

**Opening Statement - Chairman Henry Cuellar (D-TX) as prepared**  
Hearing on  
“Preparedness: What has \$29 billion in homeland security grants bought and how  
do we know?”  
Subcommittee on Emergency Communications, Preparedness, and Response  
Committee on Homeland Security  
October 27, 2009, 10:00 a.m.  
311 Cannon House Office Building

The subcommittee is holding this hearing to receive testimony on FEMA’s initiative to measure the return on investment from the Homeland Security Grant Program.

Congress has appropriated \$29 billion for homeland security grants since Fiscal Year 2002. This number does not include the \$4.17 billion that Congress approved for Fiscal Year 2010.

Congress—and FEMA—must know what the taxpayers have gotten for this money. We need to understand how much more prepared our communities are as a result of homeland security grants.

It is for this reason that Congress has directed FEMA to establish performance metrics that will allow States and Urban Areas to demonstrate the capabilities they have built and sustained with federal funding.

FEMA calls its effort to measure the return on homeland grants the Cost to Capability initiative, or C-2-C.

FEMA describes C-2-C as a tool that will allow States and Urban Areas to objectively measure the impact of homeland security grants on their preparedness levels. FEMA wants C-2-C to replace the current method of awarding homeland security grants by 2010.

FEMA brought in 17 states and cities this summer to test the C-2-C prototype.

To better understand C-2-C, the Committee asked all 17 participants to fill out a survey with their feedback on the project.

I want to highlight a couple of the concerns with C-2-C that stakeholders identified for us.

First, C-2-C is being sold as a tool that will objectively measure the capability gain or sustainment for each homeland security dollar spent.

But in reality, C-2-C remains entirely subjective. Grantees are simply asked to guess the impact of the grants on their grants.

I thought C-2-C was supposed to get rid of the guesswork.

A second concern is that C-2-C does not take into account the risk or threat-levels for a particular state or city.

Without taking into account risk, C-2-C cannot lead to the effective distribution of homeland security grants.

These aren't the only flaws with C-2-C, but they're big ones. They raise serious questions about whether FEMA will be ready to mandate C-2-C for homeland security grants next year.

Texas is currently testing the tool right now. I am eager to get their feedback because it seems that C-2-C may have too many flaws to make it worth the effort.

I hope we can have a forward-leaning discussion today on C-2-C and the larger question of how FEMA is measuring preparedness.

Joining us to wrestle with these issues is FEMA's Deputy Administrator for National Preparedness, Tim Manning.

Mr. Manning, you have inherited C-2-C from your predecessor.

I would like you to tell us if Administrator Fugate and Secretary Napolitano intend on moving forward with C-2-C and—if so—how FEMA will correct its many weaknesses.

Joining Mr. Manning are two homeland security advisors who have tested the C-2-C tool.

I am pleased to welcome Mr. David Maxwell, Director of Arkansas' Department of Emergency Management.

I would like to extend my congratulations to you, Mr. Maxwell, for recently assuming the presidency of the National Emergency Management Association.

C2C is also intended for cities that are part of the Urban Areas Security Initiative.

I am pleased that Representative Kilroy is with us to welcome one of her constituents, Kathy Crandall. Ms. Crandall is the Director of Homeland Security for Franklin County, Ohio.

Thank you to all three of you for being here with us today.

Measuring preparedness is a difficult task, but I hope this hearing will help us better understand how FEMA can successfully move forward on it.

Before recognizing the Ranking Member, I need to mention that Members of this Subcommittee are disappointed in FEMA's new policy limiting preparedness grants from being used to keep vital homeland security equipment operational.

FEMA never briefed the Committee on the policy before it was released, and I believe it clearly violates the 9/11 Act.

I'm glad that Ms. Kilroy identified this policy as one that would hurt her district. She has introduced legislation to overturn FEMA's policy. I support the bill and hope to advance it this fall.

I anticipate Members will have questions for our three witnesses about the policy and its impact on homeland security. So with that, let me again thank our witnesses for their participation in today's hearing.