damages, the President may provide assistance for the re-interment of human remains at a privately-owned or private nonprofit cemetery.

(e) USE OF SIMPLIFIED PROCEDURES.—For covered hurricane damages, the President may use, if requested by a State or local government or the owner or operator of a private nonprofit facility, section 422 of the Stafford Act (42 U.S.C. 5189) for a project for which the Federal estimate of the cost is less than \$100,000.

(f) USE OF TEMPORARY HOUSING UNITS TO PROVIDE HOUSING TO VOLUNTEERS.—

(1) IN GENERAL.—In providing assistance under title IV of the Stafford Act (42 U.S.C. 5170 et seq.) for covered hurricane damages, the President may provide temporary housing units purchased under section 408 of the Stafford Act (42 U.S.C. 5174) to State and local governments and appropriate private nonprofit entities for the purpose of providing housing to volunteers assisting in the recovery from such damages.

(2) FEASIBILITY DETERMINATION.—The President may provide temporary housing units for the purposes described in paragraph (1) only if the President determines that such assistance is appropriate, cost effective, and would not unduly interfere with the ability of the Federal Emergency Management Agency to provide housing for individuals and households with respect to other major disasters.

(g) CONTRIBUTIONS FOR PUBLIC FACILITIES USED TO HOST PUBLIC EVENTS.—

(1) IN GENERAL.—Notwithstanding sections 403 and 406 of the Stafford Act (42 U.S.C. 5170b and 5172), the President may make contributions to the State of Louisiana for—

(A) costs incurred for the repair or restoration of a public facility used to host public events if the facility was damaged as a result of use in conducting response activities for Hurricane Katrina or Rita;

(B) costs incurred because response activities for Hurricane Katrina or Rita precluded the normal use of the facility for public events; and

(C) costs incurred for necessary materials provided to evacuees in a public facility used to host public events.

(2) LIMITATIONS.—

(A) CONTRIBUTIONS FOR REPAIR AND RESTORATION COSTS.—Contributions made under paragraph (1)(A) shall be limited to repair and restoration costs associated with damages described in paragraph (1)(A) that occurred—

(i) in the case of damages related to Hurricane Katrina, on or before October 27, 2005; and

(ii) in the case of damages related to Hurricane Rita, on or before November 23, 2005.

(B) CONTRIBUTIONS FOR COSTS INCURRED FOR CANCELLED EVENTS.—

(i) EVENT REQUIREMENTS.—Contributions made under paragraph (1)(B) shall be limited to costs that are documented for an event—

(I) for which there was a binding commitment for use of the facility in effect prior to August 29, 2005; and

(II) that was scheduled to be held on or before December 31, 2005, at the facility.

(ii) LOST REVENUES.—Contributions under paragraph (1)(B) shall not be made for any lost revenues.

(3) COSTS RECOVERABLE FROM OTHER SOURCES.—Costs that may be recovered by the State of Louisiana from any other program or from insurance or another source shall not be eligible for assistance under this subsection.

(4) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to affect eligibility for assistance under section 403 or 406 of the Stafford Act (42 U.S.C. 5170b or 5172), except to the extent that such assistance would result in a duplication of benefits.

(5) FEDERAL SHARE.—The Federal share of assistance under this subsection shall be 100 percent of the eligible costs.

(6) FUNDING.—Amounts appropriated to carry out sections 403 and 406 of the Stafford Act (42 U.S.C. 5170b and 5172) shall be available to carry out this section, including amounts appropriated before the date of enactment of this Act.

(h) STATUS REPORT.—Not later than 180 days after the date of enactment of this Act, the President shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Government Affairs of the Senate a report regarding the status of recovery for the States of Louisiana and Mississippi from Hurricanes Katrina and Rita.

(i) HAZARD MITIGATION PROJECTS.—

(1) IN GENERAL.—A project for covered hurricane damages initiated by the State of Louisiana or Mississippi in the period beginning on August 29, 2005, and ending on the date of enactment of this Act may contribute toward the non-Federal share of assistance under section 404 of the Stafford Act (42 U.S.C. 5170c) if the project—

(A) complies with all applicable Federal laws governing assistance under such section, and

(B) otherwise is eligible to contribute to the non-Federal share of assistance under such section,

notwithstanding any requirement for approval of the eligibility and compliance of a project by the President prior to the initiation of the project contributing toward the non-Federal share.

(2) APPLICATIONS.—The States of Louisiana and Mississippi may submit an application to the President under section 404 of the Stafford Act with respect to any project described in paragraph (1).

#### PURPOSE OF THE LEGISLATION

H.R. 3247, as amended, the “Hurricanes Katrina and Rita Recovery Facilitation Act of 2007”, provides relief for problems associated with recovery efforts specific to Hurricanes Katrina and Rita. The bill authorizes changes to Robert T. Stafford Disaster Relief and Emergency Assistance Act (“Stafford Act”) programs exclusively for the recovery from Hurricanes Katrina and Rita, and applies these changes retroactively. Specifically, the bill increases the Federal share from 75 percent to 90 percent for “alternate projects” for Hurricanes Katrina and Rita, to allow money designated for a specific facility to be used toward another facility for the same purposes; permits a public assistance pilot program authorized in Public Law 109–295 to apply retroactively to Hurricanes Katrina and Rita; allows for third parties to review and speed up public assist-

ance appeals through the use of alternative dispute resolution procedures; allows use of temporary housing for volunteers; increases the “small project” limit from \$55,000 to \$100,000; authorizes reinterment of remains in private cemeteries; and provides additional flexibility for the projects that count toward the non-Federal share for Stafford Act hazard mitigation programs.

#### BACKGROUND AND NEED FOR LEGISLATION

Hurricane Katrina made landfall on August 29, 2005, and proved to be the costliest natural disaster in American history. The storm had a massive physical impact on the land, affecting 90,000 square miles, which is an area the size of Great Britain. More than 80 percent of the City of New Orleans flooded, an area comparable to seven times the size of Manhattan. Under the authority granted to the President in the Stafford Act (42 U.S.C. 5121–5207), the President declared a Major Disaster in the States of Mississippi and Louisiana on the date the storm made landfall.

The Stafford Act authorizes disaster assistance that the Federal Emergency Management Agency (“FEMA”) provides after a major disaster. While the authority of the Stafford Act is very broad and flexible, it does not anticipate every circumstance that can arise in a disaster such as Hurricane Katrina. Historically, when catastrophic or unusual disasters strike, FEMA and Congress work cooperatively to identify areas where FEMA needs specific authority or direction. However, circumstances were different in dealing with Hurricane Katrina. When Katrina struck, FEMA was no longer a flexible or independent government agency. Rather, FEMA was an organization within the large bureaucracy of the Department of Homeland Security. FEMA no longer had direct access to the President and Congress. FEMA’s lack of autonomy was magnified by the unprecedented scope and magnitude of this hurricane.

At a hearing of the Subcommittee on Economic Development, Public Buildings, and Emergency Management on May 10, 2007, Members testified on issues that are still affecting and hindering recovery in their Congressional Districts, even though two years have elapsed since Katrina. At the hearing, Members proposed specific solutions to the problems identified. The provisions of this bill draw on the findings and recommendations from this hearing.

#### SUMMARY OF THE LEGISLATION

##### *Section 1. Short title*

Section 1 of the bill states that the short title of the Act is the “Hurricanes Katrina and Rita Recovery Facilitation Act of 2007”.

##### *Section 2. Definitions*

Section 2 defines “Covered Hurricane Damages” and clarifies that this bill only applies to damages from Hurricanes Katrina and Rita in Louisiana and Mississippi. The section further defines “President” as the President acting through the Administrator of FEMA and defines “Stafford Act” as the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

*Section 3. Special rules for covered hurricane damages*

Subsection (a) increases the Federal share for large in-lieu projects, also known as “alternate projects” from 75 percent to 90 percent for Hurricanes Katrina and Rita for both public and private non-profit facilities. Under the Stafford Act, the Federal share is currently 75 percent for public and private non-profit facilities damaged by Hurricanes Katrina and Rita. Subsequent to these hurricanes, Congress increased the Federal share to 90 percent for public facilities. This provision will help communities, which have had multiple facilities destroyed by these hurricanes, rebuild facilities and reestablish services in a manner that will best suit their needs.

Subsection (b) gives the Administrator of FEMA the discretion to make public assistance programs for Hurricanes Katrina and Rita in Louisiana and Mississippi eligible under an existing public assistance pilot program authorized in section 689j of the Post-Katrina Emergency Management Reform Act (P.L. 109–295). This pilot program increases flexibility in FEMA’s administration of program regulations to expedite the provision of assistance to States. The Committee recognizes that FEMA historically has applied changes to the Stafford Act and its regulations prospectively to disasters declared on or after the effective date of the change, unless expressly provided otherwise. In most circumstances, this approach is prudent because it provides clarity and stability in implementing assistance. However, as was discussed in the May 10, 2007 hearing of the Subcommittee on Economic Development, Public Buildings, and Emergency Management, Hurricanes Katrina and Rita posed and continue to pose unique challenges in complexity and magnitude. By authorizing programs for Hurricanes Katrina and Rita to be eligible for participation in the pilot program retroactively, the Committee anticipates this provision will help facilitate the recovery in the Gulf Coast.

Subsection (c) encourages alternative dispute resolution procedures for appeals of public assistance decisions by FEMA for Hurricanes Katrina and Rita. The Committee is concerned about the speed of the implementation of the public assistance program for Hurricanes Katrina and Rita and the impact of the delays on recovery in the Gulf Coast. In a hearing of the Subcommittee on Economic Development, Public Buildings, and Emergency Management, several Members of Congress testified about delays in the public assistance appeals process. In particular, Members were concerned about the same officials reviewing both first and second appeals in the public assistance program and about delays in processing of appeals. This provision permits the Administrator to use alternative dispute resolution procedures to facilitate the review of appeals in a timely and fair manner. Applicants are permitted to elect alternative dispute resolution for either first or second appeals, but are only allowed to do so once, and only if FEMA concurs. In implementing this pilot program, the Administrator is encouraged to use FEMA’s Office of Alternative Dispute Resolution as well as resources outside of FEMA. Under this provision, FEMA is not required to use alternative dispute resolution when requested by applicants, but if the Administrator rejects such a request, he must provide a written notice of the denial including the reasons for the denial. This provision requires FEMA to report to the Com-

mittee on denials and to report within one year whether this authority should be granted permanently.

Subsection (d) authorizes FEMA to provide assistance under section 403 of the Stafford Act to reimburse expenses incurred for the re-interment of human remains at privately-owned or private non-profit cemeteries following Hurricanes Katrina and Rita. As a result of these storms, hundreds of bodies were washed away from public and private cemeteries, and in many cases, no one claimed the bodies. In Cameron Parish, nearly 350 bodies, crypts, and caskets had to be re-interred. Because FEMA does not usually provide assistance directly to privately-owned facilities, the Committee recommends that privately-owned and private non-profit cemeteries applying for assistance under this provision apply through the State, if the State agrees to apply on their behalf. The Committee does not intend for this process to preclude cemeteries from receiving assistance. In providing this assistance, FEMA should apply similar eligibility criteria for expenses incurred for the re-interment of human remains at publicly-owned cemeteries under the provisions of the disaster-specific guidance dated October 29, 2005.

Subsection (e) allows the Administrator of FEMA to apply the Simplified Procedure, under section 422 of the Stafford Act, for the administration of "small projects" for projects up to \$100,000. The current limit is \$55,000. Small projects are allowed to begin based on cost estimates.

Subsection (f) allows FEMA to provide temporary housing units for use by volunteers assisting in recovery and reconstruction on the Gulf Coast. At the May 10, 2007 hearing of the Subcommittee on Economic Development, Public Buildings, and Emergency Management, the lack of volunteer housing was cited as an impediment to the use of volunteers in the Gulf Coast and, as a result, a hindrance to recovery.

Subsection (g) authorizes the reimbursement of certain facilities that housed evacuees after Hurricanes Katrina and Rita. The Committee is concerned that two years after Hurricanes Katrina and Rita, a number of arenas and other similar facilities in the State of Louisiana that housed evacuees in the immediate aftermath of the storms have not been adequately reimbursed for costs incurred in hosting those evacuees including repair or restoration of those facilities. These facilities include the Baton Rouge River Center, facilities of the Recreation and Park Commission for the Parish of East Baton Rouge, the Lamar-Dixon Expo Center in Ascension Parish, and the Cajundome in Lafayette. In providing this assistance, the Committee expects FEMA will require similar documentation and procedures as it does for the public assistance program. Subsection (g)(3) provides that assistance shall not be provided if reimbursement is available from any other program, insurance, or any other source. In implementing this specific requirement, the Committee intends that FEMA use the same guidelines applicable under section 312 of the Stafford Act.

Subsection (g)(1)(C) allows reimbursement for costs incurred for necessary materials provided to evacuees in a public facility used to host public events. The necessary materials include supplies provided directly to or for the benefit of children who were evacuees including school supplies (such as backpacks, water bottles, and lunch bags), recreation materials, and art supplies. The Committee

recognizes the extraordinary circumstances children faced while in shelters and the efforts made to provide as much support and comfort as possible to these young evacuees.

Subsection (h) requires the Administrator to report to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Homeland Security and Government Affairs of the Senate on the status of recovery for the States of Louisiana and Mississippi from Hurricanes Katrina and Rita within 180 days. The Committee intends the report to include the following issues:

#### *Coastal High Hazard Areas*

The Committee is concerned about FEMA's recent guidance concerning the restrictions on construction in Coastal High Hazard Areas for public assistance. Flood plain management regulations permit construction in Coastal High Hazard Areas as long as the construction complies with elevation, wave-load standards, and free-of-obstruction requirements. For 21 months, FEMA cooperated with the State of Mississippi and local officials to approve public assistance projects to rebuild schools and other public facilities inside Coastal High Hazard Areas. On June 5, 2007, FEMA issued a memorandum that reinterpreted its previous guidance and declared that no new construction is permitted in Coastal High Hazard Areas. This sudden change of policy is causing significant delay and difficulty for school districts and local governments that were forced to relocate and redesign projects.

#### *Public utilities*

The Committee instructs FEMA to report on the requirements that apply to contracts for clearing the rights-of-way of eligible utilities for the purpose of restoring services after a disaster. The Committee has received reports that FEMA has advised eligible utilities that it will reimburse contracts on the basis of time and materials or time and equipment for the first 72 hours after a disaster, but after 72 hours, the contracts must be rebid to conform to the standard debris removal contract payable by the cubic yard. Utilities hire contractors to clear their rights-of-way as quickly as possible to restore services to communities. The Committee is concerned that this practice to reopen public utility right-of-way clearance contracts after 72 hours and to reimburse these contracts according to volume rather than according to reasonable time and equipment costs stands to greatly increase the government's costs while delaying the restoration of utility services.

#### *Schools*

The Committee is very concerned about the slow pace of reconstruction of schools in Mississippi and Louisiana. Many students are in their third school year in temporary classrooms. The Committee instructs FEMA to report on the status of each proposed school facility project in the Bay St. Louis-Waveland School District, the Pass Christian School District, and the Hancock County School District in Mississippi, with an explanation of any disputes that have delayed approval of the project.

*Building to code*

According to local governments in Louisiana and Mississippi, the Federal share of public assistance to rebuild or repair a damaged facility may not account for additional costs to comply with modern building codes, accessibility requirements, environmental standards, and other construction requirements. The Committee is concerned to learn this, especially in light of FEMA's regulations under 44 CFR 206.226(d), which addresses eligibility of additional costs due to compliance with current codes. FEMA estimates the Federal share of public assistance based on the cost of restoring or replacing a facility to its condition before the disaster. However, many older facilities are not fully compliant with current building codes and standards. Sometimes, the additional costs that are required to comply with building codes, accessibility requirements, environmental standards, and other building requirements are not within the scope of work for FEMA's determination of the Federal share. The Committee instructs FEMA to identify and report on the status of any pending project in which the difference between the cost to restore or replace a facility to its pre-disaster condition is less than 75 percent of the estimated cost to rebuild or repair the facility to current codes and standards.

Subsection (i) waives the pre-certification requirement for a State's non-Federal share for Stafford Act hazard mitigation projects. The Hazard Mitigation Grant Program ("HMGP") is designed to provide funds to mitigate future loss of property and life. The program requires States to provide at least 25 percent of the cost of eligible projects to access Federal funds. This State matching requirement may be made through in-kind projects (also referred to as "global match") funded with non-Federal dollars. The language in this subsection allows in-kind projects initiated in the recovery efforts after Hurricanes Katrina and Rita to contribute the non-Federal share in an HMGP application, if FEMA can determine that the project meets all eligibility and compliance requirements that apply to HMGP projects. This provision simply waives the requirement for pre-approval of a project that is intended for use as the non-Federal share of an HMGP project, and is not intended to waive any substantive eligibility or compliance requirement. This language allows for the review and determination by FEMA to occur after project implementation.

## LEGISLATIVE HISTORY AND COMMITTEE CONSIDERATION

In the 110th Congress, the Subcommittee on Economic Development, Public Buildings, and Emergency Management held a hearing on May 10, 2007, entitled "Legislative Fixes for Lingering Problems that Hinder Katrina Recovery". At the hearing Members of Congress from Louisiana and Mississippi testified regarding issues that communities and citizens still face in recovering from Hurricane Katrina.

On July 31, 2007, Subcommittee Chairwoman Norton introduced H.R. 3247, the "Hurricanes Katrina and Rita Recovery Facilitation Act of 2007".

On August 1, 2007, the Subcommittee on Economic Development, Public Buildings, and Emergency Management met in open session to consider H.R. 3247. The Subcommittee favorably recommended

the bill to the Committee on Transportation and Infrastructure by voice vote.

On August 2, 2007, the Committee on Transportation and Infrastructure met in open session to consider H.R. 3247. An amendment to add subsection (i) to the bill, to waive the pre-certification requirement for a State's non-Federal share for Stafford Act hazard mitigation grant program projects, was adopted by voice vote. The Committee on Transportation and Infrastructure ordered the bill, as amended, reported favorably to the House by voice vote with a quorum present.

#### RECORD VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each record vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no recorded votes taken in connection with the amendment offered to H.R. 3247 or ordering H.R. 3247 reported. A motion to order H.R. 3247, as amended, reported favorably to the House was agreed to by voice vote with a quorum present.

#### COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

#### COST OF LEGISLATION

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

#### COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirement of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included in the report.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of this legislation are to authorize assistance for the recovery from Hurricanes Katrina and Rita.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the enclosed cost estimate for H.R. 3247, as amended, from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
 CONGRESSIONAL BUDGET OFFICE,  
 Washington, DC, September 24, 2007.

Hon. JAMES L. OBERSTAR,  
 Chairman, Committee on Transportation and Infrastructure,  
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3247, the Hurricanes Katrina and Rita Recovery Facilitation Act of 2007.

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

Sincerely,

ROBERT A. SUNSHINE  
 (For Peter R. Orszag, Director).

Enclosure.

*H.R. 3247—Hurricanes Katrina and Rita Recovery Facilitation Act of 2007*

H.R. 3247 would authorize the Federal Emergency Management Agency (FEMA) to provide additional forms of assistance to certain areas affected by Hurricanes Katrina and Rita. Funding for such assistance would come from the \$43.5 billion already appropriated to FEMA's Disaster Relief Fund (DRF) for the hurricanes. Because CBO does not expect that the proposed changes in this legislation would have a significant effect on the pace or amount of federal expenditures from the DRF, we estimate that enacting H.R. 3247 would have no significant effect on direct spending. Enacting the bill would not affect revenues.

H.R. 3247 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Under current law, Gulf Coast states are eligible to receive from FEMA 100 percent of the funds needed to repair or replace public infrastructure damaged by the 2005 hurricanes. If, however, states choose to relocate such buildings or other structures, the federal cost share falls to 75 percent. H.R. 3247 would raise the federal cost share on relocated infrastructure to 90 percent. Allowing states to receive a higher portion of their reconstruction costs from the federal government could affect the rate of spending from previously appropriated funds, but CBO expects that the pace of such expenditures would not change significantly because other factors that affect the speed of reconstruction activities would remain unchanged.

H.R. 3247 also would authorize some new types of assistance to areas of Louisiana and Mississippi affected by Hurricanes Katrina and Rita. The legislation would authorize FEMA to provide temporary housing units (for example, trailers and mobile homes) to state and local governments and nonprofit organizations to house volunteers working in the Gulf Coast region. In view of FEMA's decision to suspend the sale and donation of its trailer units pending a further investigation into the safety of those units, it is unclear how FEMA might use this authority. However, CBO estimates that if sales and donations resume, implementing this provision would not lead to a significant acceleration of spending or a net impact

on expenditures from the DRF. Moreover, H.R. 3247 would authorize FEMA to provide assistance for re-interment in private cemeteries and for the compensation of business losses (excluding losses in revenue) stemming from events that were scheduled to be held in public facilities damaged by the 2005 Gulf Coast hurricanes.

Funding for the assistance authorized by H.R. 3247 would come from the \$43.5 billion appropriated thus far to the DRF for Hurricanes Katrina, Rita, and Wilma. CBO estimates that about \$13.5 billion of such funding remains unspent as of July 2007. We expect that enacting H.R. 3247 could lead to some reallocation of those existing funds, but that the rate of spending such balances would not change significantly under the bill.

The CBO staff contact for this estimate is Daniel Hoople. This estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.

#### COMPLIANCE WITH HOUSE RULE XXI

Pursuant to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee is required to include a list of congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(d), 9(e), or 9(f) of rule XXI of the Rules of the House of Representatives. The Committee has required Members of Congress to comply with all requirements of clause 9(d), (9(e), or 9(f) of rule XXI. The following table provides the list of such provisions included in the Committee Report:

Section	Subject	Requested by
Committee Report .....	Baton Rouge River Center, Baton Rouge, Louisiana .....	Richard H. Baker
Committee Report .....	Recreation and Park Commission, East Baton Rouge Parish, Louisiana..	Richard H. Baker
Committee Report .....	Lamar Dixon Expo Center, Ascension Parish, Louisiana .....	Charlie Melancon
Committee Report .....	Cajundome, Lafayette, Louisiana .....	Charles W. Boustany, Jr.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article I, section 8 of the Constitution.

#### FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104-4).

#### PREEMPTION CLARIFICATION

Section 423 of the Congressional Budget Act of 1974 requires the report of any Committee on a bill or joint resolution to include a statement on the extent to which the bill or joint resolution is intended to preempt state, local, or tribal law. The Committee states

that H.R. 3247, as amended, does not preempt any state, local, or tribal law.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act are created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104–1).

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 3247 makes no changes to existing law.

