



U.S. House of Representatives
Committee on Transportation and Infrastructure

James L. Oberstar
Chairman

Washington, DC 20515

John L. Mica
Ranking Republican Member

October 22, 2009

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The Honorable W. Craig Fugate
Administrator
Federal Emergency Management Agency
500 C Street S.W.
Washington, D.C. 20472

Dear Administrator Fugate:

The Inspector General of the Department of Homeland Security released a Management Advisory Report today that highlights the staggering costs the Federal Emergency Management Agency (FEMA) pays to store and maintain over 100,000 tainted housing units. According to the Inspector General and a minority committee staff report we also are releasing today, FEMA spends over \$100 million annually to hold onto these surplus trailers. Based on our findings, we believe the government should end this tremendous waste of taxpayer dollars as quickly as possible.

In response to the issues raised in these reports, we would request that FEMA:

- Expedite the disposal of excess housing units;
- Reduce costs and improve the management and accounting of actual expenditures;
- Evaluate more cost-effective housing strategies for future disasters; and
- Provide the committee with any recommendations on changes to law that would assist FEMA in cutting costs and improving accountability with the current or future inventories of temporary housing units.

We have called on Congress to ensure FEMA has the appropriate flexibility to manage its inventory and provide the taxpayer the maximum return on investment. Last Congress, H.R. 3969, a bill that would have provided additional flexibilities for the use of existing housing units in emergencies was introduced. A version of that language is currently pending as part of H.R. 3377, the Disaster Response, Recovery, and Mitigation Enhancement Act of 2009. Additional legislative solutions would be appropriate as we examine revisions to the law.

We look forward to your attention to these matters.

John L. Mica
Ranking Republican Member
Committee on Transportation and
Infrastructure

Sincerely,

Mario Diaz-Balart
Ranking Republican Member
Subcommittee on Economic
Development, Public Buildings, and
Emergency Management