

## **Atlantic Council**

### **Ready and Resilient: A Discussion with FEMA Deputy Administrator Dr. Daniel J. Kaniewski**

**Featuring:**  
**Dan Kaniewski,**  
**Deputy Administrator for Resilience,**  
**Federal Emergency Management Agency (FEMA)**

**Welcome and Introduction:**  
**Frederick Kempe,**  
**President and CEO,**  
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**Moderator:**  
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**Atlantic Council**

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FREDERICK KEMPE: Good morning and welcome, everyone. I'm Fred Kempe. I'm president and CEO of the Atlantic Council. And I'm delighted that we can host this morning Dr. Daniel Kaniewski. Dr. Kaniewski, Dan, it's great to have you here. Deputy administrator for resilience at the Federal Emergency Management Agency.

Let me also welcome the deep bench of experts, some of them gathered in this audience today, and also as well state and city officials from across the United States who are joining us via the live webcast. Today's event is hosted by the Adrienne Arsht Center for Resilience, the Atlantic Council's newest center. Adrienne, who is here with us today – and we're delighted about that – is a true visionary leader at the Atlantic Council, executive vice chair of our board and a person who knows how to get things done. As a leading businesswoman and philanthropist, she's been an outstanding partner for our work for many years on this subject, on Latin America, and beyond. She's pushed us to think deeply about the importance of building resilience into every level of our society and systems amid the many complex and rapidly changing threats we face. And, Adrienne, as always, thank you for your support.

As you all know and remember, 2017 was one of the most active and costly hurricane seasons in recent memory. Hurricanes Harvey, Irma, and Maria left Texas, Florida, and Puerto Rico reeling. Last year, California also suffered from the largest wildfire season on record, and states across the U.S. felt the effects of numerous other severe weather events. Overall, the cost of domestic natural disasters in 2017 came to at least \$300 billion, a new annual record for the United States. In response to this unusually complex and sometimes simultaneous set of crises and disasters, FEMA in 2017 deployed extensive resources and staff to states, municipalities and communities across the country, helping hundreds of thousands of people respond, recover, and rebuild. Now that we are in the 2018 hurricane season, we're eager to hear more about how FEMA is seeking to implement lessons learned from 2017 and advance its strategic priorities, supported by the realignment to have a new organization specifically focused on resilience.

So for all those reasons, we're delighted that Dr. Kaniewski is here today. This does follow the after-action report that was released on Friday. We scheduled this event far ahead of that, but clearly the strategic plan of FEMA and the way that it's going forward builds in the lessons that were in that Friday report. Here at the Atlantic Council, we, of course, share FEMA's enthusiasm for standing up organizations focused on resilience, having done so ourselves with the Arsht Center for Resilience. This center's work spans security, safety and society, and seeks to build the ability of everyone – from organizations as large as the United Nations and NATO to individuals – to prepare, absorb, and recover from potential challenges. One of our main lines of effort is natural disasters, which makes today's discussion particularly relevant.

So we're thrilled to have Dr. Kaniewski here. He was confirmed by the United States Senate in September 2017 and is currently FEMA's second-ranking official. In his role as deputy administrator for resilience, he leads FEMA's insurance, mitigation, preparedness, continuity, and grant programs. He previously served as special assistant for Homeland Security to President George W. Bush. And in between and before his stints in government, he's been active in the private and academic sectors as a thought leader on homeland security and

emergency management. So as you'll hear in just a couple of minutes, Dr. Kaniewski knows his stuff.

So please join me in welcoming Dr. Kaniewski to the podium. He'll provide some opening remarks, then we'll turn to a moderated session with the Arsht Center's acting director, Eric Ridge, and take some questions from the audience. And also, we'll take questions from people joining via the webcast. It's always a privilege to work with new partners, and I believe this is the first time, in this very young resilience center, that we've had a representative from FEMA. And I want to assure you, Dr. Kaniewski, that we look forward to working with you and your counterparts on these important issues in the months and the years ahead. So, please, the podium is yours. (Applause.)

DAN KANIEWSKI: Good morning. Thank you, Fred, for that introduction. I feel like I can just sit back down. We have a resilience expert in our midst. (Laughter.) Well, thank you to the Atlantic Council and the Arsht Center for having me here. And, ma'am, thank you. It's so nice to meet you and hear about your passion for these issues that we really do share. I think the council's newest center here has really demonstrated its value by bringing focus to this issue of resilience.

Now, when I looked at the website yesterday to refresh my knowledge of the center, I saw that disaster risk reduction was a top priority. That's really, really great to see, because there are far too many organizations out there that really understand what the risks we face every day and just how bad it could be during a catastrophe. In fact, I had these conversations about disaster risk reduction as a delegation leader from the United States government to the U.N.'s regional platform for disaster risk reduction in Colombia a couple of weeks ago.

In fact, this was the first time ever that a FEMA representative led a U.S. delegation to a U.N. meeting. Now, I hope that I did OK. And I hope that's not the last one that FEMA gets to lead. But I found it deeply moving to hear the stories – both the challenges and successes – from throughout the Americas and the Caribbean. And I look forward, again, to engaging our international partners again like that in the future.

Now, as many of you know, 2017 was a busy year for FEMA and for the emergency management community writ large. There were a number of hurricanes, Harvey and Irma for example, that came ashore while I was sitting on the sidelines. I was awaiting Senate confirmation. And sure enough, as soon as Maria formed, my confirmation happened. And I found myself as the second-ranking official at FEMA the day Maria came ashore.

Now, let's consider some of the records that were set at FEMA, with Maria alone. Maria alone was the largest air and sea mission in FEMA history. It was the largest commodity mission in FEMA history. It was the largest medical response on U.S. soil ever, led by the Department of Health and Human Services. And it was the largest power restoration mission ever on U.S. soil, led by the U.S. Army Corps of Engineers.

Now, as we talked about, Hurricanes Harvey, Irma and Maria caused a significant amount of damage – in fact, at unprecedented levels. And those three hurricanes alone were

about \$265 billion in damage. To put that in perspective, each of those hurricanes on their own would be one of the top five costliest hurricanes of all time.

In response, FEMA coordinated large deployments of federal personnel, both before and after the storm's landfalls, to support response and initial recovery operations for 270,000 square miles. FEMA facilitated missions that involved more than \$2 billion in commodities to move across several states and territories, using multiple modes of transportation, some of those very unfamiliar to FEMA, when you're talking about an island that's 1,000 miles off the coast.

FEMA urban search and rescue taskforces, comprised of state and local responders, saved or assisted more than 9,500 lives across the three hurricanes. In total, the hurricanes and the California wildfires together affected more than 47 million people. That's 15 percent of the U.S. population. Completely unprecedented. FEMA registered 4.8 million households for assistance. And to put that in perspective, that's more disaster survivors registered by FEMA than Hurricanes Katrina, Rita, Wilma, and Sandy combined.

Now, as you may have heard, we recently released an after-action report called the 2017 Hurricane Season FEMA After-Action Report, aptly enough. (Laughter.) It's available from FEMA.gov. I imagine you can also find some media reporting on it. But today, I'd like to tell you our perspective on why we do AARs. Now, it's a standard procedure post-disaster. The AAR is not meant to place blame or skirt blame. It's intended to identify what went right and what can be improved before the next disaster strikes. So those that are criticizing FEMA's response to the 27 hurricanes by citing our own AAR should realize that that could have a chilling effect on the entire emergency community's efforts to learn from previous disasters.

AARs, after all, are part of the DNA for us as emergency managers. And thousands of emergency managers see the value of learning from ourselves and from each other. We should be encouraging transparency and knowledge sharing, not stifling it. So I can assure that FEMA's an agency that's willing to learn and improve. And that's the purpose of the AAR – to identify challenges, learn from them, and become better as an agency. Now, our lessons learned are now driving targeted improvements across the agency, and directly informed our five-year strategic plan. Released in March, the strategic plan identifies three goals – I believe we have a slide here for it. Number one, build a culture of preparedness. Number two, readying the nation for catastrophic disasters. And number three – this is always a crowd-pleaser – reducing the complexity of FEMA programs. (Laughter.)

Now, again, you can download this from FEMA.gov and see it – read it at your leisure. But given today's focus is on resilience, I thought I would drill down on goal one – culture of preparedness. Now, as Fred mentioned, we recently reorganized our agency to align with this priority. We realized that what we were doing informally after the disasters we wanted to commit formally to an organization we could – that could embrace all of these issues going forward. So when we thought about it, we said: We're talking about continuity. We're talking about grants and preparedness, mitigation and insurance. Is there some kind of umbrella term that all of those topics could fit under? And I said, you know what? I think the Atlantic Council has a center called Resilience. (Laughter.) No, we said "resilience" is probably the right term.

And so, no surprise to anybody in this audience, we called that overarching organization FEMA Resilience.

Now, there are four objectives under it. And I just wanted to touch on 1.4 before I drill down on the first three. Now, 1.4, you probably can't read it, it's very small writing, but it says: We aim to learn better from past disasters, improve continuously, and innovate. So the AAR I just referenced is an example of us implementing our strategic plan. And, again, we also are interested in this – it is a continuous improvement process and innovation. And as luck would have it, I'll be testifying next week on innovation at FEMA before Congress. So I will save that exciting topic for my congressional testimony next week, and today I'd like to focus on the first three – mitigation, insurance, and individual preparedness.

So 1.1 – it sounds very bureaucratic – the first topic: mitigation. We need to build more resilient communities to reduce the risks to people, property, and taxpayer dollars. Developing resilient communities ahead of an incident reduces loss of life and economic disruption. When communities are impacted, they should focus on rebuilding infrastructure smarter and more resilient, to reduce the risk of future disasters, protect taxpayer investments, and promote economic stability.

Now, we're putting our money where our mouth is in Puerto Rico. So working closely with our partners in Puerto Rico, FEMA, under its hazard mitigation grant program, has funded \$10 million for the adoption of building codes in the commonwealth. We're going to help the commonwealth update their building codes to the current 2018 standard. We have also funded a \$79 million code enforcement project over the next six years, because what good are building codes if they're not properly enforced? So that grant will staff as many as 273 personnel as building inspectors. This project will impact all construction in Puerto Rico, not just the federally funded construction, and will ensure that recovery builds back a permanent and resilient infrastructure.

Now, back here in Washington we're also looking at this at a national level. And in fact, the national mitigation investment strategy, again downloaded from FEMA.gov, drafted by the Mitigation Framework Leadership Group – sorry for the bureaucratic-sounding titles – supports the alignment of federal agencies that invest in mitigation and insurance. The importance of this strategy, like other proactive measures, is highlighted by studies, like the National Institute of Building Sciences, which recently updated a study that found on average one dollar invested in federally funded mitigation grants saves the nation six dollars in future disaster costs. So one to six. And actually, the study that was done in 2005 that this one updates, it was one to four. And we thought that was a great return on investment. But I'll take one to six, even happier.

And let me be clear: Mitigation doesn't just save money, it saves lives. Let's go back to 2001, and Tropical (Storm) Allison struck Texas. The Texas medical center there invested in mitigation measures as a result of federal grant funding after Allison. And that mitigation investment paid dividends just recently during Hurricane Harvey. It allowed the hospital to remain open and operational at the height of Hurricane Harvey, providing essential medical services to residents of Houston in their time of need.

Now, given the impact that mitigation can have, we have made this a cornerstone of our strategic plan, as I said. And in fact, we've put some metrics behind this. Our goal is to quadruple the nation's investment in mitigation over the next five years. I'd call that an ambitious but achievable goal. And the only way we're going to meet that goal is by working with all of our stakeholders, because federal dollars alone cannot solve this problem. We need to educate everyone on mitigation and show that one-to-six return on investment.

Number two, insurance. So a second element of fostering a culture of preparedness is closing the insurance gap, which is the difference between what is currently insured and what's insurable. Now, you might be surprised to learn that the U.S. currently has the largest insurance gap among all countries globally. Of the total estimated national catastrophe losses in the U.S. of \$55 billion annually, the annual expected uninsured losses from earthquakes, flood, and wind damage alone are more than \$30 billion, according to the global reinsurer, Swiss Re. This means that more than half of these disaster losses will not be covered by insurance.

Thus, we at FEMA aim to transfer risks from individuals and governments to the private insurance and reinsurance markets through public education and innovative programs. Quite frankly, there is no more important or valuable recovery tool than insurance. And we need to dramatically increase coverage to close that gap. Now, this, of course, includes FEMA's National Flood Insurance Program. By 2022, we aim to double the number of flood policies to 10 million across the country. And we're working to simplify the process to obtain flood insurance. But we also need to strengthen the relationships with our stakeholders, including the insurance industry and realtors, to make that a reality.

And our relationship with the American people is crucial to their interest in obtaining and sustaining a policy through the NFIP. And we're working on providing simplified coverage options that will reflect private industry standards and modernize products that effectively communicate flood risk. But it's not all just about flood insurance. As important as that is, and as self-interested as I am as an agency for you to buy a flood insurance policy to spread our risk – the nation's risk – and reduce premiums and make it more accessible, and maybe even someday make our National Flood Insurance Program solvent, the reality is we need all insurance. All insurance has a role to play here.

And so we have to reduce financial risks for individuals and communities and taxpayers. And you say, how big of an issue is this? Well, Nationwide Insurance estimates that two out of every three homes are underinsured, meaning they lack sufficient coverage. Now, the estimated is the average being around 22 percent of all of us are underinsured in our homes, but it can be as high as 60 percent. Can you imagine losing 60 percent of the value of your home? Would you be able to cover that out of your cash stockpile? Maybe, but most people wouldn't. So those that are most vulnerable are also the least likely to have insurance, making disaster recovery even more challenging and, in some cases, impossible.

Now, that's where FEMA steps in. FEMA provides assistance to all. FEMA provides assistance to the uninsured. And you might say, that's great. That is a great program to provide that backstop. And it is. Our individual assistance program is something we are very proud of, to help these disaster survivors. But let me be clear, our FEMA programs were never intended to

supplant your homeowners or renters insurance policies. FEMA's average disaster payment to individuals and households is a few thousand dollars. Again, critical immediately after a disaster, but insufficient to help you recover completely.

Now, this is obviously far short of what most homeowners would need to rebuild. Yet, I think few individuals actually understand the limited scope of FEMA's individual assistance programs. So let me give you an example that might hit home. As a result of the flooding from Hurricane Harvey in Harris County, Texas, the average payout for the uninsured disaster survivor there was \$4,000. Again, very valuable in the immediate aftermath of that disaster. But had that disaster survivor had flood insurance from the same agency that gave them the \$4,000, with flood insurance the average payout was \$110,000. Now, here's a PSA for you. For flood insurance, there's a 30-day waiting period before the policy takes effect. So the time to buy is when it's dry. Go to [FloodSmart.gov](http://FloodSmart.gov) today. (Laughter.) OK, I got that out. So now that I've covered mitigation and insurance, I hope all of you can see that mitigation saves and insurance pays.

Let's move on to individual preparedness. First, we need to acknowledge that during a disaster individuals in the impacted communities are the first responders. Now, I'm a former firefighter paramedic. And when I speak to firefighters and paramedics and police officers, and I say that, they're taken aback for a moment. But I think we all know that during a disaster first responders aren't going to be there in a matter of minutes. So we need to empower individuals with life-saving skills to speed response and recovery efforts. Think of a few simple. Let's ask ourselves – I won't ask you to raise your hand – but do you know how to shut off the water and gas to your home? Do you know to check on your neighbors? Do you know CPR?

Now, the Individual and Community Preparedness Division at FEMA engages with the public to provide some of these practical skills and guidance. But this goes beyond just those simple practical skills. It includes financial preparedness. Remember, we just talked about insurance and how important that was? Think about this for a second. A Federal Reserve Board survey recently found that 44 percent – so nearly half of American adults – do not have \$400 to cover an emergency expense. Any emergency expense, much less a disaster. Forty-four percent of Americans not able to get their hands on \$400.

For this reason, we worked with a wonderful non-governmental partner called Operation Hope to produce the Emergency Financial First Aid Kit. Now, yes, of course, there's an acronym for that – EFAK. And that's to help people financially prepare and provide tips to reduce the financial impact of disasters. Now, is it working, you might ask? Is us getting out there, extolling the virtues of financial preparedness and working with organizations like Operation Hope that traditionally focus on financial literacy? I would say, yes, it is. And let me give you an example. As part of financial capability month in April, FEMA, together with our 20 interagency partners, helped over 28 million Americans become better financially prepared for disasters by providing financial capability messaging tools and resources. Now, these toolkits and courses are, of course, available on [Ready.gov](http://Ready.gov).

A last item I wanted to talk about on individual preparedness is our Youth Preparedness Council. Young citizens who are engaging on these issues have the potential to greatly influence

the culture of preparedness in our communities over time. I actually just came from addressing their annual summit moments before here. And I was truly encouraged by their passion for tackling these issues.

In conclusion, insurance, mitigation, and individual preparedness are key to changing the culture when it comes to surviving disasters. Resilient communities keep our economies moving and people's livelihoods sustained. There are many efforts underway at FEMA, and we'll continue to work forward with our dedicated workforce. But we need you, our partners and our stakeholders, to truly create a culture of preparedness in this nation.

With that, I thank you and I'm happy to take some questions. (Applause.)

ERIC RIDGE: All right. Thank you, first, for such a candid take on FEMA's lessons learned, on the strategic plan, and the startup of the new resilience organization that you're leading. We'll start off here with a few questions, and then I'll turn it over to the audience. If you're watching on the webcast and you want to ask a question, you can use Twitter, use the hashtag #ReadyResilient so that we see it, or you can send your questions to [resilience@atlanticcouncil.org](mailto:resilience@atlanticcouncil.org).

Let me start, following up on your comments about the after-action report. As you said, there's been a lot of media coverage. What you really wrote was a frank self-assessment of FEMA's response to last year's hurricanes. One of the biggest challenges the report highlights is logistics, particularly in Puerto Rico, particularly after Hurricane Maria. I'll read one quote. It says, "FEMA's logistics effort featured notable and persistent coordination challenges." And then it lists some specifics. Can you talk a little bit more about the lessons learned on the logistics piece, and how you're operationalizing those for the new hurricane season?

MR. KANIEWSKI: Absolutely. Yeah, and certainly logistics was a huge challenge. The first kind of scene setter we need to provide is they were a particular challenge for Puerto Rico and the Virgin Islands. It's 1,000 miles away. And in the immediate aftermath, there was vast devastation of the infrastructure there, including the port and the airport. So if two of your potential lifelines are cut off or greatly damaged – or significantly damaged, that obviously creates a significant logistical challenge for us.

Now, luckily we had prepositioned personnel, equipment, and commodities in both Puerto Rico and the Virgin Islands prior to the landfall of Hurricane Maria. So at no point were commodities exhausted. I think that's an important point. There were sufficient stockpiles on the island at all times. Replenishing those supplies with personnel and equipment and commodities, that was a challenge. So I recall very vividly in the days afterwards of trying to get the airport open.

It was actually – it was the air traffic control system. And very specific parts of the air traffic control system were very badly damaged. And we were working with the Department of Defense to source those parts, to try to get that air traffic control system back up and running. And until we could, we were landing flights there – DOD was landing flights there specifically –



but they had to be spaced very far apart. And so we weren't able to get as much in as we had wanted.

So that was the initial challenge. And eventually the air traffic control system came back online, thanks, again, to the heroic efforts of the Department of Defense. And we were able to open the port and establish supply lines which, again, replenished the supplies for our commodities and our personnel and our equipment. But we then ran into a next challenge, which is normally FEMA will get commodities and personnel and equipment to a staging area. And those staging areas were actually planned ahead of time. There's 12 regional staging areas on Puerto Rico and Virgin Islands. And by and large, our equipment and commodities were getting to those staging areas.

Unfortunately, there was no plan in place on the island to get those commodities to the 78 municipalities. So each municipality – again, 78 of them – had their own plan on how they would get those commodities. Some successfully did, but many didn't. And so what we were calling our last mile delivery became a huge challenge. It bedeviled us in the – in the – in the immediate aftermath. You know, once we got the supplies to the island, then delivering them. And I'll tell you, FEMA's no Amazon, right? (Laughter.) We're not good at this.

And one of the lessons learned is – and we contemplated this over and over again for the past 10 months, how do we fix this – we decided we need to be better prepared to assume that responsibility that – again, that responsibility that's normally handled by a state or a commonwealth, the local government. I got to say, the NGO community really stepped up here and said – you know, they were like, we don't normally do this either, but we want to help. And so a combination of FEMA staff on the ground being innovative and figuring out how to deliver those supplies – the commodities to the last mile was one portion. Another portion was the nongovernmental organizations. Another portion were those – some number of those 78 municipalities who did have a functioning system.

And then the National Guard. Wow, National Guard really performed. The National Guardsmen from all over the country came to Puerto Rico to help. And they – I would say, once we – once the National Guard was there to help us deliver those commodities, you saw an immediate turn because you had the raw number of people that could do that mission that, quite frankly, wasn't anticipated. It was a lesson learned. So, again, that's not something that traditionally FEMA does. But it's something we've learned from and we realized we need to be better at doing that and we need to, most importantly, have a strong relationship with all of those partners who can help fill that gap should a state or local government be unable to execute those responsibilities.

MR. RIDGE: You know, I think a big point from what you just said, and from your response, is that disaster response is a team sport.

MR. KANIEWSKI: Absolutely.

MR. RIDGE: And you certainly said it in the strategic plan and in your comments, that we're all first responders. In recent years, we've seen incredible spontaneous acts. Texas and

Louisiana, people using boats to rescue their fellow citizens. In Puerto Rico, the health brigades, they were called, finding people who were stranded. One of our favorite examples in the resilience center is the rescue of 500,000 people from the harbor in Manhattan, trying to get out after 9/11. Individual responses and preparedness are so important. One, from where you sit, what can be done to encourage and foster spontaneous responses like this? And, two, you talked about a few of the things – sort of practical skills, financial preparedness. How can you get people to be more deliberate in thinking about being ready for disaster before it strikes?

MR. KANIEWSKI: Yeah. I too was heartened – again, I wasn't in government at the time – but I was heartened watching on TV the Cajun Navy deploying and helping people with those high-water vehicles. I think all of those images are etched in our minds about people who were unaffiliated responders, who were not told they had to do it but felt it was the right thing to do.

I'll be very blunt. In our field, oftentimes that's not encouraged. It's because if you have too many responders, especially in an uncoordinated way, coming to a disaster zone, it can make matters worse. So I'm not here to encourage people to suddenly drop everything that they're doing and respond to the next disaster, because that might not be the right answer. (Laughter.) But if you have a specific capability – high-water vehicles – and you see a specific need – people needing to be evacuated from an area that's been flooded – God, you know, I want to encourage the heck out of that.

What I would also encourage, though, is coordinate that with your local officials and state officials. And we're doing our best at FEMA also, but – to work more nationally on this, which is to engage those NGOs now to say: What specific capabilities do you have? Like, we talked about logistics. Again, nobody would have thought that we needed that capability – not the NGOs, not us. But now that we know that that gap exists, we need to work together to have a plan. Plans don't always go perfect. We can't plan for everything. But if we can plan for those known issues, from any of these previous disasters, we need to make sure we have a plan going forward.

Now, these unofficial responders, to the extent that they can self-organize and work with their local organizations. Now, there are organizations like the American Red Cross, the location where I was – just spoke at the Youth Preparedness Council. They're obviously very much an organized NGO. In fact, I just hired as my deputy the head of the Red Cross in Miami, because I felt it was so important for us to understand how NGOs operate. But those unaffiliated responders, the best thing we can do for them – because they don't maybe even know they're going to be a responder as we sit here right now – is create that culture of preparedness, make sure that they have these practical skills to understand how they can help as an individual, as informal groups, with their neighbors and their community, following a disaster.

MR. RIDGE: That's great. The point that you're making is about being intentional about preparedness, right? Another aspect that we talk about preparedness here in our center is the concept of resilient by design, which we really mean building infrastructure – whether it's physical, whether it's digital – that can withstand major shocks. There's a line in the strategic plan that reads: Disaster resilience starts with building codes. And we've even talked here at the

Council about whether there needs to be a resilience standard for buildings, both physical, again, and digital. You talked a little bit about quadrupling and, you know, trying to quadruple investment, increasing education. How do we make the notion of resilient infrastructure a must-have rather than a nice-to-have?

MR. KANIEWSKI: Mmm hmm. I think it's, one, sharing the lessons from these disasters. Two, the data. Like I shared, a dollar invested here could save your \$6 or more later. Helping make that case not just to ourselves in the emergency management community. Too often the emergency management community, which is kind of insular, we talk to ourselves. We are making, to use your word, a very intentional effort to reach out to other organizations, like the realtors. Our administrator keynoted the recent conference here of the Realtors Association. Next week, we'll be speaking at the State Budget Officers' conference. A couple of weeks ago, I spoke at the National Lieutenant Governors Association annual meeting. Nobody ever before from FEMA has ever spoken to the National Lieutenant Governors Association.

But all of this means that we're in this together, whether it be preparedness or mitigation, these investments that we need to make. It's a team sport. It's a partnership. But we at FEMA, and the emergency management community writ large, need to do a better job of telling that story about why there is a value in investing in resilience. Otherwise, states will continue potentially to not have a rainy-day fund, so to speak, right? So at the federal level, we have a rainy-day fund for disasters. It's called the Disaster Relief Fund. That fund will get depleted if there are more disasters than anticipated. It also historically over time has gotten depleted faster because there are more disasters being declared.

All of this is to say, is that the states need to take that responsibility as well. The states need to have a fund set aside for disaster response. The states need to have a mitigation investment strategy. And it's not for lack of dollars, I should say. You know, obviously states are based on tax revenue and other sources of revenue. And they may be operating on a very thin margin. But in the aftermath of these disasters, we cannot simply ignore that they will happen again. In fact, FEMA and your taxpayer dollars number of the billions of dollars just for mitigation. What a wonderful opportunity right now to invest in mitigation.

And I will make one more comment, which is those billions of dollars in mitigation that FEMA – your taxpayer dollars – will be provided to those areas hardest hit by disasters this year, they will receive the preponderance of that mitigation money. Right now FEMA's statutory program is that mitigation dollars follow disasters. Now, think about that for a second. It's a post-disaster mitigation program. So you can mitigate things that have failed as a result of a disaster. Wouldn't it be better to have a pre-disaster mitigation program? Wouldn't it be better to have a competitive program available to all of the states where they rank their risks and they qualify for those dollars before a disaster ever hits?

Well, that's exactly a proposal that's before Congress right now. Mitigation obviously is a huge part of my mission, of FEMA's mission. And we are big believers in pushing mitigation forward, and make it an investment for the future, as opposed to responding to the last disaster.

MR. RIDGE: Absolutely. I'll do one last question, then we'll open it to the audience. You've talked about individuals. You talked about state and locals. We hosted – some folks were here, I think – Jose Andres, the chef, for a public event last November, where he talked about his efforts after Maria in Puerto Rico. And he was, frankly, complimentary of the individuals at FEMA. He was proud of the work that he did with FEMA. But he was, as you know, as many people know, he was frustrated by the bureaucracy. I'll read one quote. He said, quote, "The experience working with the people of the Federal government was great. The question I'm going to be asking everybody is, what can we do to break away from red tape?" I think that really captures an important tension in crisis response. I think it's something in the strategic plan – it's something that you guys are working on. Can you talk a little bit more about that?

MR. KANIEWSKI: Sure. We've shone a spotlight on red tape with goal number three, right, the one where you all cheered and said reducing complexity of FEMA programs?

MR. RIDGE: That's right.

MR. KANIEWSKI: So we obviously agree. Like, I don't think we should have 300 IT systems at FEMA. We do. (Laughter.) I also don't think that our disaster survivors are well-served by having multiple inspections of their property by different parts of FEMA, or different federal agencies. So I think there are a number of ways we can streamline this. I think there are a number of ways we can reduce red tape. I'll say that I am proud that FEMA was able to get the amount of funding out in the time period we did.

Over the course of three months, those three months of the hurricanes – where we were in the response phase of the hurricanes – we put out more contracts and more dollars in those three months than the entire last year combined. And that includes to Jose Andres. You know, we funded his efforts because we said: He's on the ground. He wants to do this. We're going to pay for it. There are other NGOs that are out there that not only did they do it, and they did it in a coordinated manner with us, but they paid for it themselves with their donor money.

So there are roles for everyone here, whether you're an individual, whether you're an NGO with donor dollars wanting to make sure you can get the greatest return on investment for your donors and working with us in tandem – because there's many things the federal government can't pay for. There's many things that I am statutorily prohibited from paying for. But the American Red Cross can pay for it, and I'm proud of our partnership with them because they are filling some of those gaps. There are people in need that I would like to help if only the law would allow me. And seeing how I'm probably not going to get the law changed during the middle of a disaster, I have NGOs there that are ready, willing, and able. And thanks to you and the Americans who have contributed to those organizations.

Which, by the way – I'm making a plug here – the National Voluntary Organizations Active in Disasters – that's a mouthful, right? Ready for the acronym? NVOAD. NVOAD plays a critical role not just to FEMA as a partner, but to disaster survivors. They coordinate – all these NGOs coordinate amongst themselves to see who can provide what, where, and when, and fill those gaps, and meet those immediate needs. And we are absolutely lashed up with that

national organization. And when we say we have this challenge and we need assistance, FEMA can't do this – like commodities distribution – NVOAD stepped up. They said we will find NGOs to help.

MR. RIDGE: That's great. Thank you for doing this. Now let's go to the Q&A portion from the audience. So if you raise your hands, I'll call on folks. Wait for someone to bring you a microphone, and then if you just say your name and affiliation. And we'll go to – well, let's see, who's – yeah. All right, Ms. Arsht.

Q: Adrienne Arsht.

Question on insurance. (Comes on mic.) Thank you. Question on insurance individually. If you choose to have insurance, it's so often they only pay for replacement, not mitigation. And is there thoughts or ways to if not shall we say encourage insurance companies to be willing to pay for the upgrade in a building code, for example, or a new roof that's applied better?

MR. KANIEWSKI: Yeah, excellent question. This bridges a gap between mitigation and insurance, because they really – all of these concepts are interrelated, right? Individual preparedness isn't different than mitigation or insurance, because I think you should elevate your home if you're funded to do so because that will mitigate your losses later, make you – safeguard you and your family. Same with insurance.

We need to make this case. We need to make the case to the insurance industry the same way we're making the case to individuals and communities.

Now, I was lucky enough to spend the year and a half prior to this job in the insurance industry. I have spent most of my career in academia and NGOs, at think tanks, talking about these issues I'm passionate about. And I one day – it's really this simple – I said, you know what, I bet you the insurance industry has this figured out, because there's no way these – all these insurers would still be in business if they didn't have this figured out, like on risk assessment and risk modeling and mitigation and reducing their losses. And sure enough, they did. They have a very good understanding about what their annual losses will be in any given year, and they have a very good understanding about what the return on investment of any particular mitigation strategy would be. They have the technology and the metrics and the ability to do so.

My insurance company, which is the National Flood Insurance Program, lacks any sort of flexibility like that. We are a statutorily defined organization that is about \$20 billion in debt. If we were a private company, we would not be in business. We would have gone out of business a long time ago.

What we need for NFIP is, frankly, what the insurance industry writ large has, which is the flexibility to do exactly the things that you said, ma'am, which is having risk-adjusted rates – enabling you to have lower rates because you invested in mitigation; allowing one program, mitigation at FEMA, to provide investment into the flood insurance program. Because if my

mitigation program can elevate your home and that's going to reduce the – and that might cost some money out of mitigation, but it's going to reduce the losses to my other program in flood insurance, that's a win-win for me. I don't have the discretion to do that right now.

So we desperately need – I'm going to use this as a plug. The National Flood Insurance Program is about to expire at the end of July. We need that program to be renewed. All of us do. Anybody with a flood insurance policy or that owns a home needs to have that renewed.

But what we need is more. We need our National Flood Insurance Program to be reformed. We need to have the flexibility to do some of the things we just talked about. Otherwise, one, the program is going to go deeper and deeper in debt, and that's bad for all of us at taxpayers. It doesn't allow us to have that flexibility to help those that are vulnerable to disasters. And I think we have a lot of opportunity to be innovative and to work with the insurance industry. My goal, honestly, is to hand the National Flood Insurance Program off to the private markets because I think that this wouldn't still be a problem if the private sector had their hands on this. If the private insurance markets had the National Flood Insurance Program, they would use some of those same risk-assessment and risk-modeling tools that I am familiar with and apply it to this program, that, frankly, is mired in bureaucratic challenges.

MR. RIDGE: That's great. All right, we'll go to this side in the front there. Yeah.

Q: Hi. I'm Miranda Green with The Hill.

“Resilient” seems to be a new keyword that is being thrown around a lot lately, especially utilized by this new administration. I was wondering, where does the consideration of climate change come into play there, especially working to strengthen FEMA's culture of preparedness?

MR. KANIEWSKI: Yeah, you're absolutely right, this is part of this administration's goal of resilience. It's not just FEMA. So the president's National Security Strategy calls out resilience as a top priority.

The White House has been reorganized around a resilience directorate for quite some time. In fact, my old office at the White House in the Bush administration, which was called “preparedness and response,” is now called “resilience.” So, yeah, there had – you can see this kind of shift in how the federal government views resilience. And it sees – more than just the shift in tone, there is a value in making these investments up front. So no longer should we focus on just response and recovery.

With regard to climate, I think we all can acknowledge that the climate has shifted. It changes over time. And we at FEMA are an all-hazards agency. We have to be prepared to respond to any type of event. It could be a natural disaster, like we just talked about. It could be a manmade event. It could be a major industrial accident or a terrorist attack. We at FEMA have to be prepared for that, to respond. And we also have to make sure that we're making – the topic of this conversation – our communities more resilient, resilient to all types of disasters, again, manmade and natural.

And from my perspective, I'm agnostic as to what the threat is. I just care that there is a risk. If you tell me there is a risk, and this risk is greater than this risk, then we should make the investment in that risk. And so what we're looking for, whether it be the Pre-Disaster Mitigation Program, where we will have – hopefully have a grant program – fingers crossed – that we can operate in the same way that we operate our preparedness grant program. For those of you that have ever worked in state and local governments, you know that we give out billions of dollars a year in preparedness grants to increase the capacity of state and local governments. That could be firetrucks or other types of equipment. It could be training and exercises. Those are all hazards investments. What's missing from that is that mitigation investment, us to confront known risks now so that we can reduce the loss of lives and taxpayer dollars should something happen.

MR. RIDGE: That's great. All right, we'll do one last – one last question. Right here.

Q: Hi. (Comes on mic.) Hello. My name is Jamie Dorner (sp). I work with an organization that works with the Americas, but I also actually lost my house to Sandy six or some-odd years ago.

My question is regarding the – kind of the lessons learned from Puerto Rico. And so there's a lot of reports that are coming out saying, you know, that some of the supplies that were made available that were stationed on the island were actually moved to the U.S. Virgin Islands, and that Puerto Rico remained not with enough, as much as they needed. And so I was just wondering, in terms of lessons learned from that in anticipation of another island crisis, what do you think, you know, mitigation and resilience – in terms of those, what we do differently, and also in terms of logistics what would you do differently.

MR. KANIEWSKI: Sure. Let me start with logistics. So, if we recall, Hurricane Irma actually glanced the islands and hit – actually hit the Virgin Islands harder than Puerto Rico, and so that's why the supplies were shifted. They were – they were shifted to meet the greatest need at that time. Of course, once Maria developed and the track became clear, those supplies were again shifted back to Puerto Rico. But let me be clear: Regardless of whether they were on Puerto Rico or the Virgin Islands, the commodities were on the island and were available. The challenge later on was that last-mile delivery. That would have been a challenge no matter where the supplies were and one of the – whatever the number of 12 regional staging areas were. That, I have acknowledged, is – was a huge challenge.

Going forward, your point is excellent. What is the lesson here? Well, the lesson is Puerto Rico is – while that event is unique – again, we'll never probably see something exactly like that again – it's Puerto Rico, it's weakened infrastructure, it's – there were, you know, lack of preparedness on multiple levels – I am confident that it will not look exactly like that again. But the situation of having a disaster, a catastrophic disaster, on an island – or I'll even say it more generally, in a remote area – is not unique. We need to be prepared for a disaster that occurs on Hawaii or even Alaska. It's not an island, but it's remote. Or other commonwealths or territories in the United States. So a big lesson learned there is we need to make sure that we have – we are fully prepared, and that includes logistics networks, for any of these potential disaster locations in remote areas.

So you're spot on, and that is absolutely a lesson for us here – and not one, frankly, that FEMA had fully contemplated heretofore.

MR. RIDGE: All right. That's all the time we have. Thank you for being so candid. I think we all learned a lot. I think we all have a lot of acronyms to search on Google now. (Laughter.) Can everyone please join me in a round of applause? (Applause.)

MR. KANIEWSKI: Thank you. (Applause.)

MR. RIDGE: All right. And thanks, everyone, for coming.

(END)