

STATEMENT

OF

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BEFORE

THE

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP  
U.S. SENATE  
WASHINGTON, D.C.

“Federal Disaster Response and SBA Implementation of the RISE Act”

Submitted

By

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April 6, 2016

## **Introduction**

Good afternoon Chairman Vitter, Ranking Member Shaheen, and Members of the Committee. My name is Elizabeth Zimmerman and I am the Associate Administrator for the Office of Response and Recovery at FEMA, responsible for directing the Agency's response, recovery, and logistics programs and field operations. Thank you for the opportunity to testify about FEMA's support of the private sector during the disaster response and recovery process.

At FEMA, we recognize how important it is for a community's recovery following a disaster to get local businesses, large and small, back up and running. Local businesses are where survivors work, get their resources, and connect with other members of their community.

Today, I will provide an overview of FEMA's disaster assistance programs and the initiatives we've established to coordinate with and assist the private sector during disaster recovery. I will also discuss specific support we are providing to local businesses during the current response in Louisiana. Finally, I will highlight some of the work we do during steady-state to help better prepare businesses to be more resilient in the event of a disaster.

## **FEMA's Disaster Assistance Programs**

Following a Presidential disaster declaration, FEMA has three primary disaster assistance programs that can be activated to support affected communities: the Individual Assistance Program, the Public Assistance Program, and the Hazard Mitigation Grant Program (HMGP).

The Individual Assistance program provides support for individual survivors, including grants for temporary housing and home repair or replacement for their primary residence, as well as other disaster-related needs such as medical, dental, child care, and funeral expenses. FEMA's Public Assistance program provides supplemental federal funding to state, local, tribal, and territorial governments and certain non-profits on a cost-sharing basis for emergency work costs and repair or replacement to public infrastructure damaged during the disaster. The HMGP provides federal funding for hazard mitigation measures throughout a declared state or tribal nation to help build more resilient communities and reduce risk before the next event.

Upon a major disaster declaration that authorizes Individual Assistance, the U.S. Small Business Administration's (SBA) low-interest disaster loan program is activated that includes loans for damaged property as well as Economic Injury Disaster Loans to help small businesses meet working capital needs. This program is the primary source of federal funding for affected businesses in the aftermath of a declared disaster. FEMA works closely with the SBA during a response, co-located at the Joint Field Office (JFO) in the affected area, to coordinate outreach to local businesses and educate them on these available assistance programs.

Following a disaster declaration, FEMA deploys personnel dedicated to private sector coordination. These staff engage local chambers of commerce, business industry associations, and major local employers to ensure that FEMA understands the impacts of the disaster on the local business community. They also provide information to business leaders on the SBA's disaster loan program as well as FEMA's Individual Assistance program so that employers can help their staff get any assistance they may need for their homes and families.

FEMA private sector specialists also collaborate with local private sector partners to provide information on how to do business with FEMA, which may include presentations to chamber or association membership groups outlining the requirements to be considered for potential contracting opportunities.

### **Contracting with Local Firms to Support Community Recovery**

Section 307 of *The Robert T. Stafford Emergency Relief and Disaster Assistance Act* (P.L. 93-288, as amended, 42 U.S.C. 5121-5207) directs FEMA, to the extent feasible and possible, to contract with local firms in the affected area for disaster response and recovery activities.

To ensure there are no delays in getting support to survivors, at the beginning of a response FEMA relies on national surge contracts, interagency agreements, or mission assignments to other federal agencies. The Agency then transitions some of these functions, when practical and feasible, to local business contracts. The *Stafford Act* requirement is met during a disaster response by either establishing set-asides or an evaluation preference to local firms, as outlined in the *Federal Acquisitions Regulation*.

All Procurement Unit Leads deployed to a disaster response are trained on local contract transition considerations, and how to identify local businesses that could be used for response activities. From 2010-2015, FEMA awarded more than \$88 million in contracts to local firms for response activities.

### **Local Hire Process**

In addition to supporting existing local businesses in disaster response efforts, FEMA also directly employs members of affected communities through our Local Hire process. As a disaster response progresses, FEMA will hire and train members of the community for positions across a wide variety of functions. This not only helps provide employment opportunity to survivors who may have been affected by the disaster, but also allows FEMA to employ staff who have connections to the community and understand the unique recovery challenges they face.

### **National Disaster Recovery Framework**

Published in 2011, the National Disaster Recovery Framework (NDRF) identifies core recovery principles, establishes six federal Recovery Support Functions (RSFs), defines roles and responsibilities of recovery coordinators, and outlines the organizational structure for a federal recovery coordination mission to support state, local, tribal, and territorial governments. This framework, through the activation of the Economic Recovery RSF, provides a national coordination model that taps into whole community resources to support businesses and the local economy as it recovers.

### **National Business Emergency Operations Center**

In 2012, FEMA established the National Business Emergency Operations Center (NBEOC), which facilitates two-way information flow between FEMA, impacted states, and the private sector during a disaster response. The NBEOC allows us to engage with key private sector stakeholders who bring resources, capabilities, and expertise to bear during a disaster response to determine impacts on their ability to provide services to the public. Participation in the NBEOC

is open to all members of the private sector, including large and small businesses, associations, universities, think tanks, and non-profits.

NBEOC personnel, along with FEMA's Region VI Private Sector Liaison, worked closely with the Louisiana Business Emergency Operations Center at the onset of the March 2016 flooding to provide key response information to the affected business community and assess initial impacts.

### **Ongoing Response in Louisiana to the March 2016 Severe Storms and Flooding**

On March 13, 2016, President Obama issued a Major Disaster Declaration for Louisiana (DR-4263-LA) in response to severe storms and flooding. This declaration, and subsequent amendments, made funding available to both eligible individuals and state, local, and tribal governments in 30 parishes through FEMA's Individual and Public Assistance programs. The Hazard Mitigation Grant Program was also activated state-wide.

Once the disaster was declared, more than 1,100 federal employees were deployed to support the state and implement the federal disaster assistance programs. Both FEMA and SBA deployed staff to directly support local business recovery. FEMA currently has six employees in Louisiana specifically dedicated to private sector coordination. These personnel are deployed throughout the designated parishes and are coordinating outreach and support to businesses through partnerships with:

- counterparts at the Small Business Administration;
- the Private Sector Coordinator in the Governor's Office of Homeland Security and Emergency Preparedness;
- the Louisiana Business Emergency Operations Center;
- local Chambers of Commerce;
- State business and trade associations; and
- FEMA's Disaster Survivor Assistance Teams that deploy to affected areas and meet with affected individuals and businesses to provide information about federal assistance programs.

Thanks to these partnerships, FEMA was able to immediately tap into business networks following the declaration and provide information about available assistance programs to the private sector. These businesses have also become partners in sharing that information throughout the whole community. For example, businesses are sharing FEMA Individual Assistance registration information on Outdoor Advertising digital billboards and Walgreens reader boards throughout the designated parishes. FEMA has also coordinated with a local utility company to print registration information on the billing statements of more than 200,000 customers.

Within ten days of the Louisiana disaster declaration, state and federal partners opened up eight Disaster Recovery Centers (DRCs) across the designated parishes, with more to follow. These centers are "one-stop-shops" for individuals and businesses to get information about available recovery programs. Representatives from FEMA's Individual Assistance Program and the SBA are available at all DRC locations to provide information and answer questions.

In coordination with SBA, FEMA's private sector specialists in Louisiana are sharing timely and relevant recovery information to affected businesses and monitoring emerging issues and trends in order to address high-level concerns if needed. FEMA private sector staff also support partners to facilitate events which can include Business Recovery Fairs, forums on business continuity and preparedness, and roundtables to discuss industry-specific issues.

In the first ten days following the Louisiana declaration, FEMA contracted with multiple local firms resulting in more than \$600,000 to the local economy for goods and services such as JFO security guards, translators and interpreters, and office supplies.

### **Business Preparedness**

While this hearing is focused on disaster recovery efforts, it is also important to note that FEMA headquarters and all ten FEMA regions work year-round to engage businesses and encourage emergency and business continuity planning to help them recover more quickly in the event of a disaster. Preparing small businesses for all-hazards is a shared goal between FEMA and the SBA, with FEMA actively supporting SBA efforts to improve small business resilience.

FEMA's Private Sector Division developed a Small Business Toolkit to make resources from across government agencies available to small businesses in one centralized location. This material is part of the larger Ready Business Campaign which is designed to help owners and managers of businesses prepare their employees, operations, and assets in the event of an emergency. The primary elements of Ready Business include web content for comprehensive business preparedness and Ad Council PSAs delivered through television, radio, print, outdoor advertising. The Ready Business website also hosts the Business Continuity Planning Suite developed by the DHS National Protection and Programs Directorate and FEMA.

Each year FEMA collaborates with the DHS Private Sector and Infrastructure Protection Offices and with NORTHCOM/NORAD to plan a public-private partnership conference. In December 2015, FEMA hosted the "Fifth Annual Business Resilience through Public-Private Partnerships" conference in New Orleans. Nearly 400 attendees from private sector businesses, non-profits, and state, local, and tribal governments gathered to pursue strategies to build a more resilient nation through community resilience. Conference participants developed action plans and a collection of shared resources to further their organization's resilience and nurture new partnerships.

The Ready Campaign, FEMA Private Sector Division, and the Individual and Community Preparedness Division are also currently developing regional preparedness and operational coordination workshops for small business preparedness and how to develop public-private coordination mechanisms during disasters. These regional events are scheduled to begin in May.

### **Conclusion**

At FEMA, we subscribe to a whole community approach to emergency management. All sectors of a community, including the private sector and specifically local businesses, need to be involved in preparing for, protecting against, responding to, recovering from, and mitigating against disasters in order for us, as a nation, to be more resilient. The federal family continues to

work with businesses before, during, and after a disaster to support community resiliency and recovery.

Again, thank you for the opportunity to testify today. I look forward to any questions the Committee may have.