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REVIEW OF THE NATION'S INFRASTRUCTURE SECURITY

HEARING

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

ON

ENSURING THE SECURITY, PROTECTION, AND PRESERVATION OF PUBLIC WORKS, UTILITIES, AND ECONOMIC ZONES AGAINST TERRORIST ATTACKS

NOVEMBER 1, 2001

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C O N T E N T S

Page

NOVEMBER 1, 2001

OPENING STATEMENTS

Carper, Hon. Thomas R., U.S. Senator from the State of Delaware 28
Clinton, Hon. Hillary Rodham, U.S. Senator from the State of New York 5
Corzine, Hon. Jon S., U.S. Senator from the State of New Jersey 8
Jeffords, Hon. James M., U.S. Senator from the State of Vermont 3
Smith, Hon. Bob, U.S. Senator from the State of New Hampshire 1

WITNESSES

Brown, Michael, Deputy Director, Federal Emergency Management Agency 10
Prepared statement 35
Horinko, Marianne L., Assistant Administrator, Office of Solid Waste and Emergency Response, Environmental Protection Agency 20
Prepared statement 46
Meserve, Richard, Chairman, Nuclear Regulatory Commission 16
Prepared statement 42
Mitchell, Herbert, Associate Administrator for Disaster Assistance, Small Business Administration 18
Prepared statement 45
Moravec, Joe, Commissioner, Public Building Service, General Services Administration 13
Prepared statement 38
Sampson, David, Assistant Secretary for Economic Development, Economic Development Administration, U.S. Department of Commerce 15
Prepared statement 39

REVIEW OF THE NATION'S INFRASTRUCTURE SECURITY

THURSDAY, NOVEMBER 1, 2001

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The committee met, pursuant to notice, at 2:08 p.m. in room 406, Senate Dirksen Building, Hon. Jim Jeffords (chairman of the committee) presiding.

Present: Senators Jeffords, Clinton, Smith, Corzine, and Carper.

Senator CLINTON [assuming the chair]. The hearing will come to order.

I turn first to our ranking member, Senator Smith.

OPENING STATEMENT OF HON. BOB SMITH, U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE

Senator SMITH. Thank you very much, Madam Chairman. I appreciate that. Again, I did speak privately to the witnesses, but I want to apologize for having to make a brief statement and then leave. I am going to try to get back, but at 2 o'clock I have three things going on at the same time. One thing none of us has been able to learn to do around here is be at different places at the same time. But I want to thank Senator Jeffords for conducting the hearing.

The attacks that we all endured on September 11 and basically continue to endure ever since have left this Nation with a number of questions dealing with preparedness and security measures. I think I have talked to almost each and everyone of you personally and I want to compliment all you for the job that you are doing and will have to continue to do. It is not going to be easy. As we read the papers, we hear of more and more anthrax turning up in different locations in the country.

We did hear from Director Allbaugh a couple of weeks ago about the emergency responders and about the response in New York and the Pentagon and what lessons were learned. Today, we take the next step. We want to consider whatever we can do to help you do your jobs better in legislative proposals. Obviously, you cannot sit around and wait for every legislative proposal; you have a job to do, and we understand that. But we want to try to help you in every way that we can to be better prepared should the unthinkable happen. That is the spirit—I know that Senator Jeffords would agree is the spirit of this hearing. There are a number of agencies within our jurisdiction that do play vital roles, in addition to your own.

I am pleased that all of you could be here this afternoon. Assistant Secretary, Dr. Sampson, joined me about a month ago—I guess it has been in New Hampshire, actually, it is more than that because it was before September 11—to discuss economic development options in some of the northern communities in New Hampshire. It is amazing how priorities have changed. We thought we had some terrible problems up there with the military closing, and they are bad, but little did we know very soon after that what serious problems we were going to have. A couple weeks ago I did meet with Mike Brown of FEMA to discuss some of the terrorism legislation and various pieces of legislation.

I want to thank all of you for working so closely with me on issues of importance, not only to New Hampshire, but the Nation. I look forward to hearing your thoughts. I will read them even if I am not here to hear them, about what needs to be done. There are a lot of bills out there to try to help. I have some. I do not claim to be the authority on all of them. But we want to get the dialog started and the debate started.

I hope you will all at some point in the future offer your views on these bills regarding such things as a coherent national strategy, Federal coordinating, and planning. We heard Director Allbaugh talk about the fact that the band of communications, that this is a big issue on how we communicate in time of emergency, everybody is on a separate radio band. We had a meeting in New Hampshire with the Governor about this issue and it came up that they were very concerned about that. So I think that is one issue that we are going to have to address. I know Senator Clinton has been working hard as well on legislation dealing with small businesses and others that were right there in the eye of the storm.

I thank you again, Mr. Chairman, for conducting this hearing. I apologize to you and to the witnesses, to my colleagues for having to leave.

[The prepared statement of Senator Smith follows:]

STATEMENT OF BOB SMITH, U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE

Mr. Chairman, Thank you for conducting this hearing.

The attacks of September 11, left this Nation with a number of questions dealing with preparedness and security measures.

A couple of weeks ago we heard from FEMA Director Allbaugh and emergency responders about the response in New York and at the Pentagon—and what lessons were learned.

Today we take the next step. We are here to consider legislative proposals not only to help prevent further attacks, but also to be better prepared if the unthinkable should happen again.

This committee has a number of agencies within our jurisdiction that play vital roles in both security and response—and we will exercise our responsibility to ensure that these agencies have all the tools necessary to perform their jobs.

I am pleased to welcome the witnesses here today—some of whom I have spent a good deal of time with recently. Assistant Secretary Sampson joined me about a month ago in New Hampshire to discuss economic development options in Berlin and Gorham.

A couple of weeks ago I met with Mike Brown of FEMA to discuss my terrorism preparedness legislation and FEMA's role in terrorism response. Just last night I sat down with Chairman Meserve of the Nuclear Regulatory Commission to discuss nuclear security issues, especially those dealing with Seabrook Station in New Hampshire.

I want to thank you all for working closely with me on issues of great importance, both to New Hampshire and the Nation. You all play important roles in our national preparedness efforts.

I look forward to hearing your thoughts on our current security situation and what needs to be done in order for the American people to have the utmost confidence in this Nation's ability to protect our vital infrastructure against further terrorist attacks.

As you know, I have introduced a few bills to address both security and preparedness/response needs.

A terrorism preparedness bill that will: Establish the mechanism to create a coherent national strategy for terrorism preparedness and response. It will create a single Federal coordinating and planning office for consequence management. It will integrate both State and local responders in the planning and development of national terrorism preparedness policies.

I have also just introduced a water infrastructure grant bill to provide resources in order for these facilities to take care of immediate security needs.

The grants in this bill can be used for a variety of needs including: training programs for rural utilities, gates, security cameras, surveillance equipment and other needs as identified by the utility.

While the Nation's utilities believe the water supplies are safe and measures are in place to protect from attack, we must be sure that every possible step is being taken to close any existing security gaps. This bill will help to do that.

I have also joined Senator Inhofe in introducing a Nuclear security bill. I have been working with Senator Jeffords on a bill to deal with communication needs in time of an emergency.

This is an issue that has consistently come up in our hearings and in private meetings B including a meeting I held last week in New Hampshire with our Governor and Federal, State and local emergency responders.

I know that Senator Warner also has a strong interest in this issue.

These are just a few positive steps to address security and preparedness needs of this Nation.

I look forward to hearing the testimony of our witnesses in order to explore other avenues to provide for our Homeland Security.

We are also here to discuss economic recovery options for the devastated area in and around Ground Zero in New York City. I know Senator Clinton has been working hard on legislation to get those small businesses in that area back on their feet as soon as possible. I visited Ground Zero shortly after the attack and can't even begin to describe the devastation I saw.

One way of defeating what these terrorist stand for is to prove the resiliency of this Nation. The Senator from New York and people of New York have my commitment to help in that effort. As I told Mayor Giuliani at Ground Zero—"on September 11, we all became New Yorkers."

I will be working closely with the members of this committee to address the economic needs of those who suffered from the terrorist attack of September 11.

Mr. Chairman, thank you again for holding this hearing.

OPENING STATEMENT OF HON. JAMES M. JEFFORDS, U.S. SENATOR FROM THE STATE OF VERMONT

Senator JEFFORDS [resuming the chair]. Well, I am sorry but I did not get here either. So you do not have to apologize, I apologize to you.

Senator SMITH. I really was inclined to grab that gavel, but Senator Clinton got it before me.

[Laughter.]

Senator JEFFORDS. I should have known I should not have been concerned about being here. But anyway.

[Laughter.]

Senator JEFFORDS. Actually, we had for a luncheon speaker, the head of NIH and he was telling us all about anthrax and who ought to be in charge. So I got a little carried away. I was listening and suddenly I was reminded that I was not where I was supposed to be. So, I apologize for that. But, here I am. I will make my opening statement now and we will get on.

I especially want to thank the witnesses from the various Federal agencies for appearing here today and look forward to hearing from all of you.

Tuesday night, I watched game three of the World Series. As I watched the game, I was heartened by the pictures of faithful fans cheering their beloved teams and a tattered flag flapped in the breeze in the outfield, the same flag that had been pulled from the rubble of Tower 2, 3 days after the World Trade Center disaster. During the seventh inning stretch, the Anthem "God Bless America" replaced the familiar refrain of "Take Me Out To The Ball Game." On the field in storied Yankee Stadium in the grand old city, two teams competed in the Fall Classic. As I marveled at the sights and sounds, I was overcome with the feeling that through our collective efforts as a Nation, we will overcome this very sad chapter in our history.

But the healing journey will not be an easy one. Many additional responsibilities have been thrust upon each of us by this change. A successful journey to recover will require citizens and communities across America to come together, to lend a helping hand and to strengthen the feeble knees. While we take our journey as a Nation, we must not forget the horrible events of September 11 or the people directly affected by those attacks.

It is in this spirit that we gather here today to discuss various legislative proposals to aid the victims of these very tragic events. I would like to acknowledge Senator Clinton's tireless efforts to address and to anticipate the needs of citizens affected by this tragedy. You have done a great job and I would like to let everybody know. The Senator has listened to her constituents, she has worked with the city and the State officials, and she has put forward credible proposals worthy of our serious and expedited attention. I trust that we will have a candid and forthright discussion of these proposals.

A successful journey to recover will also require improved critical infrastructure security. Just yesterday I heard about a recent event at a Florida chemical storage facility which underscores this point. I was alarmed and, quite frankly, a bit incredulous to learn that only a few days ago a significant quantity of lethal pesticide methyl bromide was stolen from a Florida chemical storage facility. Apparently, the thieves absconded with the poison through a hole cut in the facility's fence while security personnel stood guard. How could this happen? This is unacceptable. We must act.

I applaud Senator Corzine for recognizing the need for improved chemical site security and for introducing legislation to attempt to remedy the problem. You were right on cue. Thank you. I look forward to an open and honest debate on the subject, and I look forward to a meaningful discussion on how we can improve the security of our Nation's water supply, nuclear facilities, and Federal buildings.

I also want to thank my good friend Senator Smith and his staff for the help and the cooperation over the last several weeks. We have travelled together to the World Trade Center, we have seen the devastation, and we share a commitment to help this Nation heal.

Speaking to a group of young Americans just after the turn of the 20th century, Mark Twain advised, "Always do the right thing. This will gratify some and astonish the rest." As this legislative session draws to a close, let this committee do the right thing. Let us work in a bipartisan and timely fashion to aid victims of the recent terrorist attacks on our soil and to take the necessary steps within the committee's jurisdiction to improve the Nation's critical infrastructure security.

Our national journey to recovery may be a long one. But if we join together as an American family, I am confident we can make it. Thank you very much.

[The prepared statement of Senator Jeffords follows:]

STATEMENT OF SENATOR JIM JEFFORDS, U.S. SENATOR FROM THE STATE OF VERMONT

Tuesday night I watched Game 3 of the World Series. As I watched the game, I was heartened by the pictures of faithful fans cheering their beloved teams. A tattered flag flapped in the breeze in the outfield, the same flag that had been pulled from the rubble of Tower 2, 3 days after the World Trade Center disaster. During the 7th winning stretch, the anthem "God Bless America" replaced the familiar refrain of "Take Me Out To The Ballgame." On the field, in storied Yankee Stadium, in that grand old city, two teams competed in the Fall Classic. As I marveled at the sights and the sounds, I was overcome with the feeling that with our collective efforts, as a Nation we will overcome this sad chapter in our history.

But the healing journey will not be an easy one. Many additional responsibilities have been thrust upon each of us by change. A successful journey to recovery will require citizens in communities across America to come together, to lend a helping hand, and to strengthen feeble knees. While we take our journey together as a Nation we must not forget the horrible events of September 11 or the people directly affected by the attacks. It is in this spirit that we gather here today to discuss various legislative proposals to aid the victims of these tragic events. I would like to acknowledge Senator Clinton's tireless efforts to address, and to anticipate, the needs of the citizens affected by this tragedy. The Senator has listened to her constituents, she has worked with the city and State officials, and she has put forward credible proposals worthy of our serious and expedited attention. I trust that we will have a candid and forthright discussion of these proposals.

A successful journey to recovery will also require improved critical infrastructure security. Just yesterday, I heard about a recent event at a Florida chemical storage facility which underscores this point. I was alarmed, and quite frankly a bit incredulous, to learn that only a few days ago a significant quantity of the lethal pesticide methyl bromide was stolen from a Florida chemical storage facility. Apparently, the thieves absconded with the poison through a hole cut in the facility's fence while security personnel stood guard. How could this happen?

This is unacceptable. We must act. I applaud Senator Corzine for recognizing the need for improved chemical site security and for introducing legislation to attempt to remedy the problem. I look forward to an open and honest debate on the subject. I also look forward to a meaningful discussion of how we can improve the security of our Nation's water supply, nuclear facilities, and Federal buildings.

Speaking to a group of young Americans just after the turn of the 20th Century Mark Twain advised, "Always do right—this will gratify some and astonish the rest." As this legislative session draws to a close, let this Committee do the right thing. Let us work in a bi-partisan and timely fashion to aid the victims of the recent terrorist attacks on our soil and to take the necessary steps within this Committee's jurisdiction to improve this Nation's critical infrastructure security.

Our national journey to recovery may be a long one, but if we join together as an American family, I am confident we can make it.

Senator JEFFORDS. We will now proceed.

Senator Clinton.

OPENING STATEMENT OF HON. HILLARY RODHAM CLINTON, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator CLINTON. Thank you, Mr. Chairman. I thank you and our ranking member and your staffs for the extraordinary support,

both personally and officially, that you have provided to New York and to me. I would like to thank all the agencies represented here who have done a very commendable job in working to ensure that we recover and rebuild after the horrific attacks on our Nation.

I have to say that we in New York, and there is a delegation of business and labor and elected officials who have been making the rounds talking to Senators and House Members on both sides of the aisle, are in an awkward and somewhat challenging position. On the one hand, we are resilient—the Yankees are going to win the series again——

[Laughter.]

Senator CLINTON. Everyone is doing their very best to have the stiffest possible upper lip in the face of the extraordinary damage that we have suffered. If you go back to Ground Zero, you know that the fires are still burning, the impact of the devastation is beyond our understanding and very difficult for us to fully calculate even at this time. We have almost one million tons of rubble still awaiting removal despite the extraordinary efforts that have already been undertaken to remove tens and hundreds of thousands of tons. We know we are in for quite a long recovery period.

In speaking with many of my constituents, there are a number of issues that I have raised, and I appreciate very much the work that some of you have done in a short period of time to respond to these ideas, because there are gaps that are difficult for us to fill under existing legislative authority. I have no pride of authorship; I am just looking for solutions. If we can enhance discretionary authority, if we can create new vehicles by amending the Stafford Act or looking at EDA or CDBG more creatively, we can solve these problems, that is what we are looking for. I just want to quickly run through four that I have seen.

One is that now that people are coming out of their shock and denial, we are faced with a lot of very serious issues concerning the children who have been directly affected. I have proposed creating a Children's Coordinating Office within FEMA to pay particular attention to the needs of children who have lost one or both parents. We are only now beginning to assess what that would include, whether there would be need for mental health services, guardianships, temporary care services, but, clearly, we need more of a focus that we particularly pay attention to children who do not have adult representatives or advocates who can speak for them.

The second issue is to track the health of the victims, volunteers, and workers who have been exposed to harmful substances. This would amend the Stafford Act to allow for this kind of health protection assessment and monitoring. We have been monitoring the air and I am very confident that the results that we are getting which demonstrate that there are not broadscale problems with the air are absolutely accurate. But no one argues that right there on the site there are problems and those problems are intense. We have had some people working in that rubble now for nearly 2 months. They have worked day and night, many of them have been exposed to the air. We are now hearing something colloquially referred to as the Trade Center cough because it has been reported that 11,000 firefighters have worked at Ground Zero, almost 4,000 are being treated with steroid inhalers for severe coughs.

Under the amendment I have proposed to the Stafford Act, FEMA would carry out an outreach education, protection, and monitoring program based upon a determination by the President that harmful substances have been released into a disaster area. We need to track these workers, we need to get the best possible baseline, and then we need to act to help them with their health issues.

The third issue is an unemployment assistance bill, which would extend unemployment assistance under the disaster as provided by the Stafford Act for an additional 26 weeks, for a total of 52 weeks, for any individual eligible to receive DUA as a result of the attacks. Thousands of individuals have become unemployed because their businesses no longer exist, or, frankly, because their businesses, even if they are up and going, are not only in a disaster zone but in a crime scene zone and people cannot get to them because of the police barricades and the difficulty of knowing what streets are open when.

Currently, nearly 25,000 individuals have applied for disaster unemployment. The applicants are expected to grow. We have to really take care of these people. That is something that I feel very strongly about. We need to help them go through this transition, hopefully by some other means get these businesses up and going and they can return to work.

That brings me to my final proposal. I believe we should establish an Office of World Trade Center Attack Claims. We did lose nearly 25 million square feet of office space, we have displaced 850 businesses, we have displaced over 125,000 people, and access has been denied to 9,000 other businesses partly because of the crime scene designation and the debris removal efforts. Senator Schumer and I are introducing this bill to help address the needs of businesses that cannot apply for the existing SBA loans. They do not know if they are going to be in business in 6 months. Even if it is a 0 percent interest rate loan, they do not feel that they can sign for it.

This proposed Office of World Trade Center Attack Claims is modelled after, though much narrower, the Office of Cerro Grande Fire Claims that was created in response to the New Mexico fires last year. The Cerro Grande model has been proven to work. As of this past August, the Office of Cerro Grande Fire Claims has processed and awarded more than 13,700 claims totaling over $207 million.

Based on the lessons we have learned, we have worked significantly to limit the scope of this proposed office, both in terms of eligible claimants and eligible injuries for reimbursement. This obviously would come, if we were to authorize it, out of the $20 billion that has already been set aside and supported by the President for disaster recovery and assistance efforts. We would be seeking to use between $1 and $2 billion of that $20 billion for this office. By comparison, $455 million was appropriated for the Cerro Grande fire claims office.

I believe that these steps are very important and help to authorize authority and plug some of the gaps that we have found now that we are on the ground trying to help people exist. I very much appreciate the extraordinary help that we have received from this staff, Mr. Chairman. They have really helped us work through this.

I look forward to hearing from our witnesses any ways that we can, either within the existing legislation or through the ideas that I am proposing, help create some solutions for the problems that we still find. Thank you very much.

Senator JEFFORDS. Thank you very much. Very excellent statement.

Senator Corzine.

OPENING STATEMENT OF HON. JON S. CORZINE, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator CORZINE. Thank you, Mr. Chairman. I, too, want to congratulate you on holding this hearing on economic recovery and infrastructure security. There is hardly anything that captures the public's imagination save anthrax I think more than making sure that we put in proper position the everyday lives that we are now operating with.

This has obviously taken a huge toll, as Senator Clinton has talked about, at the epicenter of this in New York City. I support wholeheartedly all of the efforts that are now working their way through our processes here to make sure that they are appropriately addressed. I do want to make sure that people also understand that there is a metropolitan community surrounding New York City and a number of the communities in northern New Jersey, in particular, deeply impacted with regard to human loss, and certainly some of the economic issues that Senator Clinton outlined have major impact on small business, in particular, in our communities.

The Federal Government has a large role to play here. FEMA has done an outstanding job in spearheading this, but some of the rules that surround FEMA do not bite necessarily effectively with regard to a number of the problems that have come up, whether it is in New York or small businesses on the west side of the Holland or Lincoln Tunnel that are impacted almost as seriously by the lack of attention that comes out of the way the Stafford Act is structured. I think there is a real need for us to go back and parse through that to make sure that necessary changes are put in place to deal with a different kind of attack, just as we are dealing with a different kind of war. I certainly intend to support Senator Clinton's and the chairman's proposals in this regard, and I look forward to working with them and staff to make sure that they truly meet the needs of post-September 11.

With regard to infrastructure, as I said, I think this is one of those things that the public is looking to all of us as public officials to bring greater elements of security to the potential targets. Whether that is our water systems, nuclear power plants, chemical facilities, natural gas pipelines, whatever the issues that could be specific vehicles for a terrorist attack, I think we are remiss if we do not make sure that we have in place the kinds of quality checks and balances to make sure that these are secure.

In that vein, yesterday, along with the partnership of the chairman and Senator Clinton, I introduced legislation that addresses one of these problems which was a serious issue before we contemplated terrorism, and that is threats to our chemical processing and distribution infrastructure. It is a serious issue. We have had

a number of tragic accidents in New Jersey itself through history that have cost life and there is a very recent example in France which cost almost 180 lives. I think we need to make very clear that this is something that needs to be addressed. I think our legislation and staff has been able to come up with an act that I think will be not too heavy-handed but definitely proactive in moving us forward. I look forward to working with the chairman and the committee to make sure we get this in ship shape and move it forward.

Again, I think what you are doing here and the kinds of suggestions that are here in the committee are terrific steps forward and do a lot to bring both public confidence and also deal with the enormity of the tragedy that occurred on September 11 in New York City. So, thank you for having this hearing, and I look forward to hearing from the witnesses and appreciate their efforts in preparation. Thank you.

[The prepared statement of Senator Corzine follows:]

STATEMENT OF JON S. CORZINE, U.S. SENATOR FROM THE STATE OF NEW JERSEY

Thank you, Mr. Chairman, for holding this important hearing on disaster recovery and infrastructure security. The events of September 11 have taken a huge toll on our Nation. Everyone has been impacted, and these impacts are particularly acute around the Pentagon and in the New York metropolitan area, which includes many New Jersey communities.

The Federal Government has a major role to play in helping these communities get back on their feet. FEMA has spearheaded this effort, and I appreciate their hard work under difficult circumstances. I think that they have tried hard to work within the confines of the Stafford Act. But the Act did not contemplate the scope of this disaster or the unique challenges that it poses. So I think changes are necessary to make the Federal Government's response more effective. I support Senator Clinton's and Senator Jeffords proposals in this regard. I ask, however, that they will be willing to work with me to ensure that these proposals are responsive to the needs of New Jersey businesses, many of which literally operated in the shadows of the World Trade Center.

With respect to infrastructure security, I think we all recognize that our Nation's assets now need to be considered targets. We need to assess the potential threats to our water systems, nuclear power plants and chemical facilities and get on with the business of making them more secure. Staying ahead of the curve on these issues will be critical to preventing new types of terrorism from occurring. As we respond to the acts of terrorism that have already taken place, we need to anticipate and address a range of problems.

Yesterday, I introduced legislation that addresses one such problem-threats to our chemical processing and distribution infrastructure. The bill would give the Administration new tools to help secure these assets against terrorist acts. Recent reports of the theft of methyl bromide, a highly toxic pesticide, from a Florida manufacturing facility underscore the need to act on this front. Senator Boxer and Senator Chafee have agreed to hold a hearing on this legislation next Wednesday, and I thank them for agreeing to this hearing on short notice. I think we need to act, and I pledge to work with my colleagues on the committee, the Administration, and industry to come up with proactive solutions. Thank you, Mr. Chairman.

Senator JEFFORDS. Thank you for your excellent statement.

I also want to thank my staff who have put together the hearing today and moving us into this very important and essential area.

I also want to thank Mr. Brown especially. I had an opportunity to work with you and all of the FEMA staff both at the Pentagon and back in New York City and observe the amazing cooperation I found, which is so much due to your leadership, of the coordination of the local communities as well as the Federal Government. It is just a wonderful experience to watch you all operate. I appreciate that.

Mr. BROWN. Thank you, Mr. Chairman.

Senator JEFFORDS. Mr. Brown, please proceed.

STATEMENT OF MICHAEL BROWN, DEPUTY DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

Mr. BROWN. Thank you, Mr. Chairman, Senator Corzine, and Senator Clinton. I am very pleased to be here this afternoon on behalf of Director Allbaugh. Today I want to reiterate a couple of points that the Director made during his testimony last month, and the first one is probably most important, which you just alluded to now, Mr. Chairman, and that is the incredible cooperation that we are getting from all of our Federal partners, the other agencies. I want to take just a moment away from my prepared text and say just a short comment about the extraordinary cooperation that I think we are getting from the members of the legislative branch also.

I have met with Senator Clinton and the New York delegation, and I would like to extend that invitation that we ought to do that more often I think, Senator. It helps us figure out what the problems are that maybe are not getting addressed and gives us time to go back and figure out ways to get those addressed. So, to the extent that we can continue to do that, I think we ought to do that.

Senator Corzine, I would add that I have had conversations just today with Governor Ridge about some issues that have arisen in New Jersey. Again, I think it would be helpful if we just got together and talked sometime about some of those issues and how we might address those. I think they are really issues that maybe we can resolve just by getting together and talking face to face and saying what are you hearing out there that maybe we are not hearing in terms of the disaster field office. If we can do that, I think we can resolve a lot of problems.

The second point I want to make, just to return to my prepared remarks, is that I think oftentimes we take for granted one main point, and that is the Stafford Act actually does work. The legislative framework that this committee has provided to us really provides us the necessary tools to carry out both the response and the recovery mission of the agency, and particularly in response to the attacks of September 11.

Just briefly, some of those authorities give us support from the Urban Search and Rescue Task Forces, which I think we all agree have done an incredible response in New York and at the Pentagon. It allows us to mission assign other departments and agencies to take care of activities that need to be taken care of that perhaps other departments and agencies are not entirely focused on and allows us to coordinate those quickly and efficiently. It allows us to provide temporary housing assistance and rebuild the public infrastructure. It allows us something that we often take for granted, we do not think about it often enough, and that is, it allows us to provide crisis counseling for those who have suffered and it allows us to assist those State and local governments who have given everything they can and yet are losing so much.

Those particular authorities I think absolutely empower FEMA to do the job that it needs to do in responding to all types of disasters, whether or not they are man-made or natural disasters.

If we look at particular changes, I want to thank Senator Smith, who has now left but I will pass it on to the staff for all of their effort, for helping us with the Office of National Preparedness and actually taking some of those authorities and putting them into law. We appreciate both the intent and the spirit of that legislation, and we thank the ranking member for his help in that regard and look forward to working with him in the future on that.

FEMA is uniquely suited to work closely with State, local, and tribal governments to ensure their consequence management planning, their training, and equipment needs are met. FEMA and its Office of National Preparedness will continue to support the Office of Homeland Security and Governor Ridge in those efforts.

I want to call the committee's attention to the technical amendments we transmitted to the committee on September 21. We believe those are modest changes that will improve our ability to carry out our job in responding to all types of attacks.

Over the past several days we have looked, very quickly I might add, very quickly, at a lot of legislative ideas that have been drafted. We do understand and we appreciate both the good will and the sound purpose of the authors of those amendments and the intent of those amendments. To the extent that we can, we should use current Federal authorities and programs before creating new or duplicative efforts. I do not want any of my comments though to be taken in the wrong context. I think we all agree we are here for really three purposes—How can we help? How can we do more? What can we do better? To that extent, we want to work as closely as we can with you in resolving any problems that are outstanding.

One bill would require FEMA, in coordination with the FCC and the Department of Defense, to conduct a study to determine the resources that are needed to develop an effective communications system for the use of emergency response personnel during disasters. Clearly, we have no objection to this concept. Director Allbaugh has testified and we have spoken to many members of the Senate about the need to get a coordinated response system that allows us to communicate across all types of systems. The only thing I would ask the committee is to consider the timeframe in which we do that study and, of course, the resources needed to conduct that type of study.

Another bill under consideration would establish within FEMA an Office of World Trade Center Attack Claims to reimburse individuals and businesses that were injured by the Trade Center attack on September 11. The draft legislation would establish the office and would require the Director or an independent claims manager appointed by the Director to reimburse claimants for losses suffered as a result of the World Trade Center attack. We believe the Stafford Act already contains a broad range of authorities that were triggered by President Bush's declaration of a major emergency. Nevertheless, it is clear that the draft legislation would cover a substantially broader range of injuries and losses than FEMA is currently authorized to address under the Stafford Act.

As you are aware, Congress recently enacted the Air Transportation Safety and System Stabilization Act. Title IV of that particular Act authorizes the Justice Department to provide compensation to any person, or relatives of a deceased person, who was ei-

ther injured or killed during the September 11 attacks. Although the draft legislation creates a claims office within FEMA to provide assistance to a broader range of claimants than is currently provided by the Air Transportation Safety and System Stabilization Act, we are concerned about creating a separate claims office within FEMA. We might recommend that before this legislation proceeds further, we consider the idea of placing some of that claims processing within the Justice Department rather than FEMA because of some of the programs they are currently administering.

In addition to our concern about potentially duplicative claims processing authorities, we believe it may be preferable to consider legislation in this situation to authorize additional flexibility within the Stafford Act as opposed to a different claims office. Again, we agree. We ought to make certain we are taking care of all of those victims. Let us just figure out the best track to do that.

Another of the bills I would like to address would amend the Stafford Act to authorize the President to appoint Children's Coordinating Officers whenever an emergency or major disaster has caused children to lose one or more custodial parents. In every disaster, FEMA is concerned about the effects that these events have on children. FEMA is already authorized to provide crisis counseling assistance to disaster victims. We administer this authority by funding the State's costs of administering counseling services.

New York's application addresses the need to provide counseling services to children who have been affected by the attack. According to the New York Office of Mental Health, these activities are being provided through outreach programs, education, and other existing children's services to those children who have suffered tragically by this attack. In addition, and a point I do not want to gloss over too quickly, FEMA's Disaster Legal Services Program can provide direct assistance to children who have lost parents in a disaster. I just met with that group during the ADA convention in Chicago a few months ago, and I am pleased to say that I think they are an incredible group of young people from the Young Lawyers Division who are concerned about providing guardianship advice, providing any sorts of advice that these children may need in terms of providing legal services that they might need to get the services provided by other agencies or departments.

The proposed amendment to section 410 of the Stafford Act would extend the availability of Disaster Unemployment Assistance an addition 26 weeks, up to a full year, for individuals who are already eligible for such assistance. FEMA routinely tasks the Labor Department to administer this authority on our behalf in Labor. It does so in conjunction with its administration of its generic unemployment assistance authority. Most individuals who become unemployed as a result of a Presidentially declared disaster qualify for unemployment assistance that the Labor Department administers under its own authorities.

The unemployment claims that have been filed in the aftermath of the attack are being paid by the Labor Department under their general unemployment assistance authorities and under the Disaster Unemployment Assistance provision of the Stafford Act. Because of the uniqueness of this situation, the Administration does support a 13-week extension of the availability of unemployment

assistance benefits for qualified individuals as a result of the attack both under the Labor authority and under the DUA provision of the Stafford Act itself.

The final draft bill I would ask to address in this hearing would amend the Stafford Act to authorize the President to implement a program to protect the health and safety of emergency response personnel in the aftermath of disasters which cause harmful substances to be released. FEMA routinely calls on the Environmental Protection Agency and the Department of Health and Human Services for expertise in assessing these types of concerns in the aftermath of disasters. This system has worked efficiently, and we therefore are not aware of any need to amend the Stafford Act to address this issue. But to the extent there are issues on the ground at Ground Zero that need to be addressed. We want to address those promptly and efficiently.

Finally, the committee letter mentioned a need to amend the Stafford Act's temporary housing authority to increase the amount of funding that may be provided to repair ownership-occupied housing that is damaged by a major disaster. There is a new provision in the Stafford Act that will take effect in May 2002 that would impose a $5,000 cap on this form of temporary housing assistance. In previous correspondence, we have asked the committee to amend this provision because of the unintended severe hardship on disaster victims with the lowest incomes and the most significant disaster impacts. While the cap does not affect the response in New York, we continue to urge the committee to make this technical amendment before the cap takes effect in May.

In closing, I just want to add that despite any differences that might exist about technical amendments, that might exist about some of the legislation that is now before this committee, FEMA is absolutely committed to sitting down with each and every one of you to find out where those needs are not being addressed and how can we address those under the existing authorities. If we cannot, then let us work on some new legislation. But to that extent, I will be happy to answer any questions that the committee may have down the road. Thank you, Mr. Chairman.

Senator JEFFORDS. Thank you very much.

Mr. Moravec, I enjoyed meeting with you last week. We had an interesting discussion and I am sure you are going to cover some of those issues in your statement today. So, please proceed.

STATEMENT OF JOE MORAVEC, COMMISSIONER, PUBLIC BUILDING SERVICE, GENERAL SERVICES ADMINISTRATION

Mr. MORAVEC. Good afternoon, Mr. Chairman, and members of the committee. I am Joe Moravec, Commissioner of the Public Buildings Service. Thank you for the opportunity to discuss improving security in GSA-owned and leased facilities.

We have had an ongoing effort to improve our security measures. In addition to our own initiatives, H.R. 307 was introduced in January of this year to provide for the reform of the Federal Protective Service, and to enhance the safety of Federal employees, the public, and children enrolled in childcare facilities located in facilities under GSA's control.

A significant proposal in H.R. 307, the establishment of the Federal Protective Service as a separate service from PBS, did not have support from GSA nor the Senate. The principal reason we oppose making the Federal Protective Service a separate service within our agency is that it would divorce security from other Federal facility functions when the opposite needs to be done.

Security needs to be tightly integrated into decisions about the location, design, and operation of Federal facilities. Divorcing FPS would create an organizational barrier between protection experts and the Public Buildings Service asset managers, planners, project managers, and facility managers who oversee the daily operations in our facilities. A separate GSA security service would lead to confusion about who was responsible for what in GSA's security efforts. It is also contrary to agency efforts to present our customers with a seamless GSA, capable of offering more integrated workplace solutions.

Last year the Senate Transportation and Infrastructure Subcommittee recommended the establishment of direct line authority within PBS. The Administrator subsequently reorganized the Federal Protective Service and reassigned the reporting authority to the Federal Protective Service Assistant Commissioner in the central office.

Under direct line authority, PBS has made substantial strides in fulfilling our mission to reduce the threat to Federal facilities under GSA control nationwide. The Federal Protective Service budget, personnel actions, and operational focus have been centralized to yield results better than that which could be obtained by establishing a separate competing service.

Leading the Federal Protective Service is Acting Assistant Commissioner Richard Yamamoto, who is here with me today. Mr. Yamamoto is a graduate of the FBI National Academy with over 20 years of law enforcement experience in the U.S. Army. He also spent 7 years coordinating joint Federal, State, and local law enforcement activities through the High Intensity Drug Trafficking Areas Program at the Office of National Drug Control Policy. Not only does Mr. Yamamoto possess extensive law enforcement and security skills, he also has been designated as a certified protection professional, which is one of the premier accomplishments in the field of security.

Within Federal Protective Service, we are developing and requiring both law enforcement and security core competencies for all of our operational managers. While most of our current managers have Federal, military, or local police training and experience, those who do not have law enforcement training will be sent to the Leadership Academy Law Enforcement Course at the Federal Law Enforcement Training Center in Glynco, GA, to attain these necessary skills.

Specifically addressing the proposal in H.R. 307 that there should be at least 730 full-time equivalent FPS police officers, we believe that FTE levels should not be based on an arbitrary number set forth in legislation, but rather on the threat that may vary from time to time. FPS regularly conducts individual facility security surveys and regional threat assessments to determine the threat to Federal facilities. FTE requirements are based upon these

threat assessments. Specifically, we are increasing the number of our criminal investigators and uniformed law enforcement security officers who have both law enforcement and security competencies.

That concludes my prepared testimony. I am of course available to answer whatever questions you may have.

Senator JEFFORDS. Thank you very much.

Dr. Sampson, please proceed.

STATEMENT OF DAVID SAMPSON, ASSISTANT SECRETARY FOR ECONOMIC DEVELOPMENT, ECONOMIC DEVELOPMENT ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Mr. SAMPSON. Chairman Jeffords, members of the committee, it is a pleasure to be with you today. The Administration, the Department of Commerce, and the Economic Development Administration are committed to the economic revitalization of the New York economy.

As you are aware, the Administration is providing considerable funding for efforts that are underway to promote the city's recovery and economic revitalization. In this context, this means that we are developing a multi-pronged approach at getting people back to work and businesses, both large and small, back on their feet as quickly as possible.

The Economic Development Administration has contributed to previous disaster response efforts and has the statutory authority to assist communities in long-term economic recovery efforts. We have participated in those recovery efforts dating back to 1969 and Hurricane Camille. We play a supplemental role to the lead role played by FEMA, SBA, and other agencies, including the Department of Transportation and the Department of Housing and Urban Development.

Let me speak just a little bit about the redevelopment strategy as I see it. While it is important that the Federal, State, and city governments move as quickly as possible to address the economic impacts in New York City, it is also critically important that economic revitalization efforts be based on a sound understanding of the New York City economic landscape both prior to September 11 and post-September 11 to ensure that Federal efforts are truly market-based and phased appropriately in light of the projected timeline for clearing the World Trade Center site.

The Administration is committed to taking a thorough, comprehensive, and coordinated market-based approach in addressing New York's immediate and long-term economic recovery efforts. To this end, we believe it is vitally important to work not only with State and city officials, but also with New York's business leaders.

With that in mind, last week several senior administration officials met with New York City business leaders and the New York City Partnership, the leadership of which includes CEOs of some of the global businesses headquartered in New York. The New York City Partnership has commissioned seven of the world's leading consulting firms, including A.T. Kearney, Booz-Allen, Bain, Boston Consulting Group, KPMG, McKinsey, and PricewaterhouseCoopers, to assess the economic impact of the World Trade Center attack on New York City and identify investment priorities for renewal.

Based on our conversations with New York City business leaders, my sense is that the most urgent need is to focus on recovery of businesses in the collateral damaged area because Ground Zero cleanup is probably a year away. The best information I have seems to indicate that there are approximately 5,000 businesses directly affected in New York City at Ground Zero as well as the cordoned off areas that Senator Clinton mentioned earlier. Approximately 4,000 of those are small businesses that previously employed about 77,000 people. These are the most vulnerable businesses.

Because of the indeterminate extent of the New York City recovery plan and timeline, it is evident that loans will not be the most appropriate vehicle in support of these businesses and they can only be retained by some sort of grant program. To that end, the Director of the Office of Management and Budget, Mitch Daniels, earlier today announced the release of additional funds from the Emergency Supplemental Appropriation that New York can use for such grants to businesses.

The Administration is currently providing significant funding to New York through a variety of agencies, many of whom are at this table today, and is looking at a range of existing Government programs for a comprehensive solution. The Administration is focused on ensuring that economic recovery funding is effective and truly focused on rebuilding New York City's economic infrastructure in order to get people back to work and businesses up and running again as soon as possible.

I believe that working together in this fashion, with the private sector certainly as a very important part of that, we will not disappoint those who need the assistance of an effective, coordinated Federal, State, and local response to rebuilding the economic infrastructure.

I would of course be pleased to answer any questions that the committee may have.

Senator JEFFORDS. Thank you very much. Very helpful.

Mr. Meserve, a pleasure to be with you again. Please proceed.

STATEMENT OF RICHARD MESERVE, CHAIRMAN, NUCLEAR REGULATORY COMMISSION

Mr. MESERVE. Thank you, Mr. Chairman, and members of the committee. I am pleased to have been invited to appear before you on behalf of the U.S. Nuclear Regulatory Commission. I will discuss programs related to safeguards and security for NRC-licensed commercial nuclear facilities, as well as actions NRC and its licensees have taken in response to the terrorist acts that occurred on September 11. I have submitted a longer statement for the record. Allow me to provide just a brief summary.

The NRC response began immediately after the September 11 attacks. Within 30 minutes of the plane strikes, we activated and staffed the NRC operations center at NRC headquarters and the incident response centers at NRC regional offices and we began close coordination with the FBI and other intelligence and law enforcement agencies, our licensees, and various military, State, and local authorities. Shortly after the attacks, we advised all our major licensees to go to the highest level of physical security, which

they promptly did. We have provided continuing oversight and advice to our licensees since September 11.

As of today, the NRC and our licensees are still in a heightened state of security readiness. Our headquarters operational center and regional response centers are full staffed, 24 hours per day, 7 days per week. We are prepared to make adjustments to security measures as circumstances warrant.

NRC activities related to domestic safeguards and security and emergency response can be grouped into four categories.

First, developing and implementing requirements for safeguarding nuclear facilities and materials and inspecting for compliance with those requirements; assessing the threat environment, including the international environment insofar as it has implications for domestic threats; maintaining and coordinating emergency response capabilities; and finally, providing physical security for NRC employees and offices.

Beginning in the late 1970's the NRC established requirements to safeguard civilian nuclear power plants and fuel facilities. The result is that nuclear power plants are among the most hardened civilian facilities in this country. The NRC inspects these facilities to verify compliance with NRC requirements, to assess licensee safety performance, and to enforce our regulations.

In the aftermath of the terrorist attacks of September 11, and the continuing uncertainty about future terrorist intentions, the NRC is undertaking a comprehensive review of its safeguards and physical security program. We currently are interacting with the FBI, other Federal law enforcement and intelligence organizations, the military, and the newly establish Office of Homeland Security so that necessary changes to our programs consider pertinent information from all relevant Federal agencies. We also are reevaluating the agency's ability to communicate with the press, the public, and interested parties regarding information relevant to security and physical protection of our licensees.

As the Commission conducts its comprehensive reassessment of plant safeguards and security, we recognize that specific legislative needs may become apparent. In the interim, the Commission on June 22 submitted legislative proposals to your committee that we believe we need now. Specifically, we are seeking legislation that would amend the Atomic Energy Act to enhance the protection provided by guards at designated NRC-licensed nuclear facilities, to criminalize sabotage of nuclear facilities during their construction, and to make clear that the unauthorized introduction of weapons or explosives into nuclear facilities will be subject to significant Federal criminal penalties for the individuals involved. I might add that we submitted that legislative proposal well before September 11.

We have also recently developed a fourth proposed statutory change. We seek to confer upon guards at NRC-designated facilities the authority to possess or use weapons that are comparable to the Department of Energy guard forces or other Federal protective forces.

In closing, I would like to reiterate that the NRC had a strong security and physical protection in place prior to September 11, and we are building on that strong foundation. We look forward to

working with the Congress to address our mutual concerns and determine where the assets of our Nation are best deployed to fight the terrorist threat.

I appreciate your invitation to appear here today to discuss the NRC's programs, and of course I am prepared to respond to your questions.

Senator JEFFORDS. Thank you. We will have questions I assure you and look forward to working with you.

Mr. Mitchell, you have had a tough time I know. This is not something that you experience very often, obviously, to be facetious. I appreciate all the work you have done. Please proceed.

STATEMENT OF HERBERT MITCHELL, ASSOCIATE ADMINISTRATOR FOR DISASTER ASSISTANCE, SMALL BUSINESS ADMINISTRATION

Mr. MITCHELL. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, my name is Herb Mitchell. I am the Associate Administrator for Disaster Assistance and I am appearing on behalf of the agency in the absence of Administrator Barreto. We thank the committee today for allowing us to come and just share with you what SBA's role has been not only in all disasters, but particularly in New York City.

SBA continues to play an immediate and major role in providing disaster assistance loans not only for businesses but for homeowners and renters as well. While certainly the disaster in New York is different in scope, it does provide us with the same opportunity to assist in the immediate recovery of New York City, the region, and the Nation as a whole.

In this disaster and all disasters, we have experienced a great deal of cooperation within the Federal family, with FEMA. In the past, we have worked with EDA and HUD in terms of economic recovery in disasters all around the country. FEMA certainly serves as the coordinator and the one-shop stop to ensure that those who are in need of disaster assistance have one place to come, and at that point all businesses are referred to SBA for assistance.

Since the afternoon of September 11, SBA has been in lower Manhattan, working with FEMA and the State agencies to coordinate our response to the recovery effort. SBA has since deployed 94 people to the New York City area to complement our staff in Niagara Falls where the actual processing has taken place with about 200 employees there as well. We have employees around the country who are available to us in the need to supplement that staff in Niagara Falls.

SBA's disaster program is the primary Federal program for funding recovery for private sector disaster victims. The program provides low interest loans, not to exceed 4 percent, to applicants without credit available elsewhere, and a higher rate not to exceed 8 percent for those who do have credit available elsewhere. We offer loans to repair real and personal property for homeowners, business loans to repair the property that is lost by the businesses there in New York. Economic injury loans are available to provide working capital to sustain those businesses until they are able to return to normal operations. A recent addition has been the Military Reservist loan program, where small businesses around the

country that are impacted economically as a result of a key employee being called to active duty, those businesses that are impacted economically are also eligible to apply for working capital assistance.

To complement the programs that SBA has available, we have been working with the New York Empire State Development Agency and several financial institutions in New York, the city of New York and the State, along with these financial institutions, to set up "bridge loan" and "gap loan" programs. The "bridge loan" program is intended to provide those businesses with immediate assistance until the SBA application process is completed and then at that point we are able to pay off those loans to the bank. The "gap" financing is intended to address those needs that the SBA loans are unable to address either because of size limitations or because they may not fall within the eligibility criteria. The "gap" financing that the lenders are providing will certainly try to address those needs. As of October 31, the SBA has made almost 1,000 loans for $82 million.

Historically, under the disaster program, our assistance has been limited to the declared disaster area, in this case, it would be New York City and the immediate area and the State of Virginia as well. But because of the unprecedented nature of this attack and the widespread economic impact that it has caused around the country, SBA, working with the Administration, has expanded the Economic Injury Disaster Program around the country to allow those small businesses that have been impacted by the terrorist attack or subsequent Federal action, most of which have consisted of closure of airports and security measures along the border, for those small businesses that have been economically impacted as well, regardless of where they are located, to apply for economic disaster loans.

Mindful of the nature of the businesses located in lower Manhattan, the Administration has also submitted legislation to, among other things, increase the size standards for businesses in New York City, to address the need where we find that there are a number of small- or medium-size businesses which, based on our current size standards, would not qualify for the working capital assistance. We have also proposed legislation that would allow financial service organizations and nonprofits to be eligible. Historically, these categories or industries have not been included in the assistance for working capital assistance.

Also recognizing the tremendous need in New York, we are also proposing that we have the authority to raise the $1.5 million loan cap that is currently in place, to increase that to $10 million.

SBA's disaster loan program is also complemented by our regular loan programs and the technical assistance programs that we are able to provide through our resource partners, including the Small Business Development Centers, the Women's Business Centers, the Business Information Centers, and the Senior Corps Retired Executives, which have all been brought to bear in providing assistance businesses and the New York City community.

We look forward to working with all of you to help the citizens of New York as well as those around the country that refuse to let terror destroy what we have collectively worked to build.

In closing, I just simply want to share with you that while Administrator Barreto and I were in New York on our first visit, we met a business owner and I would just share with you what he told us at that time. He said, "The terrorists tried to declare victory by destroying the World Trade Center buildings but," he insisted, "they would not score a second victory by closing his business." This is the patriotism and this is the spirit that we have seen every time we visit New York. There are business owners there that want to get back in business, they want the customers to return so that they can get on with their lives.

I would be pleased to answer any questions that you may have. Thank you.

Senator JEFFORDS. Thank you, Mr. Mitchell.

Ms. Horinko, please proceed.

STATEMENT OF MARIANNE L. HORINKO, ASSISTANT ADMINISTRATOR, OFFICE OF SOLID WASTE AND EMERGENCY RESPONSE, ENVIRONMENTAL PROTECTION AGENCY

Ms. HORINKO. Mr. Chairman and members of the committee, thank you for the opportunity to discuss the Environmental Protection Agency's role in domestic terrorism preparedness and, more specifically, the agency's role in the protection of the Nation's water resources.

The tragic events of September 11 have raised valid concerns over our Nation's vulnerability to terrorist attack. As a Nation, we are scrutinizing our efforts to prepare for and to prevent terrorist events. Realizing that we must always remain vigilant to new threats and must always be ready to respond, the agency welcomes the opportunity this hearing offers to examine these issues.

My testimony today covers four major areas: EPA's role in counterterrorism preparedness and response before and after September 11; a specific discussion of drinking water protection related to the September 11 attack; EPA's overall protection of our Nation's drinking water; and the critical Federal coordination needed to meet the counterterrorism challenges that we face.

The National Response Team consists of 16 Federal agencies with responsibilities, interests, and expertise in various aspects of emergency response to pollution incidents. The EPA serves as chair and the Coast Guard serves as vice chair of the NRT. This partnership includes such Federal agencies as the Agency for Toxic Substances and Disease Registry, Department of Defense, Department of Energy, Federal Bureau of Investigation, FEMA, and key nongovernmental organizations.

Our Federal partnership sprung into action on September 11. Before the second plane had struck the World Trade Center in Manhattan, EPA headquarters had already begun coordination with our New York regional office to address the crash of the first plane. Ten minutes later, our EPA headquarters had linked all of our east coast regional offices to begin coordination in support of the New York response effort. EPA's Emergency Response Program was present onsite in New York, Virginia, and Pennsylvania within hours of the four plane crashes.

Throughout the response effort, EPA worked in coordination with our Federal partners to monitor and protect human health and the

environment from potential hazards associated with the three crash sites. At both the World Trade Center and the Pentagon, EPA provided monitoring for various air contaminants. For example, EPA and other Federal, State, and city agencies have taken literally thousands of samples of dust, air, drinking water, stormwater runoff, and river sediments in and around the World Trade Center site. We have tested for the presence of pollutants such as asbestos, lead, volatile organic compounds, dioxin, benzine, metals, PCBs, and other chemicals and substances that could pose a threat to the public and workers at the site.

Fortunately, EPA, OSHA, and others have found no evidence of any significant public health hazard to residents, visitors, or workers beyond the immediate World Trade Center area. Despite recent press accounts which suggest otherwise, these findings have not changed.

In addition to our monitoring activities, EPA assisted in removal and cleanup of dust and debris from the streets using vacuum trucks. EPA has also provided rescue workers and others onsite with protective gear and health and safety recommendations for the difficult conditions onsite.

Regarding water concerns associated with Manhattan, EPA collected and tested drinking water at several distribution points. Following several days of heavy rain immediately after the incident, we collected water samples from storm sewers and surface runoff to determine if potential contamination from the site was entering the Hudson or East rivers. All samples of water, which were tested for a wide range of contaminants, had levels below the Federal standards.

Recognizing the need to ensure appropriate coordination of water security activities, EPA has established a Water Protection Task Force that will guide efforts on long term drinking water infrastructure protection and wastewater treatment infrastructure protection.

The Administration has requested $34.5 million as part of the terrorism supplemental appropriations for support of vulnerability assessments for drinking water systems and $5 million for State grants for drinking water counterterrorism coordinators to work with EPA and the drinking water systems.

With EPA support, the Sandia National Laboratory of the Department of Energy, in partnership with the American Water Works Association Research Foundations, is developing a "tool kit" to assist drinking water systems in conducting vulnerability assessments and identifying remedial action. We expect training on this resource to be available later this month. As an interim measure, EPA has disseminated a fact sheet that outlines measures utilities can take immediately to protect their drinking water supplies. Issued through the State drinking water program managers, this document should now be in the hands of every public water system.

As this tool kit is being developed, the American Water Works Association Research Foundation is drafting additional, more detailed training materials that will provide step-by-step guidance to drinking water utilities on conducting vulnerability assessments, identifying remedial actions, and strengthening their emergency operation plant. Formal training sessions that will take utility se-

curity officials through the first steps of their vulnerability assessments will begin in December.

As EPA continues to strengthen its counterterrorism program by building on the existing National Response System, the agency is involved in a variety of other activities with Federal, State, and local officials. EPA is requesting $5.5 million in the terrorism supplemental appropriations to establish and equip a West Coast environmental response team, similar to the East Coast team that exists in Edison, NJ, and has been so instrumental in assisting at the World Trade Center.

In the 10 EPA regions, the agency's first responders are the on-scene coordinators. The OSCs have been actively involved with local, State, and Federal authorities in preparing for and responding to threats of terrorism. EPA's OSCs, located throughout the United States, have broad response authority and a proven record of success in responding rapidly to emergency situations.

We are expanding work with the State Emergency Response Commissions and the Local Emergency Planning Committees to help them incorporate terrorism response issues into their existing emergency plans. We are working closely with the Office of Homeland Security to develop long-term agency response plans for terrorist attacks.

Finally, Mr. Chairman, I would like to say a word about the anthrax situation that we face here in the District of Columbia, in Florida, and in New York. The agency is receiving an increasing number of requests to provide assessment, sampling, and cleanup assistance at anthrax-contaminated buildings across the country, many very close to home here in this hearing room. The dilemma we face is that the Superfund statutory language that allows us to respond to these biological releases also limits our ability to recovery our response costs. To the extent these activities will continue, they will have an impact on our Superfund cleanup activities later in the year in many parts of the country.

Finally, Mr. Chairman, I would like to emphasize that the Administrator, Governor Whitman, has made very clear to the entire agency that there is no higher priority than ensuring that EPA's mission to protect the environment and public health is a broad umbrella that encompasses homeland security. The expertise and experience the agency has developed over 30 years is poised to assist and support the hard work Governor Ridge and this Congress will be doing.

Clearly, the Administrator is adamant that EPA's efforts to help secure the safety and integrity of America's water supply and infrastructure must be undertaken with great speed, energy, and attention. Deadlines that were established before September 11 are no longer appropriate. We have no time to waste in completing this work and we intend to devote the resources necessary to make certain that it is done quickly and properly.

Governor Whitman, myself, and our professionals throughout EPA welcome the opportunity to work with you, your colleagues in Congress, your professional staff, and with Governor Ridge and the Office of Homeland Security to protect and preserve the health and well being of every American citizen. Thank you.

Senator JEFFORDS. Thank you. Thank you all for your very interesting statements. I deeply appreciate all the effort that has gone into your testimony for today.

I am going to change the ordinary procedure in view of the fact that we have two Senators here from the area and allow them to ask questions first before I do.

Senator CLINTON. Thank you very much, Mr. Chairman. Let me thank all of the witnesses for your testimony and your extraordinary response to our needs.

Mr. Meserve, I look forward to seeing you next week, so I will hold my questions about nuclear security. I have got some that I will submit to you in preparation for our meeting, and I thank you very much for your testimony today.

Mr. Mitchell, I understood you to say you were submitting legislation with respect to the size requirements and to raise the loan caps. Does that request go to the Small Business Committee?

Mr. MITCHELL. My understanding is it has gone up as part of the Administration's request for the additional supplemental. I am not sure what particular appropriation it actually will be attached to. But we have submitted that.

Senator CLINTON. That is very good news, and I thank you for that. Perhaps we could check into that, Mr. Chairman, and find out if it is not part of the SBA responsibilities under the Stafford Act, that wherever that authority resides we could perhaps help to expedite that so that more companies will be able to take advantage. I greatly appreciate your sensitivity to the difference in size issues in New York.

I also want to thank both Mr. Brown and Dr. Sampson for your understanding of the particular issue that we are confronting, which is trying to allow direct payments to private businesses so that, as Dr. Sampson reported from his meetings with a lot of our business leaders, they can get back on their feet more quickly. I was with Director Daniels earlier and appreciate his announcement of what the Administration is trying to do through CDBG. I hope though that we will continue to work together to try to figure out how to get this done right in the next several weeks.

There are some real problems with moving through CDBG. We have tried CDBG in the past with direct payments in other disasters like Oklahoma City. It is my understanding that there was a lot of bureaucracy, it took a year, the agency that administers it, HUD, is not used to this kind of expeditious necessity that grows out of a disaster. I think that we could perhaps slightly structure it differently or look for ways of getting the money out more quickly. I know that both Senator Schumer and Congressman Walsh, because of their committees of jurisdiction, will be working with the Administration to try to determine how best to do that.

I think I would like to offer, we keep looking for the best way to achieve this, that finally, after looking through many different options, we concluded that the Cerro Grande model would be particularly helpful. I would appreciate both of you responding to that.

Mr. BROWN. Well, the Cerro Grande model has, as you know, been an incredibly good model. It has been proven to work. We got the money on the ground very quickly, very efficiently. I hope GAO

agrees with us in the future that we did it appropriately, but I think we did it efficiently and quickly.

There are some differences, though. I do not want this to sound crass or inappropriate, but in Cerro Grande it was a federally-caused disaster and here we have a terrorist caused disaster. While that should not impact our decision to try to get money on the ground in New York as quickly as possible, the basis for the models is different in the sense that Cerro Grande was in response to a federally-caused disaster. That is just a difference I think we ought to be aware of.

I think there are ways to take the Cerro Grande model and what we are doing now in Santa Fe and apply that to the Stafford Act now through maybe some regulatory changes that would accomplish the same thing without actually creating the office. In all honesty, Senator, it has come on us so quickly that we have not really set down and analyzed that. I would just lay that on the table, that that is something I would like to do is go back and say to the Director and to our staff is there some way regulatorily that we can accomplish the same thing without creating the separate office.

Senator CLINTON. I really appreciate that offer, Mr. Brown. I think we are all trying to get to the same solution.

Mr. BROWN. Exactly.

Senator CLINTON. We are concerned that the CDBG model has some built-in problems. One of my Republican colleagues in the House came up to me after Director Daniels' announcement and said how are we going to make sure that they do not just run it through the same old political system that they have had before where we will never see that money, or at least not in any expeditious way. So that is our goal, to try to figure out how to streamline this and maximize the return. One of the executives who was with us today was representing a city group and he told us that they are processing about $800 million worth of private insurance for about 16,000 businesses. He says the vast majority of those businesses, even with their insurance proceeds, are not going to keep their doors open. They just cannot figure out how to make it an economic go under the circumstances.

If they could get some bridge help through grants like this, and if we get through with the crime scene problems which are such an impediment—and I keep mentioning that because I have been to lots of disasters, Senator Lott was with us and he said that he and I having had experience in tornado alley were well aware of disasters, but this is a massive disaster with the lay over of the crime scene and businesses cannot get customers. So we are just struggling for creative answers.

I appreciate greatly the distinction that others have drawn between the Cerro Grande model. Saying that the Federal Government had caused that fire, I mentioned that to some of my businesses executives. I said, you know, the difference is that the Federal Government caused the fires, and this gentleman said, "Well, does that mean if Mohammed Atta had been a Federal employee we would get the claims office?" It is a very chilling kind of question.

We need the money now however we can get it out. One of our problems is the timing. Congress is moving toward adjournment. If we do not get the authorizing legislation or the regulatory changes, then the appropriated dollars that will come from the promised money that the President has stood behind and Director Daniels again reiterated today, the $20 billion will not be able to be allocated. So that is the urgency that we face.

So I would like to work with Dr. Sampson and Mr. Brown, particularly, to see if we cannot come up with a model, through regulatory or statutory changes, through this committee or others, that we can push through.

I also wanted to ask, Mr. Brown, when you said that you have agreed to the 13 additional weeks on unemployment insurance, is that in addition to the 13 weeks that have already been declared, so that we would have a total of a 26 week extension now?

Mr. BROWN. That was my understanding that it is now a full 26 week extension.

Senator CLINTON. Would this only apply when your other criterion is met, a 30 percent increase in the unemployment rate since September 11?

Mr. BROWN. I am not aware of that. Let me ask some of the experts if we know that answer. We are not familiar with that. We will find out, Senator, and let you know.

Senator CLINTON. Because we know that we have already gone up from 5 percent to 6.3 percent. I think the 13 weeks is great and welcome news. We are still of the opinion that we need an additional 26 weeks on top of that. But we are going to work with you on that, and I am very grateful for your support.

I also appreciate your reviewing of the health tracking legislation because I am very concerned about our World Trade Center cough. We are worried that the men on the pile are injuring their health while they try to continue to do the work we are requiring to be done. So we need to work that out as well.

But I appreciate greatly the extraordinary cooperation. If we can have a sense of urgency to try to figure out what regulatory and statutory changes we need, we then can get into this process the sort of authority that is required.

Dr. Sampson, did you want to add to that?

Mr. SAMPSON. Yes, Senator. I concur and am very sensitive to your concern about delivering funds through the same mechanisms that may delay. I think there are some very intriguing models that we became aware of in visiting in New York with New York's business leaders. I think one of the opportunities through the CDBG program is perhaps creatively to channel some of those funds through pre-existing business-based organizations that have a protocol in place to assist these businesses, that have a very extensive volunteer network based on a workforce that is being provided by all the banks in the area to assist these small businesses. So I think there are some creative ways to be able to get that money delivered much more quickly than perhaps traditionally is done.

Senator CLINTON. That would be great, because the Downtown Business Association, which I think was represented at your meeting, is a very competent organization.

Mr. SAMPSON. Yes, ma'am.

Senator CLINTON. If we could by-pass the usual bureaucracy, which, frankly, has a different set of criteria—they usually work with low- and medium-income people, predominantly low-income people in different settings than what we are facing now—if we can get that money out and get it to some of our voluntary associations who know how to run lean and effective programs, that would be a big help.

Mr. SAMPSON. I think that is very promising. We would be happy to work with you to explore that.

Senator JEFFORDS. Thank you.

Senator Corzine.

Senator CORZINE. Thank you. Let me once again compliment all of your agencies for I think outstanding work in a time of crisis for our country. So if the questions do not match those words, I think that is the primary message that I want to get across.

[Laughter.]

Senator CORZINE. There are occasionally things that I think we can learn from some of the issues. Let me start with Mr. Brown. The New Jersey senatorial delegation has a call in to the Director to try to set up just the meeting that you are talking about. It is not because there has not been cooperation, it is just that enough time has gone by that we know the things that we need to work on.

Mr. BROWN. Senator, let me just say that the Director is going to be out of pocket for probably another 5 to 7 days for a personal health matter. So I would just suggest that perhaps your staff get hold of the Director's office again and let us get that set up immediately. Let us not waste any more time.

Senator CORZINE. Most of the issues that evolve from New Jersey are right from the centerpiece of major disaster declaration versus emergency declaration. I think there is an important issue here that goes to the heart of the Stafford Act. It may be hard to actually designate New Jersey, even though it has enormous loss of life and real impact, within the context because it does not meet some detailed definition or standards. By any normal human standards, the kind of loss of life you would think would lead to reactions that are similar to any other area and it just happens to be that we have a river running between the two States. We call them the New York Giants but they play in the Meadowlands. That is really symbolic of what the nature of the neighborhood is.

I think that there are a number of things within the Stafford Act, starting with how you deal with the declarations, that end up dictating terms. This is certainly one that I want to talk about specifically as it relates to a number of issues that flow specifically from that. I will not tie up the committee with respect to those, but they are really quite serious in application.

I would mention one which I think also relates to New York, and that is the issue of straight time versus overtime repayment. A number of the emergency personnel and police forces, it is how resources are allocated that sometimes is the issue, not whether there is overtime payment actually going on with respect to law enforcement and other facilities. I forewarn you that it will be at the second or third point of a meeting. But I think it is equally true for New York City and New York State, New Jersey, and a number

of people that are involved in anthrax situations and others with regard to needs that I think need to be addressed within the context of FEMA reimbursements. I think it is actually quite a significant issue.

I listened to the conversation. I think it was you, Dr. Sampson, who said there were 5,000 businesses south of Canal Street, 4,000 of them small businesses. I think it is remarkable, Mr. Mitchell, that we have 1,000 loans out and $82 million. But there is a disconnect with 4,000 businesses and 1,000 loans for small businesses when undoubtedly the need is really quite great. While I do not have as much information on this as I do on some of the hurricanes that have come along, this is a cumbersome process, not because anybody intends it to be but because it is.

I think within the context of the FEMA response in disaster areas we need to expedite this process. While I like some of these models, I am of the "keep it simple, stupid" stage with regard to how we deal with getting money into pockets of people who do not have business interruption insurance, do not have the sophistication to deal with a lot of the applications or even interfacing with Citicorp to try to get some of these loans. I think that there is real need for examining the Stafford Act within these contexts. I wish I were smart enough to tell you all of the ways that should be done. I do not think it is ill will on anybody's part. I think it is just a very complicated process.

I compliment EPA for the creativity of tapping the Superfund site to get money into certain pockets that would not naturally tie. I certainly would encourage that with regard to Small Business in lower Manhattan. I would like you to think about the west side of the river as well. But these are desperate times for those companies and time is their enemy as much as the issue with respect to access to loans. I think actually grants are more appropriate since it is a national disaster and not something that anyone could have legitimately planned for.

I would say also, Mr. Chairman, if we took a tour of EPA's testing facility in Edison, we would find that it is in a 1942 barracks refitted for laboratories. There are more trailers than there are buildings. If we expect our people to do timely and adequate work, I think we have a real obligation to understand what it is we are investing in the facilities to be able to generate the kind of response that I think we need. I would encourage, whether it is formal or informal, a review of how this is all put together. People have done an outstanding job at EPA to do what they have done.

I think I am going to stop there. There is so much to learn and so much that I think we need to do, but time really is an enemy of recovery because a lot of people will lose their ability if not their will to survive in these times. I look forward to working with the chairman on a number of these issues and making sure that we replenish the Superfund since New Jersey has 115 Superfund sites.

[Laughter.]

Ms. HORINKO. We are more than pleased, Senator Corzine, Mr. Chairman and Senator Carper, to come up and brief you on what we are doing and some of the challenges that we face.

Senator JEFFORDS. We appreciate that.

I waited for my questions till last because I had a rather long list and I let the Senators from the area go first. But if you want to have a comment now, Senator Carper, I would be happy to accommodate you.

OPENING STATEMENT OF HON. THOMAS R. CARPER, U.S. SENATOR FROM THE STATE OF DELAWARE

Senator CARPER. Thank you very much, Mr. Chairman. I will not be long. I do not watch much TV but every now and then I catch a commercial that I especially enjoy. I had the news on this morning and there was a commercial that had a band that sort of looked like the rock group KISS in concert. After the show, they were backstage and this guy walks in and says "I smell world tour. I'm going to take you guys and make a fortune going around the world." Then they start taking off their costumes and they are not KISS at all, they are some other group. The guy says, "Who are you guys?" and one of the fellows says, "I am nobody special but I did stay in a Holiday Inn last night."

[Laughter.]

Senator CARPER. It reminded me of another similar commercial for the same company. The situation was a nuclear power plant and the place was just about to have meltdown and the alarms were going off. This one guy just kind of takes charge right in the middle of everybody. He is sitting there eating a jelly donut and telling everybody what to do, what to shut down and so on. After he gets everything under control, everybody turns around and says "Who are you?" He says, "Well I am nobody special but I did stay at a Holiday Inn last night."

So this is a question involving nuclear power, not jelly donuts, not KISS, but nuclear power. What if the terrorists strike one of our nuclear power plants and the guy that was in that commercial is not around or nobody there stayed at the Holiday Inn last night? How do we react and how do we make sure that the terrorist attack does not somehow spill over and cause the kind of calamity that we all know that it could? Just put us at ease, Mr. Meserve, if you will, and tell us how we are preparing for that eventuality.

Mr. MESERVE. Let me say that I think it is very easy for people to have a lot of dramatization about nuclear power plants. Fortunately, the reality is quite different. Before September 11, we had in place a very serious capability at nuclear power plants to provide security. That includes basically a perimeter defense system, detection systems for intruders, heavily-armed response forces that are also well trained, defensive positions that are within the facility that are armored in order to be able to respond to various kinds of attacks, and, of course, a whole defensive strategy. We inspect the facilities to verify that the facilities have the capacity to be able to defend themselves against what we call the design basis threat, which is the regulatory obligation that every power plant have a capacity and demonstrate the capacity to defend against certain kinds of attacks.

Since September 11, we have required that all of our power plants go onto a heightened security status, the details of what that has meant you will appreciate are ones that we are not advertising and do not advertise publicly. It is classified information.

Senator CARPER. We do not want to know.

Mr. MESERVE. That basically involves an enhancement of the kinds of things that I have described as part of the capability—increased number of guards, increased weapons, increased patrols and control posts.

I have also communicated after September 11 with the Governors of 40 States to make sure that those States were aware of the nature of the defenses at the facilities and aware of the limitations of those defenses in the event some extraordinary attack were marshalled, that there would be State assets that could be provided. As a result of that, at most of the sites today there is assistance being provided, at the perimeter of the facilities typically, by local law enforcement, by State police, and by National Guard.

We have also had extensive interaction with other agencies of the Government, including the military, to ensure that there is an awareness of the limitations of the defenses at the facilities and the need perhaps under some circumstances for Federal assets to be provided. So there is an awareness throughout the Government of these plants and what they can and cannot do.

I think we have taken every reasonable and prudent action to assure that the nuclear power plants are capable of defending themselves against the circumstances in which we now find ourselves.

Senator CARPER. Good. One follow up on that, Mr. Chairman, if you do not mind. The law which deals with the insurance, Price Anderson, which I believe is up for reauthorization this year——

Mr. MESERVE. That is correct.

Senator CARPER. How is the need for reauthorization of Price Anderson affected, if at all, by the kind of threat that our nuclear power plants might be under?

Mr. MESERVE. Well, the Price Anderson Act covers a large number of different kinds of facilities including Department of Energy facilities. With regard to the existing nuclear power plants, the Price Anderson protections will continue on even if the Price Anderson Act itself terminates. So with regard to existing power plants, there is no effect on the liability and protection scheme that is established by that statute. If there were to be new construction, the failure to have a Price Anderson Act would mean that the new plants would not have the benefit of that statutory system. So if it were nuclear power plants, there would be a need for reauthorization. There is also a need for reauthorization in light of the Department of Energy facilities. But the demand is not there because of a pressing need for existing power plants.

Senator CARPER. Are there some proposals that have come to your attention to build some new nuclear power plants in the next couple of years, or at least to start that process?

Mr. MESERVE. There is serious evaluation that is underway by the generating companies about the prospect of new construction. No one has come to us and said that they assuredly will file an application. But this is an area in which there is interest. The reason is really I think quite simple to see, is that the existing nuclear power plants have established really quite an extraordinary record of both economic performance and safety performance over the last couple of decades, steadily improving performance. One of the consequences of that is that the production costs for nuclear power

plants are such that they are now the cheapest form of electricity on average that is on the grid today. So that has meant that if you are a generating company you are interested in those types of assets.

Senator CARPER. OK. Thanks very much. Mr. Chairman, thanks for letting me go ahead of you.

Senator JEFFORDS. Thank you.

Senator CARPER. Hopefully inject a little humor into this serious deliberation.

Senator JEFFORDS. Thank you. It is always a pleasure to have you with us.

Ms. Horinko, have there been any studies pertaining to the health effects of human exposure to chlorine dioxide gas? I have staffers who are pregnant and staffers who suffer from asthma who work in the Dirksen Building which joins Hart. Can you assure me that their health will not be compromised by these remediation activities?

Ms. HORINKO. Mr. Chairman, that is a common question that we are hearing from folks on the Hill whom we are briefing on our proposed remediation plan for the Hart Building. A couple things I would like to say to put their minds at rest about our plan.

Senator JEFFORDS. That is why I am asking it.

Ms. HORINKO. Absolutely. Very valid concerns. First of all, the actual chlorine dioxide gas itself will only be present in the building during very limited times during which we have the building sealed off and access to the Dirksen Building sealed off. The Dirksen Building itself will be empty during that period. So there will be no human exposure to the chlorine dioxide gas during the period in which we propose to remediate the building. The gas itself decomposes relatively quickly. In fact, it will be a challenge to us to make sure that we keep it active long enough at levels that are appropriate to remediate the anthrax spores. Then we will scrub the building and make sure that it is completely safe, both from the standpoint of no gas being present and also no spores being present, before anyone is allowed back in the building.

The gas itself decomposes to relatively harmless salts. In fact, it is commonly used today in a number of commercial settings such as sanitizing bakeries or dairies or other places, used on computer equipment, on many household products and food products. In fact, we are exposed to this pretty ubiquitously in the environment because it is used so commonly today.

My staff is telling me that in fact, by virtue of having run this gas through the HVAC system in the Hart Building, whatever spores or mold or bacteria was in the HVAC system will actually be remediated, so anyone who has asthma will probably be in better health as a result of our fumigating the building than they would be if we had not.

So we will work to get our scientific data up to you all so that you can see that this is a very safe and effective product and that they will not suffer any ill effects as a result of the residual impacts of this technology.

Senator JEFFORDS. Thank you for that answer. I have never been through an experience like this, I do not think any of us have, where we are in the midst of the exposed areas. There is a great

deal of anxiety created in our staffs in particular. So that is very helpful.

Back to the power plants. It is good to see you again.

Mr. MESERVE. Nice to see you, Mr. Chairman.

Senator JEFFORDS. I understand that the FAA has established a no-fly zone of sorts around a nuclear power plant. This no-fly zone applies only to noncommercial aviation and expires November 7. Additionally, there seems to be a question of how this no-fly zone can be enforced. This is a concern to my State where reports of an unidentified plane flying close to the Vermont Yankee plant on September 13 have never been fully explained and obviously caused some anxiety. In your opinion, what is the advisability of providing greater protection for air space around nuclear plants? Do you have any suggestions on ways that this might be accomplished, and is there anything we need to do to help you?

Mr. MESERVE. This is a difficult issue. Immediately in the aftermath of the September 11 event, we started our discussions with the FAA and with the military about the possibility of another aircraft attack. There has been for some time something that is called a notice to airmen that is issued by the Federal Aviation Administration that requests pilots not to fly over or in the vicinity of nuclear power plants and other similar facilities, not just nuclear power plants but other infrastructure of a similar kind, chemical plants and the like. We did see a reduction in the number of fly overs as a result of that notice but they were not eliminated.

We established a protocol with the FAA so that if there were a fly over our licensees were to do their best as they could to observe the tail number on the aircraft, communicate that to the FAA, to us, and to the military in order that there could be a follow up activity to pursue the reason for that fly over and to discourage any further fly overs. We were not always successful of course in identifying the aircraft, nor when there were police or military efforts to intervene did they always find the aircraft that had exited the region by the time they got there.

As a result of the intelligence that led to the announcement by Attorney General Ashcroft the other day, there was a decision to establish no-fly zones for general aviation aircraft over 70 sites licensed by the NRC and 16 or 17 sites that are under the control of the Department of Energy. That was as a result of a discussion that not only involved the NRC but the Office of Homeland Security, the military, FAA, and other agencies with interest in the matter. It is a balance between the disruption of civilian usage of the airspace and the need to provide protection. This is a limitation that is going to expire in a week or so as this current threat is understood to diminish.

It is my view that this is an issue that you have commercial issues that have to be evaluated in terms of the impact on the usage of airspace by general aviation aircraft, some of which are of course commercial, not for flying passengers but business travel and for freight and the like. There is a question of the military response in that there is little point to establish a no-fly zone if there is not some way to enforce it. So you have an issue about the deployment of your defensive assets that have to be resolved. So I think this is a complicated issue that involves interests that go well

beyond just the NRC's. It involves the interests of a variety of other agencies.

Senator JEFFORDS. It obviously does. So I do not know whether any legislation is needed or whatever, but I am sure you will let me know. This committee has a responsibility over the plants in the sense of security, so we want to work with you and make sure that you have whatever authority you feel is appropriate.

Mr. MESERVE. Thank you very much, Senator.

Senator JEFFORDS. Mr. Moravec, last week I met with you and GSA and Administrator Steven Perry. In that meeting we discussed the Federal buildings security and you told me that one of the biggest obstacles facing your agency is the retention of security personnel. Because of the differences in pay grades between GSA and other Federal law enforcement agencies, you told me that your agency experiences a tremendous amount of turnover with your Federal security personnel. Can you discuss what needs to be done to help your service attract and retain trained law enforcement personnel and what kind of legislation, if any, you need to help you?

Mr. MORAVEC. Thank you, Senator. This is a point of vulnerability for the Federal Protective Service. Particularly lately, with the high state of alert that we have been forced to maintain at all Federal facilities, it has thrown into high relief the pressure our manpower is under. We have determined that we need not only to keep the manpower that we have, the Federal law enforcement and security officers that we have, but probably to increase that force. We are being forced to run 12-hour shifts and that is putting a lot of pressure on them. Frankly, we are stretched pretty thin.

The Federal Protective Service uniformed personnel are at a disadvantage relative to other Federal police forces in terms of the pay scale that they are entitled to and also in terms of the benefits package which they are entitled to upon retirement. That has proven to be a challenge for us in terms of retaining people. We are also, of course, subject to people being called up by the National Guard which is putting pressure on it. There is really not very much we can do about that. The principal concern is losing our people to other Federal services. For example, the air marshals right now are offering a $25,000 signing bonuses for qualified law enforcement and security personnel and that is awfully tempting for some of our people.

Senator JEFFORDS. Have you seen a number looking into that, is that what you are telling me?

Mr. MORAVEC. Have we seen——

Senator JEFFORDS. A number of your employees looking to go?

Mr. MORAVEC. Yes. In fact, just last week we lost two of our most highly qualified people in the national capital region, people that we could ill afford to lose. We are concerned that that could be a continuing challenge for us.

Senator JEFFORDS. How do you go about approaching a solution? Do you have to come to us?

Mr. MORAVEC. Well, a certain amount of relief I think can be orchestrated through work with the Office of Personnel Management. But it is my understanding that legislative relief would be required

to change particularly the benefits package which we are able to offer these people.

Senator JEFFORDS. Well I feel for you. So if we can be of help, let us know.

Mr. MORAVEC. Thank you very much, Senator.

Senator JEFFORDS. Mr. Brown, on October 16 this committee held a hearing to discuss FEMA's response to the events of September 11. During a discussion with the emergency response personnel at that hearing the emergency responders suggested the need for a dedicated national communications system for emergency responders to better coordinate and respond to disasters. Listening to that, I could easily understand. We have a hodgepodge of communications systems and trying to connect them up in a disaster is not an easy thing. Crews from Maryland and Virginia responding to the Pentagon disaster were at times unable to communicate with each other because they were using different radio frequencies, etc. What is the solution?

Mr. BROWN. The solution, Mr. Chairman, is to do the study, get some money, and fix it. It is very simple. The solution itself is not going to be simple, getting there is. We have to identify how we are going to use those different broadbands, get those dedicated to us, get the money, and have a national system.

Senator JEFFORDS. OK. What about the digital spectrum, do you need access to that?

Mr. BROWN. Yes, we will.

Senator JEFFORDS. So, again, you need——

Mr. BROWN. Although I have heard, and I will have to get back to you on this, I have heard that actually we have more problems utilizing the digital spectrum than we would an analog and that actually analog in terms of disasters may be more beneficial to us.

Senator JEFFORDS. OK. Please keep me advised.

Mr. BROWN. We will do that.

Senator JEFFORDS. If you need any help——

Mr. BROWN. We need your help in that area.

Senator JEFFORDS. All right. We are here to help.

Mr. BROWN. Good.

Senator JEFFORDS. Dr. Sampson, since 1992 the EDA has received over $600 million in supplementary appropriations to deal with the aftermath of major disasters. Can you explain the disaster grant process and the role EDA plays in post-grant oversight, and how can the agency put this experience to use to aid the people of New York?

Mr. SAMPSON. The EDA has primarily three sets of tools to use in disaster response grants. First, our technical assistance and planning grants; second, capitalization of revolving loan funds that can be used where appropriate for financing that is not available on the market; and the third primary tool is through public works grants.

As we discussed, the circumstances in New York and the needs of those businesses are somewhat unique to many of the other disasters that we have been involved in. I think the major lessons that we have learned from working with those disasters over the past really many number of years is that the fundamentals of economic recovery do not change after the disaster. Economic develop-

ment stays basically operating through several principles. Before businesses will reinvest, there has to be a likely outcome that they are going to get a return on that investment, and I think Senator Corzine referred to that basic principle.

Second, the effort needs to be thorough, comprehensive, and coordinated. I think we have learned that we need to carefully scope the problem and then apply the right resources. That is the approach the Administration is trying to take right now by identifying the appropriate Federal resources to bring to bear. One of the major lessons is there is a need for streamline delivery of those services. I think Senator Clinton already identified the importance of that.

The role that EDA has consistently played is as a partner to those lead agencies that are here at this table—FEMA, SBA, Department of Transportation, HUD. We are happy to bring those lessons to bear and assist our partner agencies in dealing with this disaster as well.

Senator JEFFORDS. Thank you.

Mr. Meserve, I understand that the NRC has been in close contact with the Governors and the Federal intelligence and enforcement agencies as well as the military. Have these discussions dealt with evacuation plans should an emergency occur? Do all nuclear power plants have in place clear procedures for notifying and coordinating with local and Federal disaster response personnel? Would local police, firefighters, and government officials know what to do, how to coordinate, and what roads should be opened and closed, etc.? People like reassurance on this, as you understand.

Mr. MESERVE. I appreciate the question. In the post-September 11 environment, our discussions have principally focused on whether a threat exists and assuring that there is appropriate defensive capability to be able to respond to any threat.

We do have as part of our normal regulatory process a requirement that every nuclear power plant have an emergency plan and that would cover events of all types. The NRC's focus is on the onsite portion of it and we work with our colleagues at FEMA and with the State emergency response agencies with regard to the offsite portions of it. Those plans are required to be updated whenever there is a significant change. Like a road were to close or what have you, then the plan would have to be adapted. We require in any event that those plans be reevaluated every 2 years. At every site we have every 2 years a full exercise—that means not only the NRC portion, the onsite portion of the plan, but also involving the FEMA assets and the State and local assets—in order to attest the capacity of the plans to be able to respond to events. So this is something that is part of our normal emergency planning at the nuclear power plants and is subject to continuing review to assure that the emergency plans are adequate.

Ms. HORINKO. Mr. Chairman, if I might add, our——

Senator JEFFORDS. I was going to ask you a question, too, so go right ahead.

Ms. HORINKO. I was going to say that in addition to our lab at Edison, New Jersey, that Senator Corzine mentioned he believes is sadly in need of upgrading, we have a fine team of radiological emergency responders who are specialized and can assist our on-

scene coordinators, our network of EPA teams that respond to chemical and oil spills and also are responding to the anthrax. So our folks are also trained to respond to nuclear incidents and can help out in these situations.

Senator JEFFORDS. Thank you both. I will follow up with my question to you, Ms. Horinko. In your testimony, you state that the anthrax remediation and World Trade Center cleanup efforts may be depleting the Superfund trust fund. I am very concerned about depleting the Superfund, but we obviously need to provide for anthrax cleanup as well. Are you certain that if there is another terrorist event the EPA will have money readily available to respond? In light of this, are you certain that you have adequate resources to continue your current pace of cleanup at the Superfund sites?

Ms. HORINKO. Mr. Chairman, that is a very important question and, frankly, we are at a point now where we are going to be taking a very hard look at our portfolio of sites. Thus far, we have been able to respond using our existing emergency funding authority under the Superfund law and deploy our resources. But it looks like we are in this for the long haul. I will be meeting with my regional Superfund division directors next week and we are going to take a very careful look at the portfolio of sites that we must address this year and figure out what we can and cannot do. I will be pleased to follow up with you and your staff after that meeting and figure out what we need to do the job properly.

Senator JEFFORDS. I appreciate that. We did not think about these kind of things when we were creating the Superfund, and yet it certainly fits in that kind of a situation.

Ms. HORINKO. I will say that our existing system is responding very well and I am proud of the work that our folks are doing in the field.

Senator JEFFORDS. Mr. Mitchell, thank you for your help. I do not have a question for you. Senator Clinton cleared up that area. So I just want to thank you for sharing with us your experiences.

Thank you all. We also reserve the right to question any of you that we feel like by writing after you leave, so do not get too rested.

[Laughter.]

Senator JEFFORDS. Thank you all.

[Whereupon, at 3:55 p.m., the committee was adjourned, to reconvene at the call of the chair.

[Additional materials submitted for the record follow.]

STATEMENT OF MICHAEL D. BROWN, ACTING DEPUTY DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY

Good afternoon, Chairman Jeffords and Committee members. I am Michael D. Brown, the General Counsel and Acting Deputy Director of the Federal Emergency Management Agency (FEMA), and I am pleased to testify today about several draft bills that are being considered in the aftermath of the World Trade Center attack.

One bill would require the Director of FEMA, in coordination with the Federal Communications Commission and the Department of Defense, to conduct a study to determine the resources that are needed to develop an effective communications system for the use of emergency response personnel during disasters. We have no objection to the concept of performing such a study, but note that allocating resources to this effort would have an impact on our operating budget.

Another bill under consideration would establish within FEMA an Office of World Trade Center Attack Claims to reimburse individuals and businesses that were injured by the World Trade Center attack on September 11.

Several other bills under consideration would amend the Stafford Act to: (1) authorize the President to conduct studies relating to protection of the health and safety of emergency responders in the aftermath of disasters where harmful substances have been released into the disaster area; (2) direct the President to appoint Children's Coordinating Officers following disasters where children have lost one or more custodial parents; and (3) extend from 26 weeks to a year the availability of disaster unemployment assistance for individuals who are already eligible for this assistance under the Stafford Act. In addition, FEMA was asked informally to address whether there is a need for new legislation involving housing repairs relating to the September 11 attack.

The draft legislation to establish a World Trade Center claims office within FEMA would require the Director of FEMA or an independent claims manager who would be appointed by the Director to reimburse claimants, including individuals and businesses that live or maintain businesses in the area around the attack site, for losses suffered as a result of the World Trade Center attack. The bill indicates that claimants could file claims for a variety of different losses, including property losses, infrastructure damage, business interruption losses, wages for work not performed, insurance deductibles, temporary living or relocation expenses, and debris removal costs. The bill also requires FEMA to deduct from any claim payments the amounts that claimants received from insurance recoveries and disaster assistance payments provided by FEMA, other Federal agencies, State or local governments, charities, or non-profit organizations. Initially $2 billion would be authorized to be appropriated to implement the legislation—$1,925,000,000 to pay claims, and $75,000,000 to cover the costs of administering the program.

As you are aware, the Stafford Act already contains a broad range of authorities that were triggered by the President's major disaster declaration. We have provided temporary housing assistance to address the housing-related needs of victims of the attacks. FEMA is also providing funding to cover 100 percent of the costs of performing debris removal at the site of the attack. In addition, we are providing assistance to repair and replace all publicly owned and certain nonprofit facilities that were damaged or destroyed by the attack.

Nevertheless, it is clear that the draft legislation would cover a substantially broader range of injuries and losses than FEMA is authorized to address under the Stafford Act. For example, the Stafford Act does not authorize FEMA to reimburse disaster victims for business interruption losses, wages for work not performed, and business relocation expenses. In addition, the Stafford Act only authorizes FEMA to provide assistance to eligible applicants, such as State and local governments and a limited number of nonprofit organizations. The draft legislation, on the other hand, would require FEMA to pay claims that might be submitted by virtually all individuals and businesses that were injured by the attack.

As you know, Congress recently enacted the Air Transportation Safety and System Stabilization Act. Title IV of that Act authorizes the Justice Department to provide compensation to any person, or relatives of a deceased person, who was injured or killed in the September 11 airplane crashes. Although the draft legislation that would create a claims office within FEMA would provide assistance to a broader range of claimants than is covered by the Air Transportation Safety and System Stabilization Act, we question whether this is an appropriate role for FEMA.

While Justice is still developing the regulations of this program, FEMA is already addressing a substantial percentage of the needs of individuals who were injured by the attack at the World Trade Center pursuant to the authorities of the Stafford Act. On the other hand, our preliminary review of the draft legislation suggests that most of the claims that would be paid pursuant to the bill would flow to businesses that were damaged by the attack and that agree to re-establish their business activities in the area affected by the attack.

FEMA believes that there are already authorities administered by the Small Business Administration (SBA) that would cover many of the types of losses that the bill would require FEMA to address. While I recognize that there are caps on the disaster assistance loans that SBA is currently authorized to provide, and while I also recognize that affected businesses would prefer to have access to Federal grants, rather than loans, we believe it would be preferable to consider legislation in this situation that would authorize additional flexibility for existing Federal programs.

Another one of the bills that I was asked to address would amend the Stafford Act to authorize the President to appoint Children's Coordinating Officers whenever an emergency or major disaster caused children to lose one or more custodial parents. The Coordinating Officers would be responsible for providing support and assistance to such children to ensure that they were provided with adequate temporary care services, mental health services, and counseling to address their long-

term needs. As you know, FEMA is already authorized to provide crisis counseling assistance to disaster victims. We administer this authority by funding States' costs of administering counseling services. State applications for crisis counseling funds must address how services will be provided generally, and in particular to special populations, such as children.

New York's application already addresses the need to provide counseling services to children who have been affected by the attack. According to the New York Office of Mental Health, these activities are being provided through outreach programs, education, and other existing services to children who lost a parent in the attack. We are not aware that this has become an issue which needs to be addressed by amending the Stafford Act, but we would welcome the opportunity to discuss this issue with Committee members, as well as representatives of the State, New York City, and counseling providers to ensure that appropriate counseling and long-term services are available to all needy children. Additional needs in this regard would probably best be addressed by agencies with a traditional role in the provision of such services.

I was also asked to address a draft bill that would amend section 410 of the Stafford Act to extend the availability of Disaster Unemployment Assistance (DUA) an additional 26 weeks—to a full year—for individuals who are already eligible for such assistance. As you may be aware, the DUA program is administered on our behalf by the Department of Labor, the Federal partner in the Federal-State unemployment compensation system. The Department of Labor enters into agreements with the States to administer the DUA program through the State unemployment compensation systems. Most workers who become unemployed as a result of Presidentially declared disasters qualify for unemployment compensation under the regular State programs. Those who do not may qualify for DUA.

The unemployment claims that have been filed in the aftermath of the attack are, therefore, being paid under State unemployment compensation laws and under the DUA provision of the Stafford Act. The Administration has proposed, as part of the Back-to-Work Relief package which has been introduced in the Senate by Senator Allen as S. 1532, to extend unemployment compensation for an additional 13 weeks for individuals who became unemployed on or after September 11 in States where a major disaster or emergency was declared as a result of the attacks and in States where the unemployment rate increases by 30 percent over the pre-September 11 rate. In addition, in light of the uniqueness of this situation, the Administration would support an additional 13 weeks of disaster unemployment assistance in those States where a major disaster was declared due to the September 11 events.

The final draft bill that I was asked to address in this hearing would amend the Stafford Act to authorize the President to implement a program to protect the health and safety of emergency response personnel in the aftermath of disasters which cause harmful substances to be released. The program would authorize: (1) the provision to community members and emergency response personnel, including volunteers, of information about harmful substances; (2) monitoring of the long-term health impacts of harmful substances; and (3) training in the use of personal protective equipment for emergency response personnel. FEMA routinely calls on the Environmental Protection Agency and the Department of Health and Human Services for expertise in assessing these types of concerns in the aftermath of disasters. This system has worked efficiently, and we therefore are not aware of a need to amend the Stafford Act to address this issue. However, this is an important issue that may require more time for review within the Administration.

Finally, the Committee letter mentions a need to amend the Stafford Act's temporary housing authority to increase the amount of funding that may be provided to repair owner-occupied housing that is damaged by major disasters. There is a new provision of the Stafford Act that will become effective next May that would impose a $5,000 cap on this form of temporary housing assistance. In previous correspondence we have asked the Committee to amend this provision, which, when it becomes effective in May of 2002, will work a severe hardship on disaster victims with the lowest incomes and the most significant disaster impacts. This cap was enacted within Public Law 106–390. While the cap does not affect the response in New York, we continue to urge the Committee to make this technical amendment before the cap takes effect next May.

Thank you for this opportunity to testify before you today. I would be pleased to answer any questions you might have.

STATEMENT OF JOSEPH MORAVEC, COMMISSIONER, PUBLIC BUILDINGS SERVICE

Good morning Mr. Chairman, and members of the Committee. I am Joseph Moravec, Commissioner of the Public Buildings Service. Thank you for the opportunity to discuss improving security in GSA-owned and leased facilities.

In addition to our own initiatives, H.R. 307 was introduced January 30, 2001, to provide for the reform of the Federal Protective Service, and to enhance the safety of Federal employees, the public and children enrolled in childcare facilities located in facilities under GSA control.

Former PBS Commissioner Robert Peck addressed H.R. 809, the predecessor to H.R. 307, on September 28, 2000 during a hearing in the House Subcommittee on Economic Development, Public Buildings and Emergency Management. A significant proposal in H.R. 809, the establishment of the FPS as a separate service from the PBS, did not have support from GSA nor the Senate. The principal reason we at GSA continue to oppose H.R. 307's proposal to make FPS a separate service within our Agency is that it would divorce security from other Federal facility functions when the opposite needs to be done. Security needs to be tightly integrated into decisions about the location, design and operation of Federal facilities. Divorcing FPS would create an organizational barrier between protection experts and the PBS asset managers, planners, project managers and facility managers who set PBS budgets and policies for our inventory as a whole and who oversee the daily operations in our facilities.

The security we provide is financed out of rent revenues collected by PBS from our tenants who look directly to PBS for responses to their security needs. A separate GSA security service would lead to confusion about who is responsible for what in GSA's security efforts. It is also contrary to agency efforts to present our customers with a seamless GSA, capable of offering more integrated workplace solutions.

Following the September 2000 testimony by Commissioner Peck, the Senate Transportation and Infrastructure Subcommittee recommended the establishment of direct line authority within PBS. The Administrator subsequently approved and issued GSA Orders ADM 5440.548 and ADM 5450.137, effective November 17, 2000, that reorganized the FPS and reassigned the reporting authority of FPS Regional Directors from the PBS Assistant Regional Administrators to the FPS Assistant Commissioner in the Central Office.

Under direct line authority, PBS has made substantial strides in fulfilling our mission to reduce the threat to Federal facilities under GSA control nationwide. The FPS budget, personnel actions and operational focus have been centralized to yield results better than that which could be obtained by establishing a separate competing service. All FPS Regional Directors now report to the FPS Assistant Commissioner in the Central Office. The FPS Assistant Commissioner reports to the PBS Commissioner who reports to the Administrator.

Leading the Federal Protective Service is Acting Assistant Commissioner Richard Yamamoto. Mr. Yamamoto is a graduate of the FBI National Academy with over 20 years law enforcement experience in the U.S. Army. He also spent 7 years coordinating joint Federal, State, and local law enforcement activities through the High Intensity Drug Trafficking Areas (HIDTA) Program at the Office of National Drug Control Policy.

Mr. Yamamoto exemplifies the core competencies we desire of all our operational management personnel within FPS. Not only does Mr. Yamamoto possess extensive law enforcement and security skills, he also has been designated as a certified protection professional—one of the premier accomplishments in the field of security. Within FPS, we are developing and requiring both law enforcement and security core competencies for all of our operational managers. While many of our current managers have Federal, military or local police training and experience, those who do not have law enforcement training will be sent to the Leadership Academy Law Enforcement Course at the Federal Law Enforcement Training Center (FLETC) in Glynco, GA, to attain these necessary skills. This course provides the same essential core elements of the courses taught in the FPS Mixed Basic Police Training Program with identical examinations and standards including the full firearm qualification course and test.

Specifically addressing the proposal in H.R. 307 that there be at least 730 full-time equivalent FPS Police Officers, we believe that FTE levels should be based not on an arbitrary number set forth in legislation, but rather on the threat that may vary from time to time. FPS regularly conducts individual facility security surveys and Regional Threat Assessments to determine the threat to Federal facilities. FTE requirements are based upon these threat assessments. Currently, our planning anticipates that current levels should be adjusted for Fiscal Year 2002 and Fiscal Year

2003 to enable FPS to achieve a more desirable mix of operational personnel. The Fiscal Year 2003 FTE targets have been constructed to support an anticipated need for 408 Federal Protective Police Officers and 323 Law Enforcement and Security Officers, for a total of 731 uniformed positions. Specifically, we are increasing the number of our criminal investigators and uniformed Law Enforcement Security Officers (LESO) who have both law enforcement and security competencies.

FPS has made great strides in reducing the threat to Federal facilities, tenants, visitors and their property. We are actively implementing many initiatives to identify and decrease threats through individual facility security assessments and the Regional Threat Assessment Program. Relying on this information, we have refined our requirements, coordinated more effectively with other law enforcement agencies, improved our training, and positioned ourselves to measure our expected outcome of reducing the threat.

We at GSA have no more important responsibility than providing for the security of the tenants and visitors in our facilities and are continually striving to enhance our protection services. I thank the Committee for this opportunity to discuss our promising new security initiatives at GSA facilities. This concludes my prepared statement. I am pleased to answer any questions you should have.

STATEMENT OF DAVID A. SAMPSON, ASSISTANT SECRETARY OF ECONOMIC DEVELOPMENT, U.S. DEPARTMENT OF COMMERCE

Chairman Jeffords, Senator Smith, Members of the Committee: Thank you for this opportunity to appear before the Environment and Public Works Committee regarding the Economic Development Administration's (EDA) role in the economic revitalization of New York City. I have a longer prepared statement; with your permission, I ask that it be inserted into the record.

One week ago today Deputy Secretary of Commerce Samuel Bodman, Lloyd Blanchard (Office of Management and Budget Associate Director General Government Programs), Doug Holtz-Eakin (Chief Economist of the President's Council of Economic Advisors), and I toured the World Trade Center site and met with leading members of New York City's business community. As you know, Ground Zero is quite literally beyond comprehension or description. But equally moving was the sight of thousands of New Yorkers who were lined up outside Madison Square Garden to participate in a job fair for displaced workers.

The Administration, the Department of Commerce, and the Economic Development Administration are committed to the economic revitalization of New York. As you are aware, the Administration is providing considerable funding for efforts that are underway to promote the City's recovery and economic revitalization. In this context this means we are developing a multi-prong approach at getting people back to work and businesses, both large and small, back on their feet.

EDA ADMINISTRATION OF DISASTER ASSISTANCE

The Economic Development Administration (EDA) has contributed to previous disaster response efforts and has the statutory authority to assist communities in long-term economic recovery efforts. EDA has participated in over 20 major disaster adjustment efforts since Hurricane Camille in 1969, and has received in excess of $600 million in supplemental appropriations to deal with disasters since 1992. Appendix A illustrates EDA's supplemental disaster appropriations. This funding has supplemented the lead roles assigned to the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and other agencies, including the Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD). EDA has limited ability to respond without a supplemental appropriation.

Under existing statutory authority, EDA administers disaster program funds through targeted grants to disaster-impacted communities designed to achieve long-term economic recovery.

EDA disaster recovery efforts assist communities in shifting focus from short-term emergency response to long-term economic impacts of the disaster, and enabling the development of an economic recovery program that reflects local priorities.

EDA's disaster response is organized into three phases: (1) monitoring, (2) mobilization, and (3) program delivery. Each phase has a triggering event with specific roles and responsibilities for EDA's divisions. The plan builds upon the basic organizational structure and is designed to enable EDA to reasonably adapt its resources to be responsive to the size and scope of the disaster.

Reports of potential disaster situations, such as severe storm warnings and FEMA advisories, or the occurrence of a sudden catastrophic disaster such as an earth-

quake or tornado, trigger the initial monitoring phase. Activities include monitoring the events and gathering information critical to positioning EDA to move quickly into the mobilization phase, if warranted.

A Presidential declaration of a major disaster triggers the intermediate mobilization phase. Other types of non-Presidential disaster declarations may also trigger portions of EDA recovery plan actions.

EDA triggers the final program delivery phase by issuance of a Disaster Response Guidance Memorandum from EDA headquarters to appropriate EDA organizational units. Generally, proceeding with the program delivery phase also assumes that emergency supplemental appropriations or other funding resources have been identified and dedicated to EDA's disaster response, recovery, and mitigation activities.

EDA's discretionary grant implementation for disasters is in accordance with the prevailing statutory requirements and regulations. Within the statutory and regulatory framework and subject to any disaster specific restrictions, EDA uses all available program tools to implement a timely and appropriate strategic disaster recovery response to the disaster, consistent with EDA's economic recovery role.

When asked to assist with disaster recovery, EDA has a comprehensive and flexible set of program tools, including:

- Targeted economic recovery planning and technical assistance grants;
- Revolving loan fund grants to address unmet business financing needs where other financing is insufficient or not available; and
- Infrastructure construction grants to rebuild an environment attractive to private investment for the re-creation of job opportunities.

While our program tools are flexible, EDA has a clearly defined target group of those eligible to receive EDA investment dollars. Those eligible include State and local governments, public and private nonprofit organizations, and regional economic development districts. Businesses are not eligible for direct assistance under EDA's major programs.

Additionally, FEMA may direct EDA to perform economic impact evaluations or carry out other specific tasks through special "mission assignments." Recently, FEMA mission assignments have tasked EDA to perform economic impact assessments in North Carolina, Virginia and New Jersey resulting from Hurricane Floyd.

ADMINISTRATIVE COSTS

The additional EDA staff and staff administrative costs would depend greatly on the amount of funds involved and the nature of the assistance. Since 1994, EDA has received additional funding for Salaries and Expenses (S&E) to administer emergency supplemental appropriations. The S&E rate averaged 5 percent of the funds appropriated, with the expectation that the funds would cover the costs associated with both grant award and post-approval monitoring for 3 to 5 years.

EDA currently oversees New York City development projects from our Philadelphia regional office, which is staffed with 35 employees. As this region consists of more than a dozen States, EDA at this time has relatively few staff devoted exclusively to New York City development projects. Were EDA to be assigned a responsibility for a portion of New York economic revitalization and recovery efforts, we would, as we have in past disasters, assemble a special disaster response team comprised of existing headquarters personnel as well as existing personnel from the six regional economic development offices around the country.

REDEVELOPMENT STRATEGY

While it is important that the Federal, State, and city governments move as quickly as possible to address the economic impacts in New York City, it is also critically important that economic revitalization efforts be based on a sound understanding of the New York City economic landscape both pre-September 11 and post-September 11 to ensure that Federal efforts are truly market-based and phased appropriately in light of the projected timeline for clearing the World Trade Center site.

The Administration is committed to taking a thorough, comprehensive, and coordinated market-based approach in addressing New York's immediate and long-term economic recovery needs. To this end, we believe it is vitally important to work not only with State and city officials, but also with New York's business leaders.

With that in mind, last week we met with New York City business leaders and the New York City Partnership. This group's leadership includes CEO's of global businesses headquartered in New York. The New York City Partnership has commissioned seven of the world's leading consulting firms (A.T. Kearney, Booz-Allen, Bain, Boston Consulting Group, KPMG, McKinsey, and PricewaterhouseCoopers) to assess the economic impact of the World Trade Center attack on New York City and

identify investment priorities for renewal. As I understand from my briefing, the overall project objectives will be to:

• Adopt a base line of New York City economic forecasts prior to the World Trade Center tragedy;

• Assess the economic impacts of the World Trade Center tragedy on all key industries and sectors of the City economy, both short-term and long-term;

• Understand the economic and fiscal impact on lower Manhattan and New York City and fiscal impact on New York State; and

• Identify priorities to accelerate recovery.

Based on my conversations with New York City business leaders, my sense is that the most urgent need is to focus on recovery in the collateral damaged area because Ground Zero cleanup is probably a year away. The best information I have seen indicates that there are approximately 5,000 businesses directly affected in New York City at Ground Zero and the cordoned off areas. Approximately 4,000 of those are small businesses that employ approximately 77,000 employees. These are the most vulnerable businesses. Because of the indeterminate extent of the New York City recovery program, it is evident that loans will not be an appropriate vehicle in support of these businesses and they can only be retained by some sort of grant program. The Director of the Office of Management and Budget, Mitch Daniels, is announcing today the release of funds from the Emergency Supplemental Appropriation that New York can use for such grants to businesses.

The Administration is currently providing significant funding to New York through a variety of agencies. The proposed authorization for a major grant to provide employment incentives needs more analysis to ensure the funding of recovery is effective and provides the infrastructure necessary to move the economic base of New York City forward. The Administration is looking at a range of existing government programs for a comprehensive solution. We believe this is a better systemic approach than locking into a $2 billion appropriation at EDA.

The Administration is focused on ensuring that economic recovery funding is effective and truly focused on rebuilding New York City's economic infrastructure in order to get people back to work and businesses up and running again. As the Administration and Congress make these decisions, I respectfully suggest we do not limit ourselves to one narrow path of assistance, but use a wide range of existing Federal programs and delivery infrastructure to maximize every Federal dollar on rebuilding New York City. Working together with the private sector, we will not disappoint those who need the assistance of an effective, coordinated Federal, State and local response to rebuild the economic infrastructure and get people back to work.

Thank you for allowing me to testify before you today. I would be happy to answer any questions you may have.

APPENDIX A

EDA Supplemental Disaster Appropriations.—1992 to Present

Fiscal Year	Disaster	Program Funds (Millions)	S&E Funds (Millions)
92	Hurricanes Andrew, Iniki and Typhoon Omar	$70	$5
	EDA awarded 63 grants in Florida, Hawaii, Louisiana, and Guam.		
93/94	Midwest Floods	200	
	EDA awarded 297 grants in North Dakota, South Dakota, Iowa, Missouri, Kansas, Wisconsin, Minnesota, and Illinois.		
94	Southern California Earthquake (Northridge)	91	
	EDA awarded 20 grants in southern California.		
94	NE Fishery Disaster	18	
	EDA awarded 21 grants in the New England States.		
94	Tropical Storm Alberto	50	5
	EDA awarded 74 grants in Georgia, Alabama and Florida.		
96	1996 Floods	16.75	1.25
	EDA awarded 41 grants in Maryland, New York, Virginia, Pennsylvania, West Virginia, Kentucky, Idaho, Oregon, Washington and North Dakota.		
97	Hurricanes Fran and Hortense	25	
	EDA awarded 44 grants in North Carolina, South Carolina, Virginia, West Virginia, and Puerto Rico.		
97	Upper Midwest Floods of 1997	50.2	2

APPENDIX A—Continued

EDA Supplemental Disaster Appropriations.—1992 to Present

Fiscal Year	Disaster	Program Funds (Millions)	S&E Funds (Millions)
	EDA awarded 74 grants North Dakota, South Dakota, Minnesota, Kentucky, West Virginia, Ohio, Indiana, Illinois, Arkansas and Tennessee.		
99	Alaska Fisheries	19.1	.9
	EDA has to-date awarded 29 grants in Alaska. Implementation is still proceeding.		
00	Hurricane Floyd	55.8	1.9*
	EDA awarded 51 grants primarily in New Jersey, North Carolina and Virginia.		
01	Alaska Norton Sound Fisheries	10	
	EDA has to-date awarded 10 grants in Alaska. Implementation is still proceeding.		
	TOTAL	$605.85	$14.15

*1.9 M for S&E for Hurricane Floyd and Norton Sound Fisheries provided through an fiscal year 2001 reprogramming.

STATEMENT OF RICHARD A. MESERVE, CHAIRMAN, NUCLEAR REGULATORY COMMISSION

Mr. Chairman and members of the Committee, I am pleased to have been invited to appear before you, on behalf of the United States Nuclear Regulatory Commission (NRC), to discuss programs related to safeguards and security for NRC-licensed commercial nuclear facilities, and to discuss the actions that NRC and its licensees have taken in response to the terrorist acts that occurred on September 11.

The NRC response began immediately after the September 11 attacks.Within 30 minutes of the plane strikes, we activated and staffed the NRC Operations Center at NRC Headquarters and the incident response centers in the NRC Regional offices, and we began close coordination with the FBI and other intelligence and law enforcement agencies, our licensees, and various military, State and local authorities. Shortly after the attacks, we advised all nuclear power plants, non-power reactors, nuclear fuel facilities, gaseous diffusion plants, and decommissioning facilities to go to the highest level of physical security (Level 3), which they promptly did, discussed immediate actions and addressed specific questions. Increased security measures were also implemented at NRC offices.

As of today, the NRC and our licensees are still in a heightened state of security readiness. We have enhanced NRC building security, and we continue to monitor the situation closely. Our Headquarters Operations Center and Regional Response Centers are fully staffed, 24 hours per day, 7 days per week. We are prepared to make adjustments to security measures as circumstances warrant.

SECURITY AND SAFEGUARDS FOR COMMERCIAL NUCLEAR FACILITIES

The NRC's primary focus and responsibility is to ensure adequate protection of public health and safety is maintained and promotion of the common defense and security in the peaceful use of Atomic Energy Act materials. We fulfill this responsibility by establishing and refining requirements and programs intended to protect NRC-licensed facilities and nuclear materials against both radiological sabotage and theft or diversion. The NRC has the statutory responsibility to maintain the protection of the public's health and safety by ensuring adequate physical security and safeguards.

NRC activities related to domestic safeguards and security and emergency response can be grouped into four categories:

- Developing and implementing requirements for safeguarding certain types of nuclear facilities and material and inspecting for compliance with those requirements;
- Assessing the threat environment, including the international environment insofar as it has implications for domestic threats;
- Maintaining and coordinating emergency response capabilities; and
- Providing physical security for NRC employees and offices.

Beginning in the late 1970's, the NRC established requirements to safeguard civilian nuclear power plants and fuel facilities that possess special nuclear material.

The regulations apply a graded approach—that is, greater controls and protection are applied to nuclear materials and facilities that could pose higher risks to public health and safety. Accordingly, nuclear power plants must implement security programs that include site access controls, intruder detection systems, central alarm stations, physical barriers, armed guard forces, and detailed response strategies. The result is that nuclear power plants are among the most hardened facilities in this country. The NRC inspects these facilities to verify compliance with NRC requirements, to assess licensee safety performance, and to enforce our regulations in a manner that ensures adequate protection of the health and safety of the public.

For example, one NRC requirement which reflects the graded approach to protection, is that commercial power reactors must have the capability to defend against certain defined security threats, referred to as a Design Basis Threat. The specifics of this Design Basis Threat are safeguards information. What I can say in public, is that the Design Basis Threat assumes that the adversaries will consist of a number of well-trained and dedicated individuals with knowledge of the facility, armed with weapons up to and including automatic weapons and specialized equipment, such as incapacitating agents and explosives. It also envisages use of land vehicles and a potential truck bomb. Licensees must establish and implement a security plan to respond to this assumed threat. NRC oversight of licensee efforts in this area includes routine and event-based onsite inspections, performance indicator reviews, and force-on-force exercises. Any deficiencies found in an exercise are promptly corrected and the corrections are verified by NRC inspectors. In addition to the capacity to defend against a Design Basis Threat, licensee security programs include provisions for requesting assistance from offsite authorities when appropriate.

The requirements to protect against sabotage or theft or diversion of nuclear materials also apply to major NRC-regulated fuel cycle facilities, such as the gaseous diffusions plants and uranium hexafluoride conversion facilities. Aside from the nuclear materials aspects of these operations, these types of facilities present chemical hazards. The NRC coordinates with other Federal agencies, such as EPA and FEMA, to address these non-radiological hazards.

The NRC continuously monitors and assesses—in coordination with Federal intelligence organizations—the overall threat environment in the United States and abroad in support of the domestic regulatory program. Insights from this threat assessment program are used to ensure the continued adequacy of the physical protection programs required by NRC regulations. We also maintain a more "real-time" assessment capability, again through ongoing liaison with the national intelligence and law enforcement communities, to evaluate threats to a licensee and to provide timely threat advisory and assessment information to our licensees. Further, all reported security-related events of more than minor significance are promptly analyzed by an internal team of subject matter experts to help guide immediate NRC followup actions.

The NRC's emergency response program includes the capability to respond to a radiological sabotage incident. This would be accomplished within the U.S. Government interagency crisis and consequence management framework. Most of these activities are conducted under the Federal Radiological Emergency Response Plan, in coordination with the Federal Emergency Management Agency, Federal Bureau of Investigation, Department of Energy, and other Federal participants. As noted earlier, NRC has lead Federal Agency responsibilities for radiological emergencies. NRC's program is designed to assess licensee responses to plant-specific events and to support local, State, and Federal authorities in the case of an emergency declaration.

I would also like to point out that all NRC licensees with significant radiological material have emergency response plans to mitigate the impacts of radiological events, including terrorist attacks, on the public. Public health would be safeguarded even if a terrorist attack damaged one of these facilities because of the mitigating actions of personnel and emergency response plans.

Finally, we protect NRC personnel and contract staff and facilities through a comprehensive physical and personnel security program. This program includes the continual assessment and adjustment of physical security measures in response to Federal Government-wide advisories. In this regard, since September 11 we have increased our physical protection in a variety of areas, including the controls of access to NRC campuses by persons and vehicles. Most recently, we have taken measures to protect NRC mailroom employees from the biological threat posed by contamination by anthrax spores spread through the mail.

In the aftermath of the terrorist attacks of September 11, 2001, and the continuing uncertainty about future terrorist intentions, the NRC is expanding its review of its safeguards and physical security program, even though we believe that the nuclear power plants and fuel cycle facilities that fall under NRC jurisdiction

are among the best protected industrial sites in America. The nature of the attacks requires that the NRC's review include a comprehensive examination of the basic assumptions underlying the current safeguards and physical security program.

Additionally, in light of the devastating September 11 attacks, and threats of unspecified future attacks against the United States, this review must involve other U.S. national security organizations. We currently are interacting with the FBI, other Federal law enforcement and intelligence organizations, the military, and the newly established Office of Homeland Security so that necessary changes to our programs consider pertinent information from all relevant Federal agencies. We believe it is essential that agencies coordinate their requirements for infrastructure security.

We also are re-evaluating the agency's ability to communicate with the press, the public, and interested parties regarding information relevant to security and physical protection of our licensees. Prior to September 11, the NRC provided to the public via NRC's Website or its electronic ADAMS data base, most documents pertinent to its regulatory regime, including extensive information on individual plant design and operation. In light of the events of September 11, which showed that some of the information that the NRC had made available to the public via the Internet could be of potential use to terrorists, the NRC shut down public access to these electronically available documents and removed some documents from our Public Document Room. The NRC is now in the midst of a careful review to determine the material that should be electronically made available to the public. In recent days we have restored public meeting notices, pertinent information on agency rulemaking proceedings, electronic reading room material, and information on contracting opportunities. Substantially more information will be restored in the coming weeks. As part of its ongoing re-examination process, the agency is examining issues related to withholding from the public critical infrastructure information. If the NRC determines that additional authority is needed to protect such information, the NRC will seek the necessary legislation.

As the Commission conducts its comprehensive reassessment of plant safeguards and security, we recognize that specific legislative needs may become apparent. In the interim, the Commission on June 22, 2001, submitted legislative proposals to your Committee that we believe we need now. Specifically, we are seeking legislation that would amend the Atomic Energy Act to enhance the protection provided by guards at designated NRC-licensed nuclear facilities, to criminalize sabotage of nuclear facilities during their construction, and to make clear that the unauthorized introduction of weapons or explosives into nuclear facilities will be subject to significant Federal criminal penalties for the individuals involved.

We have also, since June 22, 2001, developed a fourth proposed statutory change which would confer upon guards at NRC designated facilities the authority to possess or use weapons that are comparable to the Department of Energy guard forces or other Federal protective forces. Some State laws, for instance, in New Jersey, currently preclude guard forces at NRC-regulated facilities from utilizing a wide range of weapons, which are available to the guard forces at other NRC-regulated facilities in States without such restrictions. We would advocate a more uniform national system.

We expect that our reassessment of commercial nuclear security and safeguards will strengthen our ability to improve our security requirements and programs, as needed. In considering potential legislative and regulatory changes, we must consider carefully the boundaries between private and government responsibility, and the delicate balance between openness and security. The balance between risk avoidance and risk mitigation must also be considered. These are difficult areas, but we are determined to address safeguards and security needs expeditiously in light of the September 11 events.

In closing, I would like to reiterate that the NRC continues to fulfill its obligations to ensure adequate protection of the public health and safety from acts of sabotage, theft, or diversion directed at the Nation's civilian nuclear facilities and materials.

We believe that we had an excellent security and physical protection program in place prior to September 11, and we are prepared to build on that solid foundation. We look forward to working with the Congress to address our mutual concerns and determine where the assets of our Nation are best deployed to fight these threats. I appreciate your invitation to be here today to discuss the NRC's programs and am prepared to answer your questions.

STATEMENT OF HERBERT L. MITCHELL, ASSOCIATE ADMINISTRATOR FOR DISASTER ASSISTANCE, U.S. SMALL BUSINESS ADMINISTRATION

Mr. Chairman, Ranking Member, and distinguished members of the committee, my name is Herb Mitchell, and I am the Associate Administrator for Disaster Assistance for the U.S. Small Business Administration (SBA). Administrator Barreto asked that I represent the Agency today in his absence. We thank the committee for the opportunity to testify about the disaster assistance program, and our role in the economic recovery for New York City.

For the past 50 years, with any disaster that occurs in the United States, the SBA has played an immediate and major role in providing disaster assistance loans for businesses, homes, and personal property. This disaster, while different in scope, provides us the same opportunity to assist in the immediate recovery of the New York City region, and the Nation as a whole.

In a major disaster SBA participates with FEMA in conducting damage assessment surveys to determine the scope of the damage and the assistance needed. Once the declaration is made SBA co-locates with FEMA at the Disaster Field Office to coordinate assistance to individuals and businesses, thus ensuring that Federal assistance is not duplicated. The FEMA telephone registration line serves as a one-stop shop for Federal assistance, all businesses being referred to SBA for assistance. Additionally, SBA and FEMA will co-locate at disaster recovery centers to provide one-on-one assistance to disaster victims.

The afternoon of September 11, our Niagara Falls, New York Disaster Area Office was dispatched to lower Manhattan, where they met with FEMA and the State emergency management officials to coordinate our response with the overall recovery effort. We also began working with Governor Pataki's office to set up an SBA office in the NY State Business Resource Center in Manhattan, where we met with disaster victims, discussed SBA loan programs, issued applications, and provided direct assistance on the application process. The SBA has since deployed approximately 93 people in the New York City area to complement its Disaster Area 1 staff of over 200, and hundreds of additional SBA disaster trained employees are available and on call in New York and nationwide if needed to supplement our efforts.

The SBA's disaster assistance loan program is the primary Federal program for funding recovery for private-sector disaster victims. This program provides low interest rate loans (not to exceed 4 percent) to applicants without credit available elsewhere and a higher rate (not to exceed 8 percent) for those with credit available elsewhere. We offer real and personal property loans, physical disaster business loans, and economic injury disaster loans. Our real and personal property loans and physical disaster business loans are intended to assist people with their actual loss of property as a result of a disaster. The economic injury disaster loans are available to provide small businesses working-capital loans to help pay ordinary and necessary operating expenses that would have been payable absent the disaster. To complement these existing loan programs, the SBA, through its Disaster Area Office in New York, is working with New York's Empire State Development Agency and several private financial institutions to provide "Bridge Loan" and "Gap Loan" financing for the NYC business community. "Bridge Loans" are short-term loans that may be repaid by the long-term SBA disaster loan, and "Gap Loans" offer financing to disaster victims who are unable to qualify for SBA loans.

In addition, Military Reservist Economic Injury Disaster loans are available to businesses that suffer an impact as a result of a key employee being called to duty as military reservists.

We are also focusing on getting information to the individuals and businesses that have been affected. Our staff has canvassed the neighborhoods to talk to small business owners suffering from this tragedy in order to inform them of SBA assistance, and distribute loan application packets personally. Administrator Barreto and I joined SBA disaster staff in New York City on September 17th, and saw first hand the empty restaurants and stores that normally would have been packed prior to the disaster. While in New York City, we met one notable small business owner, who told us that the "terrorists tried to declare a victory by destroying the World Trade Center buildings, but insisted they would not score a second victory by closing his (sic) business." This is the patriotism and the true American entrepreneurial spirit that we have seen in New York and across the country. America will recover and thrive, and the SBA is proud to operate at the heart of that recovery, making whole again those businesses that have suffered.

As of October 31st, the SBA is proud to report its combined response to the New York disaster as follows:

• We have distributed almost 17,400 applications, some door to door, in Lowe Manhattan and from 44 locations throughout the region;

• We have Directly Counseled and assisted over 17,000 individuals and businesses with loan applications or general information, incorporating Spanish, Mandarin Chinese, Croatian, Arabic, Hindu, Vietnamese, German, French, Korean and Japanese speaking counselors when necessary.

• We have received and processed 3,200 completed applications;

• We have approved nearly 1000 loans for $82,132,900.

• We have staffed six full Disaster Information Field Offices, conducted several workshops in multiple neighborhood locations, and placed trained disaster loan personnel in 4 additional Small Business Development Center (SBDC) offices in the region.

Under the agency's historic disaster loan program parameters, businesses eligible for SBA disaster loan products are physically located in direct proximity to the declared disaster location. The September 11 attacks have presented a unique situation in regard to the scope of the Administration's response.

In recognition of the widespread financial difficulties faced by a number of small businesses around the country as a result of the September 11 terrorist attacks, the SBA has worked through the Bush Administration to expand its Economic Injury Disaster Loan Program. Effective October 22, 2001, businesses located outside of the declared disaster areas in New York and Virginia that have suffered substantial economic injury as a direct result of the September 11 attacks, or as a direct result of a Federal action related to the September 11 disaster are now eligible to apply for assistance through SBA's Economic Injury Disaster Loan program. These loans can help small businesses with working capital in order to meet its ongoing financial obligations.

Mindful of the nature of the businesses located in lower Manhattan, we have also submitted legislation to increase our size standard regulations for NY businesses to qualify for our loan programs, and have made them retroactive to the September 11 date; allow financial services organizations and non-profits to qualify for loans, and to increase the cap on aggregate loans.

SBA's disaster programs have evolved over the years to meet the needs of small businesses. They work well, meet the needs of the Nation's affected small business communities, and the mechanisms are already in place to handle additional services as necessary. We are confident that utilizing existing disaster loan programs and resources to assist the NYC small business community, and the Nation's as a whole, is the most immediate and effective way to aid in its' economic recovery from this disaster.

In addition to our disaster loan program, SBA provides numerous short-and long-term loan programs to small businesses through our lending partners, such as Microloans, 7(a) guaranty loans, 504 loans and the Small Business Investment Company program. SBA's technical assistance includes business counseling and training through our Business Information Centers, Service Corps of Retired Executives, One Stop Capital Shops, Women's Business Centers and the SBDCs.

We look forward to working with all of you to help the citizens of New York, as well as those around our country that refuse to let terror destroy what we have collectively worked so hard to build.

I'm pleased to answer any questions.

Thank you.

STATEMENT OF MARIANNE HORINKO, ASSISTANT ADMINISTRATOR, OFFICE OF SOLID WASTE AND EMERGENCY

Mr. Chairman and Members of the committee, thank you for the opportunity to discuss the Environmental Protection Agency's (EPA) role in domestic terrorism preparedness and, more specifically, the Agency's role in protection of the Nation's water resources.

The tragic events of September 11, 2001, have raised valid concerns over our Nation's vulnerability to terrorist attack. As a Nation, we are scrutinizing our efforts to prepare for and to prevent terrorist events. Realizing that we must always remain vigilant to new threats and must always be ready to respond, the Agency welcomes the opportunity this hearing offers to examine these issues.

My testimony covers four major areas: EPA's role in counterterrorism preparedness and response before and after September 11; a specific discussion of drinking water protection related to the September 11 attack; EPA's overall protection of our Nation's drinking water; and the critical Federal coordination needed to meet the counterterrorism challenges ahead.

THE FEDERAL PARTNERS AND NGO'S: A UNIQUE PARTNERSHIP

The National Response Team (NRT), established by the National Contingency Plan (NCP), consists of 16 Federal agencies with responsibilities, interests, and expertise in various aspects of emergency response to pollution incidents. The EPA serves as chair and the Coast Guard serves as vice chair of the NRT. This partnership includes such Federal agencies as the ATSDR (Agency for Toxic Substances and Disease Registry), DOD (Department of Defense), DOE (Department of Energy), FBI (Federal Bureau of Investigation), FEMA (Federal Emergency Management Agency) and key non-governmental organizations.

SEPTEMBER 11, 2001—EMERGENCY RESPONSE ACTIONS

Our Federal partnership sprung into action on September 11, 2001. Before the second plane had struck the World Trade Center in Manhattan, EPA headquarters had already begun coordination with our Region 2 office to address the crash of the first plane. Ten minutes later, our EPA headquarters had linked all of our east coast regional offices to begin coordination and support of the New York response effort. EPA's Emergency Response Program was present onsite in New York, Virginia, and Pennsylvania within hours of the four plane crashes.

Throughout the response effort, EPA worked in coordination with our Federal partners to monitor and protect human health and the environment from potential hazards associated with the three crash sites. At both The World Trade Center and the Pentagon, EPA provided monitoring for various air contaminants. For example, EPA and other Federal, State and city agencies have taken literally thousands of samples of dust, air, drinking water, stormwater runoff and river sediments in and around the World Trade Center site. We've tested for the presence of pollutants such as asbestos, lead, volatile organic compounds, dioxin, benzene, metals, PCBs and other chemicals and substances that could pose a threat to the public and workers at the site. Fortunately, EPA and OSHA have found no evidence of any significant public health hazard to residents, visitors, or workers beyond the immediate World Trade Center area. Despite recent press accounts which suggest otherwise, these findings have not changed. In fact, environmental conditions off the site have improved in recent weeks.

In addition to our monitoring activities, at the World Trade Center, EPA assisted in debris removal, and cleanup of dust and debris from the streets using vacuum trucks. EPA has provided rescue workers and others onsite with protective gear and health and safety recommendations for the difficult conditions onsite. We have also set up washing stations for response workers at Ground Zero and vehicles and heavy equipment departing the Zone are being washed down prior to departure.

Signs informing rescuers of the need to wear protective gear are posted throughout the washing stations.

EPA'S ANTHRAX RESPONSE

I want to bring to your attention the increasing number of requests the Agency has received to provide assessment, sampling, and cleanup assistance at anthrax-contaminated buildings across the country. The dilemma we face is that the Superfund statutory language that allows us to respond to these biological releases also limits our ability to recover our response costs. To the extent these activities will continue, they will have an impact on our Superfund cleanup activities later in the year in certain parts of the country.

SEPTEMBER 11, 2001—WATER PROTECTION

Regarding water concerns associated with the crash site in Manhattan, EPA collected and tested drinking water at several distribution points. Following several days of heavy rain in New York, we collected water samples from storm sewers and surface runoff to determine if potential contamination from the World Trade Center site was entering the Hudson or East rivers. All samples of drinking water, which were tested for a wide range of contaminants, had levels below Federal standards. Analysis of runoff following heavy rain on September 14 did show some elevated levels of PCBs and other pollutants. Followup sampling on several occasions found levels back to those normally found in area waters.

WATER PROTECTION TASK FORCE

Recognizing the need to ensure appropriate coordination of water security activities, EPA has established a Water Protection Task Force that will guide efforts on long-term drinking water infrastructure protection and wastewater treatment infrastructure protection.

Governor Whitman announced some specific projects to Protect America's Drinking Water:

• The Administration has requested $34.5 million as part of the terrorism supplemental appropriations for support of vulnerability assessments for drinking water systems and $5 million for State grants for drinking water counterterrorism coordinators to work with EPA and drinking water systems.

• With EPA support, the Sandia National Laboratory of the Department of Energy in partnership with the American Water Works Association Research Foundation is developing a "tool kit" to assist drinking water systems in conducting vulnerability assessments and identifying remedial action.

• We expect training on this resource to be available later this month. As an interim measure, EPA has disseminated a fact sheet that outlines measures utilities can take immediately to protect their drinking water supplies. Issued through the State drinking water program managers, this document should now be in the hands of every public water system.

• As this "tool kit" is being developed, the American Water Works Association Research Foundation is drafting additional, more detailed training materials that will provide step-by-step guidance to drinking water utilities on conducting vulnerability assessments, identifying remedial actions and strengthening their emergency operation plans. Formal training sessions that will take utility security officials through the first steps of their vulnerability assessments will begin in December.

• Training others to conduct vulnerability assessments will be an integral component of this effort. Consequently the Agency envisions that a significant cadre of professionals will be available to assist systems in doing these vulnerability assessments.

These activities focus on enhancing preparedness of water utilities; other projects will bolster the existing methods for responding to emergency situations, including terrorist acts. Currently, a drinking water utility would activate its existing emergency response plan with its local police and State emergency officials. If needed, these provide for shutting down the system, notifying the public of any emergency steps they might need to take (e.g., boiling water) and providing alternate sources of water. EPA's extensive network of expert emergency response personnel can be dispatched to the scene immediately to support local communities.

EPA'S COUNTERTERRORISM ACTIVITIES

As EPA continues to strengthen its counterterrorism (CT) program by building on the existing National Response System for hazardous materials (hazmat) prevention, preparedness, and response, the Agency is involved in a variety of activities with Federal, State, and local officials that include:

• Requesting $5.5 million in the terrorism supplemental appropriations to establish and equip a West Coast response team.

• In the 10 EPA regions, the Agency's first responders are the On-Scene Coordinators (or OSCs). The OSCs have been actively involved with local, State, and Federal authorities in preparing for and responding to threats of terrorism. EPA's OSC's, located throughout the United States, have broad response authority and a proven record of success in responding rapidly emergency situations.

• Providing expertise in performing offsite monitoring, extent of contamination surveys, working with health officials to establish safe cleanup levels conducting protective cleanup actions.

• Communicating technical information or health data to affected citizens is essential for a successful Federal response to an act of terrorism that involves a release of chemical, biological, or radioactive material. EPA brings unique capabilities and experience to the response process.

• Expanding work with State Emergency Response Commissions (SERCs) and Local Emergency Planning Committees (LEPCs) to develop emergency response plans for hazardous materials releases to encourage them to incorporate terrorism response issues into their existing emergency plans.

• Working closely with other Federal agencies to refine interagency response plans for terrorist attacks.

• Conducting forensic evidence collection on nonmilitary industrial chemicals in the event of an eco-terrorism event by EPA's National Enforcement Investigations Center (NEIC) and training State, local, and Federal personnel in this type of work.

CONCLUSION

Finally, Mr. Chairman, I would like to emphasize that the Administrator, Governor Whitman, has made very clear to the entire Agency that there is no higher priority than ensuring that EPA's mission to protect the environment and public

health is a broad umbrella that encompasses homeland security. The expertise and experience the Agency has developed over 31 years is poised to assist and support the hard work Governor Ridge and this Congress will be doing.

Clearly, the Administrator is adamant that EPA's efforts to help secure the safety and integrity of America's water supply and infrastructure must be undertaken with great speed, energy, and attention. Deadlines that were established before September 11 for such action are no longer appropriate. We have no time to waste in completing this work and we intend to devote the resources necessary to make certain that it is done quickly and that it is done properly.

Governor Whitman, myself, and our professionals throughout EPA welcome the opportunity to work with you, your colleagues in the Congress, your professional staff, and with Governor Ridge and the Office of Homeland Security to protect and preserve the health and well being of every American citizen.

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