

# FEMA Disastrously Short of Cash? Blame Obama's Malign Neglect

by Carl Osgood

Sept. 19-The fact Federal Emergency Management Agency's disaster relief fund is about to run out of money can be laid squarely at the feet of President Obama. Obama waited until Sept. 9 to ask for a supplemental appropriation to replenish the fund, even though he was warned, as far back as last February, that FEMA was going to run short of cash.

Sen. Mary Landrieu (D-La.) knows this, having written to Obama three times between Feb. 16 and May 2, calling on the President to request supplemental funding for the relief fund, so that FEMA would not put disaster recovery projects on hold because of lack of funds. Yet, she said nothing about this during last week's debate on a Senate supplemental bill to provide \$6.9 billion in additional disaster funding, including \$5.1 billion into the disaster relief fund. Instead, she blamed the Republicans for "politicizing" disaster relief. And while some Republicans have certainly been stupid on the matter, it has been Obama, as President, who has been giving Americans the Haiti treatment.

In her May 2 letter, Landrieu indicated that FEMA already was facing a \$1.2 billion shortfall in its disaster relief accounts because of past Presidentially declared disasters, including Hurricanes Katrina, Rita, Gustav, and Ike; the Midwest floods of 2008; and the Tennessee floods of 2010. That didn't take into account the rash of killer tornadoes that had just devastated the Southern states, even striking as far away as Minnesota and Massachusetts, in the preceding few weeks, and certainly not the Mississippi-Missouri River flooding, and other disasters to come. "Regretably," Landrieu noted, "no request was submitted to



U.S. Senate

*Sen. Mary Landrieu (D-La.) has written to President Obama three times this year, calling for supplemental relief funding. There has been no response from the White House.*

Congress," to make up the shortfall.

Obama's malign negligence of the disaster relief fund is further compounded by the underlying crime of his defense of the Wall Street-based financial system. The ongoing bailouts of the Wall Street banks and hedge funds that caused the economic crisis not only are to be paid for by austerity forced onto the general population, but they also guarantee that, even if money is made available to FEMA for short-term disaster relief, the long-term infrastructural development necessary to mitigate future disasters will never occur.

As for the supplemental request, it finally passed the Senate on Sept. 16, by a vote of 62 to 37, eight Republicans joining with all the Democrats to push the bill over the 60-vote threshold that had been agreed to earlier, but not before two GOP amendments to

offset the disaster funding by making cuts elsewhere in the budget were rejected. Besides the \$5.1 billion for the disaster relief fund, the bill also includes about \$1.3 billion for the U.S. Army Corps of Engineers to repair infrastructure damage, and for dredging of navigation channels and other destruction resulting from the disastrous flooding this Summer, as well as smaller amounts for disaster relief programs of other agencies.

During the debate on Sept. 15, Landrieu told the Senate that FEMA has put \$387 million worth of projects in 42 states and the U.S. Virgin Islands on hold, just since Sept. 1, because of the lack of funds. "Every day this list is going to get bigger and bigger," she said. "All this is a pink slip to someone unrelated to the current emergency. They are working emergencies



FEMA/George Armstrong

*The devastation caused by Hurricane Katrina in 2005 (shown here), followed by six years of neglect, and the wave of hurricanes, tornadoes, flooding, and drought in years after, have left hundreds of thousands of American families with nowhere to go. The President could care less.*

from three years ago, and now they are being put out of work” because of the failure of the Senate to act.

Sen. Barbara Boxer (D-Calif.) reported that counties in southern California are unable to repair roads that were damaged by mudslides in January and February of 2010 because they can’t get the \$3.5 million promised by FEMA to rebuild them. Sen. Bernie Sanders (I-Vt.) told the Senate that preliminary estimates for damage to Vermont’s Federal highway system, as a result of flooding from Hurricane Irene, are now in excess of \$500 million, and will likely wind up being much more than that, not to mention other damage to the state.

The House plans a different approach than the Senate, however. House leaders are planning to bring a continuing resolution to the floor either on Sept. 20 or 21, which has attached to it \$3.4 billion for FEMA and another \$225 million for the Army Corps of Engineers. The House bill partially offsets the disaster funding by taking \$1.5 billion out of a loan program for developing electric cars, most of which has not been spent.

It is not yet known how the two Houses will reconcile their differences. Meanwhile, as of Sept. 17, the balance in FEMA’s disaster fund has fallen to \$351 million, according to FEMA spokeswoman Rachel Racusen. FEMA officials are warning that the fund could be exhausted by Sept. 26. Even if the full \$6.9 billion were

to be approved, however, it is by no means enough to cover a deficit that has been building since Hurricane Katrina in 2005.

### **FEMA Already Out of Money**

For many locations affected by disasters, this year, and over the past few years, FEMA has, in effect, already run out of money for them. FEMA informed Illinois Gov. Pat Quinn last week, that it has denied assistance to three counties, Stephenson, Jo Daviess, and Carroll counties, which suffered heavy damage from severe storms and flooding on July 27 and 28. The agency said that the state did not meet the dollar thresholds for damage for Public Assistance. The three counties suffered some \$7 million in damages, with Jo Daviess getting the worst of it. Colin Fulrath, the

county’s emergency manager, told the *Freeport Journal Standard* on Sept. 13 that the county still has 16 roads and 6 bridges closed. Two of the bridges were washed out completely. “I don’t know what we’ll do,” he said. “We are already scraping for money.”

In Louisiana, Jefferson Parish has been forced to put street repairs, still needed after Hurricane Katrina in 2005, on indefinite hold, because of the lack of money from FEMA. FEMA promised to pay \$100 million to the parish in March of 2010 as part of an out-of-court settlement, but the money has stopped flowing because of the rundown of the disaster relief fund. Parish officials estimate that the cost to fix all of the damaged roads could be as much as \$400 million.

FEMA owes Iowa \$1.2 billion and Nebraska \$40 million for disasters going back to 2007, according to a Sept. 9 report in the *Omaha World Herald*. Among the disasters FEMA has yet to make reimbursement payments for in those two states are the 2007 New Year’s Day ice storm in Nebraska, and the 2008 flooding that devastated Cedar Rapids and other communities in Iowa. “It’s really no different than it was before, because we never know when the money is going to come,” Faythe Peterson, the emergency management director for Madison, Antelope, and Pierce Counties in northeast Nebraska, told the *World Herald*. Communities in her region are still waiting for several hundred

thousand dollars in assistance for the Elkhorn River flood of 2010.

## **Infrastructure Needs Unmet**

The negligence of the Obama Administration is not limited to failure to properly fund FEMA. Other agencies that have disaster recovery responsibilities, such as the U.S. Army Corps of Engineers, the Agriculture Department, the National Oceanic and Atmospheric Administration, and the Federal Highway Administration, among others, have also been stiffed. The result is an accelerated collapse of an already decrepit national infrastructure base. A few examples make the case.

Since Hurricane Katrina in 2005, there are significant rebuilding projects for the City of New Orleans and other parts of the Gulf Coast, to which FEMA made commitments, but the aid has been suspended. In the one shining case of a completed project—the world’s largest flood-surge barrier gates, built on-budget and on-time, under the direction of the Army Corps to protect New Orleans, the Obama Administration refuses to come across with operational funding to man the gate system. The local levee district is trying to fundraise to do it, instead!

The Corps has been denied sufficient resources to conduct all the dredging required after the floods in the lower Mississippi River, and elsewhere. In the Missouri River system, the Corps estimates that the cost to repair its levees and the ladder of dams from Montana to Nebraska will cost over \$1 billion. But the Obama Administration has proposed a *cut* in the Corps’ already paltry budget, from \$4.9 billion to \$4.4 billion!

The interstate highway system requires urgent restoration at several points. For example, Interstate 29, going north-south from Canada to Kansas City, has had closures for two months. In the east, Interstate 81, from Canada to southern Virginia, has several sections washed out in New York and Pennsylvania. In Vermont and New England, Interstates 89 and 91 from Canada south, and several other arteries, have broken links. Secondary roads are damaged or destroyed in many states. Small towns, especially in Vermont, remain cut off, or accessible only by the most round-about routes.

Rail routes in New England, and along the Missouri River, have extensive damage. The busy Burlington Northern/Santa Fe (BNSF) rail corridor through St. Joseph, Missouri was severed by flooding. BNSF repair work was done, with hopes of being open by now. But nearby, routes in Omaha will not reopen until late September or even into October.